



**OPERATIONAL AGREEMENT**  
**BETWEEN**  
**CARROLLTON UTILITIES**  
**AND**  
**WEST CARROLL WATER DISTRICT**  
**JULY 1, 2002**

This Agreement to provide the operation and maintenance of facilities, customer billing services, accounting functions and related services of a water system is entered into this July 2002 by and between:

CARROLLTON UTILITIES, by and through the Carrollton Utilities Commission of the City of Carrollton, Kentucky, hereinafter referred to as the "Operator"; and

DISTRICT, Carrollton, Kentucky, hereinafter referred to as the "Owner" or "District".

WHEREAS, the Owner is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes for the purpose of owning a water supply distribution system serving users within the areas described in plans now on file at the Kentucky Public Service Commission and to accomplish this purpose the Owner requests a third party to provide operation and maintenance of its facilities, customer billing services, accounting functions and related services; and

WHEREAS, the Operator owns and operates an adjoining municipal water supply distribution system established under the provisions of the Kentucky Revised Statutes and is capable of providing the operation and maintenance of facilities, customer billing services, accounting functions and related services to the Owner; and

WHEREAS, the parties hereto desire to enter into a contract to provide these services.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth;

A. THE OPERATOR AGREES:

To furnish to the Owner, during the term of this contract or any renewal or extension thereof, the general operation and maintenance, customer billing services, accounting functions and related services as required to operate the Owner's facilities known as the West Carroll Water District. The provisions as described herein shall establish the general parameters of the agreement and exceptions thereof. The operations conducted shall comply with the requirements as established by the Kentucky Public Service Commission, Kentucky Division of Water or other authorized regulatory agency for the operations of a water supply distribution system of a water district. These regulatory requirements shall apply only to the operations of the District and in no way shall effect the operations by the Operator for its retail customers of the City of Carrollton. The Operator further agrees to operate the water distribution system within the policies established by the Board of the District.

B. THE OWNER AGREES:

To compensate the Operator for the operation and maintenance of facilities, customer billing services, accounting functions and related services as established in this Agreement. The Owner further agrees

to provide the necessary materials and supplies, third party contracts and related requirements as further established in this agreement. The District shall remain the owner of the water supply distribution system and maintain policy responsibilities for its operation.

#### TERMS AND CONDITIONS

1. **EFFECTIVE DATE.** This Operational Agreement shall be effective July 1, 2002.
2. **TERM.** The term for the Operational Agreement shall be for a period of one (1) year from the effective date of the Agreement. If neither party amends this Agreement as set forth in Section 3 or terminates the Agreement as set forth in Section 4, the Agreement will rollover for an additional term of one (1) year and the responsibilities of each party shall be as established in the Agreement. The Agreement may be extended for an additional period as mutually agreed to by the parties.
3. **COMPENSATION.** The District shall compensate Carrollton Utilities as established in the addendum to the Agreement as set forth in Exhibit "A". An amendment to the compensation requirement shall require the amendment of Exhibit "A".
4. **AMENDMENT.** This Agreement may be amended upon the mutual agreement of both parties. A request to amend the Agreement shall be provided in writing by the party requesting the amendment. In the event either party request an amendment to the Agreement prior to an extension or renewal of the Agreement, the requested amendment must be made no later than thirty (30) days prior to the date the Agreement will terminate.
5. **TERMINATION.** Either party upon sixty (60) days' notice may terminate this Agreement. This notice shall be made in writing by the party requesting the termination. The parties agree to be obligated to the terms and conditions of this Agreement for a minimum of sixty (60) days following the termination of the Agreement, if requested by the Owner, to allow for the negotiation with another party to operate the system.
6. **SYSTEM OPERATION AND MAINTENANCE, CUSTOMER BILLING SERVICES AND ACCOUNTING RESPONSIBILITIES.**

A. **RESPONSIBILITIES OF THE OPERATOR.** The Operator shall be responsible for the general operation of the District water supply distribution facilities to include the requirements for personnel, equipment and tools to conduct these operational functions. The financial recovery of these expenses shall be as set forth in Section 3. The compensation by the Owner shall cover personnel salaries for regular time or overtime, all employee benefits, equipment and tool costs whether owned or rented by the Operator. Operational responsibilities considered general operations and the responsibility of the Operator are identified below. This list is not inclusive of all activities, but establishes a guideline to establish the responsibilities of the Operator.

