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December 4, 2019

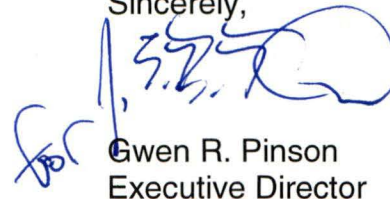
PARTIES OF RECORD

Re: Case No. 2018-00017

The attached executed management contract has been filed in the record of the above-referenced case. If you have any comments you would like to make regarding the executed management contract, please do so within five days of receipt of this letter.

If you have any questions, please contact Nancy J. Vinsel, Assistant General Counsel, at 502-782-2582.

Sincerely,


for
Gwen R. Pinson
Executive Director

njv

Attachment

**PROFESSIONAL OPERATING
AND MANAGEMENT AGREEMENT FOR WATER SERVICE**

THIS AGREEMENT made and entered into as of this 20th day of November 2019 by and between Martin County Water District (hereinafter referred to as "Utility") and ALLIANCE WATER RESOURCES, INC., a Missouri corporation (hereinafter referred to as "Alliance").

WITNESSETH:

WHEREAS, Alliance is engaged in the business of providing management, operation and maintenance services for public water supply, treatment plant and distribution systems; and

WHEREAS, Utility owns a public utility system and is engaged in providing water service in certain areas in Martin County, Kentucky and certain adjacent counties; and

WHEREAS, Utility issued a Request for Proposals (RFP) for Management, Operations and Maintenance in accordance with Kentucky Public Service Commission Order, dated November 5, 2018, Case 2018-00017; and

WHEREAS, Alliance submitted a detailed scope and cost proposal in response to the RFP and Utility has evaluated the proposal and determined that Alliance has the necessary expertise to manage, operate, and maintain the Utility's water system; and

WHEREAS, Alliance has conducted a general on-site inspection of Utility's facilities and assets and general review of the current condition of Utility's facilities; and

WHEREAS, Utility is desirous of retaining Alliance to perform management, operation and maintenance services in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt of which hereby is acknowledged, Utility and Alliance hereby agree as follows:

1. INTRODUCTION

1.1 The foregoing recitals are adopted as part of this Agreement.

- 1.2 This Agreement shall supersede and nullify, as of the effective date hereof, any and all prior agreements, amendments to agreements offers, service fees, quotations, and estimates between the parties with respect to the management, operation and maintenance of Utility's System (as that term is defined herein).
- 1.3 This Agreement, including any and all Exhibits, Appendices, Addenda, and Amendments hereto, constitute the entire Agreement between Utility and Alliance with respect to the management, operation and maintenance of Utility's System.

2. DEFINITIONS

- 2.1 "Benefit Plans" shall mean employee benefit programs such as health insurance, group life insurance, and paid vacation periods normally included as part of Alliance's employees' overall compensation package. A summary of the current Benefit Plan is included as Exhibit A of this Agreement.
- 2.2 "Duly Authorized Representative" shall mean such person, designated by either party by written notice to the other, as specific representative of the designating party in connection with performance of this Agreement.
- 2.3 "Certified Operators" shall mean water systems operation personnel who have met the applicable licensing requirements of the Commonwealth of Kentucky.
- 2.4 "Capital Expenses" shall mean any expenditure above \$2,500.00 for new plant or equipment items, the installation of which materially extends service life, or for replacement equipment or items, or which are considered capital expenditures in accordance with generally accepted accounting principles, or which are non-routine types of expenditures on an annual basis, or expenditures which the Utility has planned or budgeted as capital expenditures. "Emergency Capital Expenses" shall mean capital expenditures needed during emergencies such as the actual or the potential for imminent water service interruptions or the actual or the potential for imminent major equipment failures.

- 2.5 "Operating Expenses" shall mean costs of every kind and nature that Alliance shall determine necessary to pay or to become obligated to pay because of, or in connection with, the management, operation and maintenance of the Utility System.
- 2.6 "Maintenance Expenses" shall mean costs incurred by Alliance to perform routine or repetitive maintenance activities required or recommended by the equipment or plant item manufacturer, or Alliance, to maximize the service life of the equipment or plant item.
- 2.7 "Equipment, Vehicle or Facility Repair Expenses" shall mean labor, materials, and subcontractor costs for equipment, vehicle or facility repairs incurred by Alliance to perform those non-routine or non-repetitive activities required for operational continuity, safety and performance and which generally arise upon failure of equipment, a vehicle, or the facility, or some component thereof.
- 2.8 "Base Fee" shall mean direct cost plus administrative overhead expense and Management Expense where direct cost shall include labor, materials, supplies, equipment, subcontractor expense or operating expense of any kind necessary to operate and maintain the Utility System in accordance with the Scope of Services as defined in this Agreement. Administrative overhead expense shall include but is not limited to Alliance's costs for corporate management, human resources, information technology, accounting, corporate regulatory and safety programs, insurance, and other expenses related to the company's corporate management and offices.
- 2.9 "Extraordinary Expenses" shall be defined as costs in excess of the maximum annual Repair Limit and Chemical Limit as specified herein. In addition, the full cost of any unbudgeted individual repair costs in excess of \$2,500, such as third-party vehicle or equipment repairs, shall be considered extraordinary.
- 2.10 "Subcontracting Expenses" shall mean costs of every kind and nature that Alliance shall determine necessary to pay or to become obligated to pay to outside contractors because of, or in connection with, the management, operation and maintenance of the Utility System.

