

MANAGEMENT AGREEMENT AMENDMENT NO. 2

This MANAGEMENT AGREEMENT, effective this 1st day of April, 2021, is made and entered into by and between the MERCER COUNTY SANITATION DISTRICT, a governmental unit, P.O. Box 303, Burgin, Kentucky, 40310 (hereafter “MCSD”) and LAKE VILLAGE WATER ASSOCIATION, INC., a Kentucky non-profit, non-stock corporation, P.O. Box 303, Burgin, Kentucky, 40310 (hereafter “LVWA”);

WHEREAS the parties hereto have heretofore reached an agreement for LVWA to provide certain services and support for MCSD, such agreement originally having been memorialized in writing, with an effective date of February 1, 2009, and a termination date of February 28, 2014;

WHEREAS the parties hereto wish to affirm their satisfaction with the previous agreement and to continue their contractual relationship by extending that agreement and reducing such to writing;

NOW THEREFORE, for and in consideration of the mutual promises, covenants, and conditions set out herein, it is agreed by and between the parties as follows:

1. That LVWA will provide management services to, for, and on behalf of MCSD during the term of this Management Agreement;

2. That said services shall consist of those set forth in the “Proposal for Contractual Services for the Mercer County Sanitation District” dated November 26, 2007, a copy of which is attached hereto, incorporated herein, and identified as “Exhibit A”, and shall, effective immediately, include routine maintenance processes, including, but not limited to, the operation of the sewer jetter, vacuum trailer, CCTV system,

installation of sewer taps, pump station maintenance, residential grinder pump maintenance and assistance with routine maintenance of the wastewater treatment plants owned by MCSD.

3. That LVWA shall provide said services for a period of five (5) years, beginning April 1, 2021, and ending on March 31, 2026;

4. That either party may terminate this Management Agreement, for any reason or for no reason, upon sixty (60) days written notice to the other party.

5. That, if neither party terminates this Management Agreement on or prior to the expiration of the five (5) year service period referenced in paragraph 3 above, this Management Agreement shall automatically renew under the terms outlined herein for additional periods of five (5) years, until one or both parties choose to elect to terminate or renegotiate the Management Agreement.

6. That MCSD shall compensate LVWA for the provision of the aforementioned services at the rate of \$40,000.00 per year, to be increased annually at the rate of 3.5% for each year thereafter, same to be paid in equal monthly installments. Each of said monthly payments shall be made on or before the first day of each month, with the first such installment being due July 1, 2021.

7. That MCSD shall compensate LVWA for costs and expenses incurred and not contemplated by the terms of Exhibit A upon presentation of invoices for same and approval by MCSD.

8. That this Management Agreement and each and every provision herein shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, heirs, and assigns.

9. That this Management Agreement contains the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, this Management Agreement has been executed by the parties hereto to duplicate originals hereof.

MERCER COUNTY SEWER DISTRICT

By: James W. Dunn
AUTHORIZED OFFICER

LAKE VILLAGE WATER ASSOCIATION, INC.

By: James H. Boyd
AUTHORIZED OFFICER

MANAGEMENT AGREEMENT

This MANAGEMENT AGREEMENT, effective this 1st day of March, 2014, is made and entered into by and between the MERCER COUNTY SANITATION DISTRICT, a governmental unit, P.O. Box 303, Burgin, Kentucky, 40310 (hereafter “MCSD”) and LAKE VILLAGE WATER ASSOCIATION, INC., a Kentucky non-profit, non-stock corporation, P.O. Box 303, Burgin, Kentucky, 40310 (hereafter “LVWA”);

WHEREAS the parties hereto have heretofore reached an agreement for LVWA to provide certain services and support for MCSD, such agreement originally having been memorialized in writing, with an effective date of February 1, 2009, and a termination date of February 28, 2014;

WHEREAS the parties hereto wish to affirm their satisfaction with the previous agreement and to continue their contractual relationship by extending that agreement and reducing such to writing;

NOW THEREFORE, for and in consideration of the mutual promises, covenants, and conditions set out herein, it is agreed by and between the parties as follows:

1. That LVWA will provide management services to, for, and on behalf of MCSD during the term of this Management Agreement;
2. That said services shall consist of those set forth in the “Proposal for Contractual Services for the Mercer County Sanitation District” dated November 26, 2007, a copy of which is attached hereto, incorporated herein, and identified as “Exhibit A”;

3. That LVWA shall provide said services for a period of five (5) years, beginning March 1, 2014, and ending on February 28, 2019;

4. That either party may terminate this Management Agreement, for any reason or for no reason, upon sixty (60) days written notice to the other party.

5. That, if neither party terminates this Management Agreement on or prior to the expiration of the five (5) year service period referenced in paragraph 3 above, this Management Agreement shall automatically renew under the terms outlined herein for additional periods of five (5) years, until one or both parties choose to elect to terminate or renegotiate the Management Agreement.

6. That MCSD shall compensate LVWA for the provision of the aforementioned services at the rate of \$25,000.00 per year, same to be paid in twelve (12) equal monthly installments of \$2,083.33. Each of said monthly payments shall be made on or before the first day of each month, with the first such installment being due April 1, 2014.


7. That MCSD shall compensate LVWA for costs and expenses incurred and not contemplated by the terms of Exhibit A upon presentation of invoices for same and approval by MCSD.

8. That this Management Agreement and each and every provision herein shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, heirs, and assigns.

9. That this Management Agreement contains the entire agreement between the parties with respect to the subject matter hereof.


IN WITNESS WHEREOF, this Management Agreement has been executed by
the parties hereto to duplicate originals hereof.

MERCER COUNTY SEWER DISTRICT

By: 

AUTHORIZED OFFICER

LAKE VILLAGE WATER ASSOCIATION, INC.