- (1) **CUSTOMER SERVICE LINE/METER INSTALLATION.** The Operator shall install the customer service line from the main to the customer's property in accordance to the policy established by the District Board (Board). The customer shall be invoiced for the installation of the customer service line/meter at the rate established by the Board. In the event a customer requests water service within the service territory, but water service is not available, the Operator will inform the Board of the action (system Extension) required to provide service.
- (2) **WATER MAIN REPAIR.** The Operator shall repair normal and routine water main breaks in accordance to the operational guideline as established by the Board. The term normal and routine does not include the repair of a major portion of line (distance to exceed 100 feet of repair and/or replacement), repair or replacement of river crossing pipe, distribution system extensions and other similar facility repairs/improvements.

- (3) METER READING. The Operator shall read meters on a monthly basis.
- (4) MAINTENANCE OF WATER STORAGE TANKS. The Operator shall conduct the general and routine maintenance to operate all water storage tanks. The Operator will review the operation of water storage tanks and make recommendations to improve operational efficiency to the Board. The District is responsible for the purchase of material to make storage tanks operational. Tank inspections as may be required by third parties and tank painting or other structural improvements are the responsibility of the Owner.
- (5) PUMP STATIONS AND PRESSURE REDUCING STATIONS. The Operator shall maintain pump stations and pressure reducing stations in a functional manner. The Operator shall not be responsible for the purchase of materials required to maintain these facilities and the cost to repair or replace pumps and motors.
- (6) SERVICE CALLS/COMPLAINTS. The Operator shall be responsible for the timely response to customer service requests such as meter connects and disconnects, meter rereads or other service related requests or complaints.
- (7) WATER SAMPLE COLLECTION. The Operator shall be responsible for the collection of water sampling requirements as established by the Kentucky Division of Water or other regulating agency. The Operator will conduct the sample analysis for any parameter that its personnel are qualified to analyze. The Operator will insure that samples to be analyzed by a third party laboratory are collected in accordance to regulatory requirements. The Operator will forward samples for analysis to third party laboratories as established by the Owner.
- (8) DISTRIBUTION INTEGRITY. In addition to the specific requirements established above the Operator will oversee the general operation and integrity of the water distribution system. This shall include activities such as meter change-out requirements, leak surveys, valve maintenance, etc.
- (9) CUSTOMER BILLING SERVICES. The Operator shall maintain the records required to bill customers of the District for water service received each month in accordance to the rates and charges (including taxes and/or surcharges) as directed by the applicable tariff and policy provisions approved by the Board and/or the Kentucky Public Service Commission. The parties understand that the party currently providing these services to the District is responsible for providing all available records to facilitate the Operator.
- (10) ACCOUNTING FUNCTIONS. The Operator shall maintain the records required to account for the fiscal activities of the District in accordance to generally accepted accounting principals as directed by the applicable tariff and policy provisions approved by the Board and/or the Kentucky Public Service Commission. The parties understand that the party currently providing these services to the District is responsible for providing all available records to facilitate the Operator.
- (11) ADMINSTRATIVE RESPONSIBILITES AND REPORTING. The Operator shall administer the day-to-day operational activities, customer billing services, accounting functions and related services as indicated within this Agreement on behalf of the District in accordance to Board policy and regulatory agency requirements. The operations conducted shall comply with the requirements as established by the Kentucky Public Service Commission, Kentucky Division of Water or other authorized regulatory agency for the operations of a water supply distribution system for a water district. The Operator shall report its activities to the Board at the monthly meeting of the District and upon request.

B. RESPONSIBILITIES OF THE OWNER. The Owner shall be responsible for materials, third party services and other related activities for the operation of the district. Operational responsibilities considered general operations and the responsibility of the Owner are identified below. This list is not inclusive of all activities, but establishes a guideline to establish the responsibilities of the Owner.