- 2.11 "Management Expense" shall mean the same as "Profit" listed on the Cost Proposal.
- 2.12 "Repair Limit" is defined as the total dollar amount that Alliance will be responsible for in an annual twelve-month period relating to Maintenance Expenditures and Equipment, Vehicle or Facility Repair Expenditures. Utility is responsible for all such expenditures that exceed the Repair Limit. If annual repair costs are less than the annual Repair Limit, Alliance will refund to the Utility the difference.
- 2.13 "Chemical Limit" is defined as the total dollar amount that Alliance will be responsible for in an annual twelve-month period relating to Chemical Expenditures. Utility is responsible for all such expenditures that exceed the Chemical Limit. If annual chemical costs are less than the annual Chemical Limit, Alliance will refund to the Utility the difference.
- 2.14 "Utility System" shall mean the water facilities owned by Utility including additions, replacements and improvements to such systems as described in Section 3 Utility System of this Agreement and subject to Section 6.3.
- 2.15 "Customer" is defined as any person, persons, household, firm, corporation or partnership using or allowing the use of water service(s) provided by Utility.
- 2.16 "Utility Services" means the provision by Utility of water services to its customers.
- 2.17 "Lien" means any mortgage, trust deed, pledge, security interest, claim, charge or encumbrance of any kind.

3. UTILITY SYSTEM

- 3.1 The Utility System to be managed, operated and maintained by Alliance shall consist of the water treatment and water distribution facilities owned by the Utility. It shall include additions, replacements and improvements to such systems subject to Section 6.3. The Utility System shall include the Utility-owned portions of water service lines, subject to Utility providing property access per Section 3.2.

3.2 The Utility System shall include all physical property, whether real, personal or mixed, comprising such systems, as well as the land thereunder owned or leased by Utility or other city or municipal owned water system contracting with Utility for services and easements and rights of way.

3.3 The Utility System also includes the Utility-owned fleet.

4. OWNERSHIP

4.1 Utility System shall remain the property of Utility.

4.2 All additions, replacements and improvements to Utility System, and extensions thereof, shall be and remain the property of Utility as installed.

4.3 Except as expressly provided in this Agreement, Alliance shall not assume any debts, amounts owed, liabilities or obligations of Utility ("Obligations"), whether known or unknown, fixed or contingent, certain or uncertain, and regardless of when they are or were asserted, and Utility shall remain responsible for any and all such Obligations.

4.4 All vehicles equipment, tools, phones, computers, software, and items of personal property owned or purchased by Alliance and used for the management, operation, maintenance, and/or repair of the Utility, shall be and remain the property of Alliance.

4.5 All vehicles, equipment, tools, phones, computers, software and items of personal property purchased by the Utility and used for the management, operation, maintenance and/or repair of the Utility, shall be and remain the property of the Utility. Exhibit B includes a list of all vehicles, equipment, and software owned by Utility at the time of the execution of this Agreement.

5. SCOPE OF SERVICES

5.1 Subject to the terms and conditions of this Agreement, Alliance shall provide all management, operation and maintenance services and shall bear the cost of such operating services as necessary to enable Utility to provide adequate Utility Services to its customers, to bill and

collect its charges for such service, to provide for general bookkeeping, record maintenance and reporting, to operate the Utility System, and to conduct the general business of Utility.

- 5.2 Within the design capacity and capability of the Utility System, Alliance shall operate and maintain the Utility System to meet the requirements of the Kentucky Department for Environmental Protection, Division of Water, and any other governmental entity or agency having regulatory control over the Utility System.
- 5.3 All services provided by Alliance hereunder shall be in accordance with sound management, accounting and engineering principles and the law.
- 5.4 Alliance shall not be responsible for payment of Extraordinary Expenses of the utility system, including equipment maintenance, repair or replacement.

In the event that any Extraordinary Expenses should occur, Utility shall be promptly notified and shall be provided with an accounting of such expenses. Payment for any extraordinary expenses shall be the responsibility of Utility. Alliance will document the Extraordinary Expense and submit invoice to Utility for payment.