By: 

AUTHORIZED OFFICER

Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P.O. Box 303
Burgin, Kentucky 40310

November 26, 2007

Proposal for Contractual Services for the Mercer County Sanitation District

Management:

The LVWA General Manager will provide managerial services for the MCSD in all aspects of daily operations. The General Manager will coordinate and oversee billing and bookkeeping practices. Furthermore, the managerial services will include establishing a budget and maintaining the budget throughout the fiscal year. The General Manager, along with the LVWA Board of Directors will approve and sign a monthly deposit from the Association to the Sanitation District for sewer revenue collected within the previous month. The General Manager will also coordinate daily, the needs of the District and the customers in the service area. All compliance with the KDOW will be the responsibility of the General Manager as well. All communication with District Engineers will be the responsibility of the General Manager. All bills and invoices will be collected through the month and approved and paid by the MCSD Commissioners. A detailed list of duties is listed below:

1. Coordinate day to day operations with office staff.
2. Coordinate maintenance operations with contractor when needed.
3. Contact person for KDOW, EPA, RD and KRWA.
4. Consult with attorney on matters requiring legal opinion.
5. Consult with engineers on operational procedures.
6. File monthly operating reports.
7. Assist office personnel upon request.
8. Respond to customer complaints and questions.
9. Arrange customer payment plans.
10. Attend Board Meetings (LVWA & MCSD) and provide Board with pertinent information.
11. Monitor system for compliance with DOW and EPA regulations.
12. Monitor the financial condition of District.
13. Monitor system facilities condition and adequacy.
14. Contact person for BUD.
15. Attend special meetings, such as BGADD and KRWA.
16. Obtain DOT Encroachment Permits as needed.
17. Responsible for the overall safe, legal and efficient organization and operation of the District's business.

Secretarial:

LVWA will also provide secretarial services for the MCSD as well. These services will include most aspects of customer service with the exception of those performed by the General Manager. In addition to customer service, all work associated with billing will be performed by the Office Manager, while bookkeeping and work orders will be shared by the General Manager and Office Manager. The work performed will be tracked in computer based accounting software, comparable to "Quick Books". This software will track accounts receivable, accounts payable and the annual budget for the District.

1. Receive and post payments.
2. Make daily and monthly deposits
3. Answer phone.
4. Send and receive fax and mail.
5. Prepare, log in and log out work orders.
6. Maintain work order book.
7. Filing and copying.
8. Typing and word processing.
9. Assist General Manager with accounting.
10. Assist General Manager with customer issues and complaints.
11. Keep appointments for General Manager and District.
12. MCSD Bookkeeping.
13. Reconcile bank balances.
14. Assist and provide information to auditor.
15. Accounts Receivable.
16. Accounts Payable.
17. Computer Billing.
18. Help coordinate day to day operations with General Manager.
19. Generate accounting reports for monthly board meeting.
20. Assist General Manager with KDOW, RD, KRWA filings.
21. Negotiate and monitor delinquent accounts.
22. Other duties as assigned by General Manager.

Customer Billing, Bookkeeping, Budgeting, etc:

Finances may be the most important contract service that LVWA has to offer to the MCSD. This service would include billing the water customers within the Lake Village service area who now have the privilege of county sewer service. Initially, this would include residents in the Bright Leaf area, just south of Harrodsburg, in Mercer County. The number of connections that would be impacted by the new service is approximately 157 residents. This number includes a golf resort, (2) hotels, a restaurant, gas station, 3 businesses, a mobile home park, 55 condominium units, and several homes within Bright Leaf Estates Subdivision. The project eliminates 4 package plants which results in the new sewer service being offered by the District. Lake Village would play a critical role in the process. The billing would be conducted through the existing billing package that LVWA utilizes, "Enhance Small Business". The program has the capability to enter a sewer rate code for each 1000 gallons of water used for the selected accounts, being all who are in the Bright Leaf area. Once this rate code has been entered into the system the impacted accounts will automatically combine the sewer charges with the water charges and mailed to each customer, which would then follow normal office procedures at LVWA for collecting accounts receivable. The most efficient procedure for LVWA and for the District's bookkeeping would be to track sewer revenue through the month and when the monthly reports are totaled, the income for the MCSD would then be paid out in one check from LVWA to the MCSD.

Another aspect of finances that should be considered when developing the service contract is the incorporation of the District's finances into the LVWA accounting system. LVWA utilizes this software for all of its accounting practices. The accounts receivable, accounts payable and monthly and annual budgets are tracked through the software in a "user friendly" format. Using this accounting software would enable the District to view monthly a "Profit & Loss Statement", "Balance Sheet" for total checking and savings as well as assets and liabilities, "Statement of Cash Flows", "Profit & Loss Budget vs. Actual" and "Profit & Loss Budget Performance". These reports are very beneficial to the overall scheme of how the business operates, whether you are viewing peak usage months or how much income or expenses one should forecast for any given period of time.

Office Space & Equipment:

The service contract between the MCSD and LVWA will include the use of all existing office space and equipment. The contract amount should include the cost of consumables that are regularly used by the office staff. The existing office equipment will be utilized for the purpose of handling the District's accounts and will include computers, copier, fax, scanner, printer, telephone with a designated line for the district, etc. Any additional cost that are directly related to the District such as file cabinets, portable devices, uniforms or computer software will be purchased by the District for their use.

Operation & Maintenance:

The District Manager will acquire and maintain a Wastewater Collection License for the purpose of maintaining compliance with the Kentucky Division of Water. The operator will be responsible for all monthly reports and permits required to keep the collection system in good standing. The maintenance work will be contracted out to an independent contractor who will work on an "on call" basis for the District. The contractor will be responsible for all repairs and will work on an hourly basis.