- (1) MATERIALS AND SUPPLIES. The Owner shall be responsible for the purchase of all materials and supplies required to operate the District. This shall include materials and supplies for the installation and/or repair of mains, services, meter sets, pressure reducing/regulating equipment, pump stations appurtenances including pumps and motors or other materials and supplies required to operate the water supply distribution system.
- (2) UTILITY SERVICES. The Owner shall be responsible for the payment of services provided by water suppliers, electric companies and telephone companies as it specifically relates to telemetry services only.
- (3) THIRD PARTY SERVICES. The Owner shall be responsible for the procurement and payment for services to include engineering, operations consultants, legal consultants, auditors, financial and banking services, water testing laboratory or other related third parties required to operate the District.
- (4) CAPITAL IMPROVEMENTS, EXTENSIONS AND REPLACEMENT OF FACILITIES. The Owner shall be responsible for the authorization, engineering, design, contracting and other related requirements for capital improvements, extensions and replacement of facilities.
- (5) POLICY. The Owner is responsible for the establishment of policy for the operation of the District in accordance to the regulations of the Kentucky Public Service Commission, Kentucky Division of Water and other appropriate regulatory agencies.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, acting under their respective governing bodies, have caused this contract to be duly executed in duplicate counterparts, each of which shall constitute an original.

WEST CARROLL WATER DISTRICT  
OPERATOR

By: Vickie Edwards  
VICKIE EDWARDS, CHAIR

Date: May 16, 2002

ATTEST: Sandra Ray

CARROLLTON UTILITIES  
OWNER

By: Ronald A. McMillan  
RONALD McMillan, CHAIR

Date: 5-31-02

ATTEST: Sandra Ray

<b>West Carroll Water Dist Expenses</b>		<sup>WC</sup> <b>2001-02 Bud.</b>	<b>Amended</b>	<b>02-03 Bud</b>
701.wc	West Carroll/Payroll Expense			
702.wc	Misc Expenses/West Carroll			
799	Engineering Salary	\$0	\$0	\$0
803	Employees Payroll Tax/FICA			
701.wc	New Services	\$5,000	\$6,000	\$6,500
703.wc	New Meters	\$0	\$84	\$500
705.wc	Meter Reading	\$5,500	\$10,000	\$10,000
706.wc	Customer Service	\$25,000	\$20,000	\$20,000
712.wc	Maintenance Mains	\$10,000	\$16,000	\$17,000
715.wc	Equipment/Vehicle Expense	\$8,000	\$6,000	\$9,000
719.wc	General Maintenance	\$2,500	\$2,500	\$2,500
720.wc	Operating Supplies	\$1,000	\$2,500	\$1,000
801.wc	Accounting/Office Labor	\$14,967	\$9,000	\$12,667
803	Employees Payroll Tax/FICA	\$5,172	\$5,172	\$5,000
806.I	Employee Benefits - Insurance	\$17,842	\$17,842	\$18,000
806.H	Employee Benefits - Holiday Pay	\$2,274	\$2,274	\$2,264
806.S	Employee Benefits - Sick	\$0	\$1,000	\$1,000
806.V	Employee Benefits - Vacation	\$2,751	\$2,751	\$2,600
807	Employee Benefits - Retirement	\$4,286	\$4,286	\$4,369
822.wc	Education/Training	\$0	\$100	\$500
	<b>Total WCWD Expense</b>	<b>\$104,292</b>	<b>\$105,509</b>	<b>\$112,900</b>

**EXHIBIT "A"**  
**OPERATIONAL AGREEMENT**  
**BETWEEN**  
**CARROLLTON UTILITIES**  
**AND**  
**WEST CARROLL WATER DISTRICT**  
**JULY 1, 2002**

Pursuant to General Terms and Conditions, Section 3, the Compensation by West Carroll Water District to Carrollton Utilities is set forth below.

Annual Compensation	\$ 115,500.00
Monthly Compensation	\$ 9,625.00

It is the understanding that Exhibit "A" is an attachment to the Contract and may be amended upon mutual agreement of the Parties and does not require further amendment to the Contract.

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this the \_\_\_\_ day of July, 2005 by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated \_\_\_\_\_.