- 5.5 Alliance shall maintain documentation of routine maintenance as to how such maintenance was performed in accordance with Alliance's professional judgment. A duly authorized representative of Utility shall have the right to inspect these records during regular business hours. Maintenance shall not include repair resulting from flood, fire or other extraordinary occurrences customarily not encountered in the operation and maintenance of the Utility System.
- 5.6 Except as stated in Section 5.7, Capital Expenses are not included in the scope of Alliance's services under this Agreement. All Capital Expenses shall be the responsibility of Utility, and if to be performed by Alliance, shall be the subject of a separate agreement and paid for by Utility.
- 5.7 Notwithstanding Section 5.6, Alliance shall make emergency Capital Expenses if such expenditures are necessary to continue operation of the Utility System so as to provide adequate service, and prior

approval of Utility reasonably cannot be obtained. Alliance will document the emergency Capital Expenses and submit invoice to Utility for payment.

- 5.8 Alliance shall not be responsible for payment of any directors' compensation.
- 5.9 The following expenses are specifically excluded from Alliance's scope of work and payment obligations and are the responsibility of the Utility:
 - a. Capital Expenditures, except those described in Section 5.7
 - b. Changes in scope of work which would have the effect of increasing Alliance's payment obligations, except as otherwise mutually agreed upon by Alliance and Utility.
 - c. Flood and fire damages.
 - d. Property damage, liability and directors' liability insurance.
 - e. Utility expenses including electric, gas, telephone, water and sewer, SCADA communications, circuit communications and alarm expenses. (Cell phone and internet expenses excluding those related to SCADA are included in Alliance's Base Fee. Cell phones to be provided by Alliance to Alliance's managers, supervisors and members of its staff that Alliance determines are responsible for responding to emergencies.)
 - f. Hauling and disposal of biosolids.
 - g. Professional services including but not limited to legal, accounting and design engineering services.
 - h. Extraordinary maintenance and repair services necessary to restore newly acquired facilities to reasonable operating condition.
 - i. Personal property or other taxes.

- j. Extraordinary expense as specified in Section 5.4 or as otherwise provided for in the annual utility budget.
- k. Wholesale wastewater treatment charges or water purchase expenses.
- l. All office and field services building expense including but not limited to rent and utilities.
- m. Alliance will provide management and administrative services for expense items included in Section 5.9. Alliance will provide a monthly report to the Utility governing board of the services and recommendation for payment. Alliance will manage these expense items in an efficient manner to optimize the total cost of operations and maintenance of the Utility.

5.10 Alliance shall provide all customer meter reading, billing, bookkeeping and collection services required by Utility in the ordinary course of the Utility's business.

5.11 Alliance will provide sufficient staffing to maintain and operate the Utility, which staffing shall including a General Manager (Tony Sneed, or a person of equivalent qualification and competence on an initial, interim basis), to be hired within six (6) months of the date of this Agreement, and an Operations Manager, whose duties shall include the general day-to-day oversight of the Utility System and its operation and maintenance. Alliance reserves the right to make such changes to its staffing and policies as it deems necessary and in keeping with the sound management and operation of the Utility System, however, Alliance will staff Utility System with sufficient numbers of water Certified Operators to meet regulatory requirements.

Alliance will offer "at will" employment to the Utility's current employees, as listed in Exhibit C, at an hourly rate of pay not less than that listed in Exhibit C if they meet Alliance's employment eligibility requirements including the passing of a pre-employment drug screen, criminal background check and motor vehicle record check (for those employees driving Alliance or Utility's vehicles). Alliance's Benefit Plan will be available to those hired employees on the first day of employment by Alliance.

- 5.12 Alliance has the right to use subcontractors and consultants to satisfy its obligations under this Agreement and will notify Utility of any subcontractors or consultants used to provide services for Alliance on the Utility System
- 5.13 Utility at any time may request Alliance to perform additional services which are outside the Scope of Services under this Agreement. Alliance shall invoice such services to Utility at actual cost plus 10%. Utility shall pay such invoices in accordance with Section 7.
- 5.14 Alliance shall prepare and provide financial and record keeping reports for an annual Utility audit, meet and discuss such reports with the Auditors for the purposes of streamlining and cooperating with the Auditor's work. Alliance will take appropriate corrective action to address items identified in the annual Utility audit that are the responsibility of Alliance in the management, operations and maintenance of the Utility.
- 5.15 Alliance shall prepare and provide reports to the Utility's Financial Advisor, Public Service Commission and/or Bond Counsel as needed by the Utility for proposed debt issuance, regulatory compliance and/or grant applications, including customer information and other reports as required.
- 5.16 Alliance shall develop, prepare and distribute Consumer Confidence Reports to customers in accordance with regulations.
- 5.17 Alliance shall work cooperatively with and provide Utility records and information to Utility's Legal Counsel.
- 5.18 Alliance shall assist the work of any of the Utility's real estate and easement acquisition agents, work cooperatively with the Utility's consulting engineering firm(s) and Legal Counsel for the purposes of obtaining water easements, property acquisitions and other real estate needs as determined necessary by Utility.
- 5.19 Alliance shall develop and prepare monthly and annual management, operations and maintenance reports to the Utility governing body, including expenses compared to budget and Alliance Cost Proposal. Alliance shall prepare an annual operating

and maintenance budget and present to the Utility's governing Board by December 15 of each year. Alliance shall also provide recommendations for capital improvements.

