



NOT
EXHIBIT B
12/30/2024

10:09:54 AM

User Name: Brandon Voelker**Date and Time:** Wednesday, December 18, 2024 1:49:00 PM EST

88076

Job Number: 241141698**Document (1)**

1. [Administrative Determination Document, 1981 Ky. AG LEXIS 73, OAG 81-365, OAG 81-365](#)

Client/Matter: -None-**Search Terms:** 81-365 kentucky attorney general**Search Type:** Natural Language**Narrowed by:****Content Type****Narrowed by**
-None-

NOT

ORIGINAL DOCUMENT

1981 Ky. AG LEXIS 73

12/30/2024

10:09:54 AM

Office of the Attorney General of the State of Kentucky

88076

KY Attorney General Opinions**Reporter**

1981 Ky. AG LEXIS 73 *

OAG 81-365

October 19, 1981

Core Terms

franchise, furnish water

Request By: [*1]

Honorable Martin W. Johnson

City Attorney

P.O. Box 165

Benton, Kentucky 42025

Opinion By: Steven L. Beshear, Attorney General; **By:** Walter C. Herdman, Assistant Deputy Attorney General**Opinion**

This is in response to your letter of October 5, in which you state that the cities of Benton and Hardin are involved in negotiating a contract whereby the City of Benton will furnish water to the City of Hardin. The question is raised concerning the duration of the contract, that is, whether or not it could extend for forty years as proposed by the Farmers Home Administration which will loan money for the construction of the distribution system.

We initially refer you to [KRS 96.120](#), which reads as follows:

"Any city may acquire a franchise to furnish water and light to any other city, in the same manner that any private corporation or individual may acquire such a franchise."

The above statute authorizes the proposed sale of water between the cities of Benton and Hardin. However, such a contract would necessarily be in the nature of a franchise acquired in this instance by the City of Benton from the City of Hardin and would be governed, in our opinion, by Section 164 of the Constitution. As you know, [*2] this section prohibits any franchise from exceeding twenty years and at the same time requires that it be let on a bid basis, though from a practical standpoint, in this instance, there would be only one bidder. Nevertheless, we believe that the terms of Section 164 must be complied with.

Prior to the expiration of the 20-year contract the franchise would have to be renegotiated as provided in [KRS 96.010](#), which should be no problem in this instance since there is apparently only one source of supply.

1981 Ky. AG LEXIS 73, *2

NOT

ORIGINAL DOCUMENT

KY Attorney General Opinions

12/30/2024

10:09:54 AM

End of Document

88076

Presiding Judge: HON. JAY DELANEY (618318)

EXH : 000003 of 000003