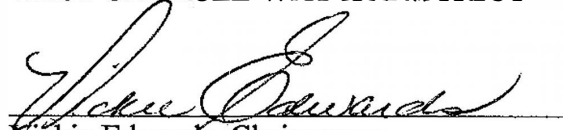
WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

- 1 Exhibit "A"          Annual Compensation - \$142,973  
                                 Monthly Compensation \$11,914.42

Effective July 1, 2005 until amended by the parties.

WEST CARROLL WATER DISTRICT

  
\_\_\_\_\_  
Vickie Edwards, Chairperson

CARROLLTON UTILITIES

  
\_\_\_\_\_  
Ron McMillan, Chairman

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this the 16 day of July 2009, by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated April 1, 1999.

WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

1. Exhibit "A"            Annual Compensation – \$174,811.00  
                                  Monthly Compensation – \$ 14,567.58

Effective July 1, 2009 until amended by the parties.

WEST CARROLL WATER DISTRICT



Vickie Edwards, Chairperson

CARROLLTON UTILITIES



Ron McMillan, Chairman



SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this the 20th day of May 2010, by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated April 1, 1999.

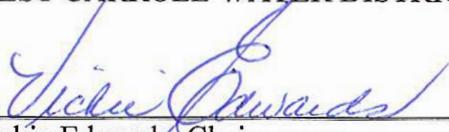
WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

1. Exhibit "A"            Annual Compensation – \$185,300.00  
                                  Monthly Compensation – \$ 15,441.67

Effective July 1, 2010 until amended by the parties.

WEST CARROLL WATER DISTRICT

  
\_\_\_\_\_  
Vickie Edwards, Chairperson

CARROLLTON UTILITIES

  
\_\_\_\_\_  
Ron McMillan, Chairman

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this the 18th day of April 2013, by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated April 1, 1999.

WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

1. Exhibit "A"            Annual Compensation – \$250,503.00  
                                  Monthly Compensation – \$20,875.25

2. West Carroll Water District will have the option to terminate the agreement early if the following water loss targets are not achieved:


- October 1, 2013 – 35%
- January 1, 2014 – 27%
- April 1, 2014 – 20%
- July 1, 2014 – 15%

Effective July 1, 2013 until amended by the parties

WEST CARROLL WATER DISTRICT

  
\_\_\_\_\_  
Vickie Edwards, Chairperson

CARROLLTON UTILITIES

  
\_\_\_\_\_  
Ron McMillan, Chairman

Carrollton Utilities Contract Proposal for  
West Carroll Water District  
Maintenance Agreement  
July 2013-June 2014

Current Contract Amount	\$200,402.00
Equipment	\$20,000.00
Insurance	\$34,451.00
Retirement	\$18,639.00
Training	\$1,000.00
Supplies	\$100.00
	\$200,402.00

25% INCREASE	\$250,503.00
Payroll, etc.	\$152,305.00
Vehicle(s) Expense	\$23,080.00
Equipment	\$12,000.00
Insurance	\$41,590.00
Retirement	\$20,428.00
Training	\$1,000.00
Supplies	\$100.00
Proposed Contract Amount	\$250,503.00

AMENDED SUPPLEMENTAL AGREEMENT

This amended supplemental agreement entered into this the 15th day of December 2016, by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated April 1, 1999.

WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

1. Exhibit "A"            Annual Compensation – \$263,178.45  
                                 Monthly Compensation – \$21,931.54

Effective July 1, 2016 until amended by the parties

2. Exhibit "B" –            Amended Compensation - \$248,178.45  
                                 Monthly Compensation - \$19,538.00  
                                 For remainder of agreement term

Amendment Effective January 1, 2017 until amended by the parties

WEST CARROLL WATER DISTRICT

  
\_\_\_\_\_  
Vickie Edwards, Chairperson

CARROLLTON UTILITIES

  
\_\_\_\_\_  
Greg Goff, Chairman

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this the 21st day of September 2017, by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated April 1, 1999.

WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

1. Exhibit "A"            Annual Compensation – \$248,178.45  
                                  Monthly Compensation – \$20,681.54

Effective July 1, 2017 until amended by the parties

WEST CARROLL WATER DISTRICT

\_\_\_\_\_  
Vickie Edwards, Chairperson

CARROLLTON UTILITIES

\_\_\_\_\_  
Greg Goff, Chairman