- 5.20 Alliance shall prepare or assist in the preparation of governmental, official and customer correspondence including monthly, quarterly or annual reports, press releases, and educational materials as deemed necessary or appropriate to help perform Utility's public purpose.
- 5.21 Alliance will maintain a staffed administrative office for customer service and/or water bill payment to be located at the following address, or at an address subject to the consent of both Utility and Alliance, such consent not to be unreasonably withheld: Roy Collier Community Center, 387 East Main Street, Inez, KY 31124.
- 5.22 Alliance shall, on behalf of Utility, collect applicable taxes authorized by law on water services and remit said taxes collected on behalf of the Utility to the appropriate governmental authority.
- 5.23 Alliance shall, on behalf of Utility, accept and review proposals for computer software programs (e.g., GIS software, billing and customer information software, work management software) in order to provide a recommendation to Utility for the Utility's purchase of any such software and payment of related software fees as Utility deems appropriate.

6. COMPENSATION

6.1.1 Utility shall pay Alliance an initial monthly Base Fee of \$164,445.50 for services rendered as described in the Agreement from N/A , 2019 to December 31, 2019. The monthly Base Fee includes a Repair Limit of \$10,416.67 per month and a Chemical Limit of \$9,166.67 per month as described in this Agreement.

6.1.2 Utility shall pay Alliance a Base Fee of \$ 1,973,346.00 (\$ 164,445.50 per month for up to 12 months) for services rendered as described in the Agreement during the first full year of water service (January 1, 2020 to December 31, 2020). This Base Fee is a fixed Base Fee during the first year

of service and includes a \$125,000.00 12-month Repair Limit and a \$110,000.00 12-month Chemical Limit as described in this agreement.

6.1.3 Utility shall pay Alliance a Base Fee of \$ 2,022,078.91 (\$168,506.58 per month) for services rendered as described in the Agreement for the second year of water service (January 1, 2021 to December 31, 2021). This Base Fee is a fixed Base Fee for the second year of service and includes a \$125,000.00 12-month Repair Limit and a \$110,000.00 12-month Chemical Limit as described in this agreement.

6.1.4 Costs listed by cost category are included in Exhibit D.

- 6.2 The Base Fee, Repair Limit, and Chemical Limit shall be subject to renegotiation at the end of the second year (December 31, 2021) of service and annually thereafter and thus may be revised with the written consent of both parties. In the event that the parties fail to agree, the Base Fee, Repair Limit, and Chemical Limit shall be adjusted in proportion to the change in the Consumer Price Index for all urban consumers (U.S. City Average) in the most recent twelve (12) month period prior to the time of renegotiation as published by the U.S. Department of Labor. Such increase shall not be less than three percent (3%) and not more than six percent (6%) unless otherwise agreed upon.
- 6.3 The Base Fee, Repair Limit, and Chemical Limit shall be subject to renegotiation (up or down) due to any substantial change in the costs of Utility System operation and maintenance, including but not limited to changes in flow, customer accounts, monitoring or reporting requirements, personnel or staffing requirements, or increased costs due to Force Majeure occurrences. Substantial change in the cost of the Utility System operations and maintenance will be defined as any change (up or down) of Line Item #14 (Sub-Total Cost of Services) in the Alliance Cost Proposal exceeding ten percent (10%).
- 6.4 In the event that a change in the Scope of Service provided by Alliance occurs, and is mutually agreed upon with Utility, Alliance and Utility will negotiate a commensurate adjustment in compensation. All compensation adjustments resulting from changes in the Scope

of Services provided by Alliance shall be retroactive to the date the new or increased level of service is first provided.

7. PAYMENT OF COMPENSATION

- 7.1 The Base Fee compensation described in Section 6 and included in Exhibit D, shall be payable semimonthly. Half of the monthly amount shall be due and payable on the fifteenth of the month services are being rendered and the remaining half shall be due and payable on the first of the month following the month for which services were rendered (by way of example only, half of the Base Fee compensation for service provided in January shall be due and payable on January 15th and the remaining half shall be due and payable on February 1st).
- 7.2 All other compensation due Alliance from Utility shall be due upon receipt of Alliance's invoice and payable within thirty (30) days including an annual adjustment for the Repair Limit and Chemical Limit.
- 7.3 Utility shall pay interest at 6% on compensation not paid when due, or payments of invoices not paid within thirty (30) calendar days. Interest shall commence on the due date.
- 7.4 In the event of any dispute, whether contractual or non-contractual, between Utility and Alliance, Utility shall continue to pay Alliance invoices in the normal course and shall not withhold any request for payment or attempt to offset any amounts due and payable due to Alliance.
- 7.5 Alliance shall have a lien on the Utility System for any amounts due from Utility under this Agreement.
- 7.6 Utility shall deliver to Alliance an order from the Kentucky Public Service Commission ("PSC Order") amending the March 16, 2018 order in PSC Case No. 2018-00017 (March 16, 2018 Order) establishing a Debt Service Surcharge Account to provide that, in the event of any non-payment by Utility or any payment by Utility in an amount less than the full amount due to Alliance under this Agreement, and upon Utility's failure to cure the same within any applicable cure period, Alliance shall be entitled to draw upon said

Debt Service Surcharge Account by the issuance of Alliance's written notice to the Kentucky Public Service Commission. All other provisions in the March 16, 2018 Order not in conflict with the provision to prioritize payment to Alliance shall remain in full force and effect. As part of the modified March 16, 2018 Order, Alliance shall be given first-position priority over any other entities who may be entitled, or who may claim to be entitled, to draw upon the Debt Service Surcharge Account and which shall require payment to Alliance from the Debt Service Surcharge Account before any payments are made to any other entities who have or may have a claim upon the Debt Service Surcharge Account. Upon Alliance's written notice to the Kentucky Public Service Commission, Utility shall disburse funds from the Debt Service Surcharge only to Alliance in an amount necessary to cure the default in question and to compensate Alliance for any Compensation owed to it and/or interest incurred as a result of the default, as determined by Alliance in its sole discretion. If such amount cannot readily be determined by Alliance, then Alliance shall be entitled to draw an amount equal to a fair estimate of the amount of non-payment or underpayment plus interest, pending the determination of said amount. Notwithstanding the foregoing, while the amount of any such draw shall be determined in Alliance's sole and absolute discretion, if the amount of any such draw(s) shall ultimately exceed the amount of Compensation and interest owed to Alliance as a result of Utility's default, then Alliance shall refund any such excess to Utility within sixty (60) days after the amount of such excess can be determined. Any such draw shall be without waiver of any rights Alliance may have under this Agreement or at law or in equity. The March 16, 2018 Order shall have such other modifications to it as necessary to effectuate the terms of this provision and ensure prompt payment to Alliance in the event a claim upon the Debt Service Surcharge Account becomes necessary.

- 7.7 Alliance Performance and Payment Bond: In addition to the other obligations set forth in this Agreement, within thirty (30) days of the execution of the Agreement, Alliance shall deliver to Utility a performance and payment bond ("Performance/Payment Bond") in the amount of Three Hundred Thirty Thousand Dollars and no cents (\$330,000.00), issued by a surety or other financial institution acceptable to Alliance. The Payment Bond shall name "Martin County Water Utilities Board" as obligee, securing a financial

guarantee for Alliance's obligations to Utility under this Agreement. The Payment Bond shall either: (A) be issued with a fixed expiration term of December 31, 2024; or (B) shall provide for automatic annual renewals through that date which is sixty (60) days after the expiration date of this Agreement. In the event of a renewal of this Agreement, the Payment Bond shall also be renewed and issued according to the same terms as it was issued during the initial Term period. In the event the Payment Bond is issued with an annual renewal obligation and the Payment Bond is not renewed by the financial institution or surety on or before twenty (20) days prior to the then-scheduled expiration date of the Payment Bond, Utility then shall have the right to execute upon the full amount of such Payment Bond and to hold such amount as security for any amounts owed to Utility, as determined in its sole discretion, including amounts for any damages or compensation owed, whether or not then due.

8. INDEMNITY, LIABILITY AND INSURANCE

8.1 Subject to the insurance coverages required by each of the parties in Exhibit E, Alliance shall indemnify, save harmless and defend Utility and the governing board of the Utility from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorneys' fees, which Utility may incur, pay in settlement, or become responsible for as result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Alliance's material breach of any term of this Agreement, or any negligent or willful act or omission of Alliance, its employees, or subcontractors in the performance of this Agreement.

Utility shall indemnify, save harmless and defend Alliance from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorney's fees, which Alliance may incur, pay in settlement, or becoming responsible for as a result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Utility's material breach of any term of this Agreement, or any negligent or willful act or omission of Utility, its employees, or subcontractors in the performance of this Agreement.

Utility and Alliance shall each provide the other with prompt and timely written notice of any event or proceeding of which either acquires knowledge and for which indemnification may be sought so that each shall have any opportunity which exists to take such actions as may be desirable to contain or minimize the consequences of any such event or proceeding and to defend or settle at such party's expense any such proceeding.

- 8.2 Alliance shall be liable for fines or civil penalties imposed by regulatory agencies for violation of the regulations of the Kentucky Department for Environmental Protection, Division of Water, or the United States Environmental Protection Agency which occur during the term of this Agreement and which were caused by Alliance gross negligence or willful conduct. Alliance shall be given full authority to contest such violations and Utility shall assist Alliance in such proceedings. Except to the extent caused by Alliance's negligence, willful conduct, or breach of its obligations under this Agreement, Alliance shall not be responsible for fines or penalties or any other liability if source water contains non-treatable substances or the water treatment facility (Facility) is inoperable due to circumstances beyond Alliance's control (See Exhibit F).
- 8.3 Alliance's liability under this Agreement specifically excludes any and all indirect or consequential damages arising from the operation, maintenance, and management of the Utility System. Alliance shall not be responsible for damages caused by any defects or flaws inherent in the Utility System as it exists prior to Alliance beginning operations. Additionally, Alliance shall not be responsible for such damages in the event that Alliance has notified Utility of any defects and Utility fails to authorize appropriate corrective action. Alliance and the Utility agree that throughout the life of this Agreement any and all damage claims related to the Utility System shall continue to be processed and resolved in accord with current Utility practice.
- 8.4 Each party shall obtain and maintain insurance coverage of a type and in amounts described in Exhibit E. Each party, to the extent permitted by law, shall name the other party as an additional insured on all insurance policies covering the Utility System and shall provide the other party with satisfactory proof of insurance upon written request.

9. TERM AND TERMINATION

- 9.1 This Agreement shall become effective on the first (1st) day of January, 2020, and shall remain in effect through the thirty-first (31st) day of December, 2024, subject to annual appropriation of funds by Utility. If Utility appropriates funds for operation and/or maintenance of the Utility System this Agreement shall remain in force and effect.
- 9.2 This Agreement may be renewed for successive terms of five (5) years upon written agreement of the parties.
- 9.3 This Agreement may be terminated by either party for breach of contract terms by the other. Such right of termination shall be in addition to any other claims or remedies either party may have against the other at law or in equity.
- 9.4 Such termination shall be effected as follows: The party declaring a breach shall give the other written notice of the breach and thirty (30) days from the date of notice to cure. In the event the other party fails to cure within that period, the party serving notice may elect to terminate and shall give written notice of its election to terminate effective not more than ninety (90) days after the date of the notice of election to terminate.

10. LABOR DISPUTES

- 10.1 In the event labor stoppages by employee groups or unions (i.e., picketing) cause a disruption in Alliance's employees entering and working on the Utility System, Alliance, at its own option, may seek appropriate injunctive court orders or temporary, additional, qualified personnel. During the labor dispute, Alliance shall operate the Utility System on a best efforts basis until labor relations are normalized.

11. NO JOINT EMPLOYER RELATIONSHIP

- 11.1 Nothing in this Agreement shall operate or be construed as making Utility and Alliance joint employers of any person. The relationship between Utility and Alliance shall be that of an independent contractor relationship. Neither Utility nor Alliance shall have any right, power, or authority, express or implied, to bind the other.

12. EXTRAORDINARY CIRCUMSTANCES

- 12.1 Neither party shall be liable for its failure to perform its obligations under this Agreement if performance is made extraordinarily difficult, or costly, due to any unforeseeable occurrences beyond its reasonable control, including, but not limited to, fire, abnormal flooding, riot, war, sabotage, inability to obtain electricity or other type of power, cessation of transportation, and other similar contingencies. Alliance will be responsible for failure to perform as a result of governmental action based on Alliance's failure to comply with rules, regulations and laws pertaining to the Utility System.
- 12.2 The party claiming inability to perform hereunder shall notify the other party immediately by verbal communication and in writing by certified mail, return receipt requested, of the nature and extent of the contingency within fourteen (14) days after its occurrence.
- 12.3 A declaration of inability to perform under this contract by either party does not relieve the parties from obligations not affected by the conditions claiming inability under this provision of the Agreement.

13. MANAGEMENT AND INFRASTRUCTURE PLAN; 10-YEAR CAPITAL IMPROVEMENT PLAN

- 13.1 Alliance on behalf of Utility shall complete a Management & Infrastructure Plan (hereafter, "M&I Plan") as defined in the RFP for the purposes of reducing water loss at Utility and submit to the Utility for review and approval by January 31, 2020. Utility shall submit the M&I Plan to the Kentucky Public Service Commission no later than the deadline set by the Kentucky Public Service Commission.
- 13.2 Utility, with the assistance of its outside consulting engineering firm(s), shall complete a 10-Year Capital Improvement Plan (hereafter, "10-Year CIP") which shall identify projects and/or particular items at Utility's facilities in need of improvement. Utility shall be responsible for securing capital funds for the 10-Year CIP.
- 13.3. In putting together the M&I Plan and 10-Year CIP, Utility shall consult with Alliance as reasonable and necessary and Alliance shall work cooperatively with Utility and/or Utility's consulting engineering

firm(s) for purposes of providing input on the M&I Plan and 10-Year CIP.

- 13.4 Utility has applied for and received approval for various grant funded projects to improve existing infrastructure. These grant funded projects are included in Exhibit G. Alliance agrees to provide assistance to consulting engineering firms(s) and contractors in planning, coordinating and operating facilities for current and future grant funded projects.

14. FUTURE CONSTRUCTION

- 14.1 Alliance, along with Utility and Utility's designated consulting engineering firm(s), will work together to maintain accessibility and minimize disruption and outages to the existing Utility System when future improvements are under construction.
- 14.2 Alliance will work with Utility and Utility's designated consulting engineer firm(s) and contractor(s) to coordinate activities. In the event a critical piece of equipment or plant must be taken out of service, a plan shall be developed and approved by all parties ten (10) working days prior to the scheduled outage, and addressing the impact on plant operations, length of outage, and methods of removing and reactivating the equipment to full service. Utility shall pay all extra costs associated with said equipment outage. Alliance shall not be responsible for regulatory violations due to such interruptions.
- 14.3 In the event Utility's contractor or subcontractor causes damage to the Utility System, Alliance shall immediately notify Utility's duly authorized representative and shall take all actions necessary to minimize further damage.
- 14.4 Utility, or Alliance on behalf of Utility, shall direct the contractor to complete all repairs within a reasonable time. In the event that contractor does not make the repairs in a timely and reasonable manner, Alliance shall notify contractor and Utility of such failure to repair, and if work is not initiated immediately to effectuate such repair, within forty-eight (48) hours of such notice, Alliance shall, with

Utility's consent, make or contract for said repairs, and recover costs of the repairs from Utility.

15. AMENDMENTS

15.1 This Agreement may be modified only by written amendment signed by both parties.

16. WAIVER

16.1 A waiver on the part of either party of any term, provision, or condition of this Agreement shall not constitute precedent, nor bind either party to a waiver of any succeeding breach of the same or any other term, provision, or condition of this Agreement.

17. APPLICABLE LAW, DISPUTE RESOLUTION, VENUE

17.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Kentucky.

17.2 In signing this Agreement, the Parties agree that any dispute or claims arising out of or related to the Agreement shall be subject to mediation as a condition precedent to the initiation of legal proceedings as set forth in Section 17.3 of this Agreement.

17.2.1 The parties shall endeavor to resolve any dispute or claims arising out this Agreement by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its procedures and policies. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. Unless otherwise agreed to by the parties, such mediation shall be held in Fayette County, Kentucky. Unless otherwise agreed to by the parties, mediation shall be completed within sixty (60) days after written demand for mediation is served upon the other party. If mediation has not been completed in this time frame, either party may proceed as set forth in paragraph 17.3, without further delay.

17.2.2 The parties agree to share the mediator's fee equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

17.3 Upon completion or exhaustion of the mediation procedures set forth above, any dispute or claim arising out of this Agreement shall be filed as a lawsuit in the Circuit Court of Fayette County, Kentucky.

18. ASSIGNMENT

18.1 This Agreement shall be binding upon and endure to the benefit of the respective successors and assigns of each of the parties hereof.

19. HEADINGS

19.1 Section headings used in this Agreement are inserted for convenience of reference only and shall not affect the content of its various provisions.

20. SEVERABILITY

20.1 If any provision of this Agreement shall be prohibited or held invalid, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any provisions of this Agreement.

21. NOTICE

21.1 All notices shall be in writing and delivered in person or transmitted by certified mail, return receipt requested, postage prepaid, as follows:

On Utility: Chair, Martin County Water District
C/O Martin County Judge Executive
Martin County Fiscal Court Building
32 East Main Street
Inez, KY 41224

&

Brian Cumbo, Attorney
86 West Main Street, Suite 100
Inez, KY 41224

On Alliance:

President, Alliance Water Resources, Inc.
206 South Keene Street
Columbia, MO 65201

&

Michael Tolles, Attorney
Husch Blackwell, LLP
190 Carondelet Plaza, Suite 600
St. Louis, MO 63105

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective corporate seals to be herewith affixed and attested by their respective officers having custody thereof the day and year first above written.

UTILITY:

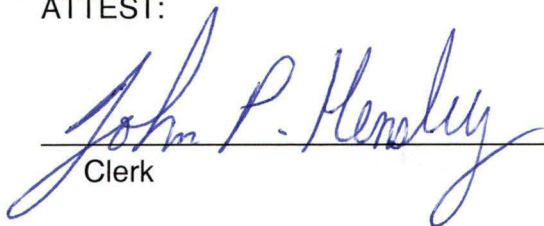
BY: James D Kerr

NAME: 

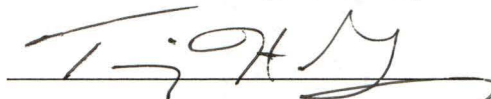
TITLE: Chairman

(SEAL)

ATTEST:


Clerk

ALLIANCE WATER RESOURCES, INC.

BY: 

NAME: TIMOTHY H. GERAGHTY

TITLE: PRESIDENT

(SEAL)

ATTEST:



Secretary

EXHIBIT A

ALLIANCE CORPORATE BENEFITS

Alliance Water Resources Summary of Employee Benefits

TIME-OFF BENEFITS	DETAILS												
Vacation	<table border="1"> <tr> <td>1-3 years: 10 days</td> <td>4 years: 11 days</td> <td>5 years: 12 days</td> <td>6 years: 13 days</td> <td>7 years: 14 days</td> <td>8-11 years: 15 days</td> <td>12-14 years: 17 days</td> <td>15-16 years: 20 days</td> <td>17-18 years: 21 days</td> <td>19-20 years: 22 days</td> <td>21-22 years: 23 days</td> <td>23 or more years: 25 days</td> </tr> </table>	1-3 years: 10 days	4 years: 11 days	5 years: 12 days	6 years: 13 days	7 years: 14 days	8-11 years: 15 days	12-14 years: 17 days	15-16 years: 20 days	17-18 years: 21 days	19-20 years: 22 days	21-22 years: 23 days	23 or more years: 25 days
1-3 years: 10 days	4 years: 11 days	5 years: 12 days	6 years: 13 days	7 years: 14 days	8-11 years: 15 days	12-14 years: 17 days	15-16 years: 20 days	17-18 years: 21 days	19-20 years: 22 days	21-22 years: 23 days	23 or more years: 25 days		
Sick Leave	<ul style="list-style-type: none"> - 17 days per month (6 days per year) - Quarterly conversion of sick to vacation at 1:1 for accruals over 250 hours - May be used for immediate family - Maximum accrual of 250 hours 												
Personal Days	<ul style="list-style-type: none"> - Up to 2 days per year (10 hours) - To be used by December 31st of each year 												
Holidays	<ul style="list-style-type: none"> - New Year's Eve (1/2 day) - Martin Luther King Jr. Birthday - Independence Day - Memorial Day - Labor Day - Thanksgiving - Christmas Eve (1/2 day) - Christmas Day 												
Jury Duty	- Up to 10 days per year												
Bereavement Leave	- Up to 3 days												
PROFESSIONAL DEVELOPMENT	DETAILS												
Employee Certification	<p>All employees are eligible. Employees are provided with training resources, including on-the-job experiences, to prepare them for the certification requirements. All employees who obtain certification of competency or who upgrade the level of an existing certification receive a bonus for each new or upgraded certification as follows:</p> <table border="1"> <tr> <td>Level</td> <td>A - IV</td> <td>B - III</td> <td>C - II</td> <td>D - I and Certified Office Professional</td> </tr> <tr> <td>Bonus</td> <td>\$350</td> <td>\$300</td> <td>\$180</td> <td>\$100</td> </tr> </table>	Level	A - IV	B - III	C - II	D - I and Certified Office Professional	Bonus	\$350	\$300	\$180	\$100		
Level	A - IV	B - III	C - II	D - I and Certified Office Professional									
Bonus	\$350	\$300	\$180	\$100									
Employee Training Program	<p>Supervisor: Supervisors receive training on company policies and a wide range of supervisor skills including performance management, coaching, and interviewing and firing.</p> <p>Technical: Employees receive job-related training on industry topics of water and wastewater operations and maintenance, including operation test procedures, electrical classes, Confined Space, Trenching/Shoring, and OSHA. Classes are designed to support operator certification and re-certification.</p>												
DIRECT DEPOSIT	DETAILS												
Direct Deposit	<ul style="list-style-type: none"> - Deposit of paycheck automatically into designated checking or savings account - Allow at least two pay periods for direct deposit to activate - Make changes account may be used 												

This overview describes some of the highlights of our benefit plans. Most benefits are available to employees after completing the 90-day orientation period. The details of the benefits are contained in official plan documents. If there are any differences between this overview and the terms of an official plan document, the plan document will govern. Alliance Water Resources, Inc. reserves the right to terminate or change the benefit plans in any way, at any time.

Revised 02/17



BENEFIT	EMPLOYEE PAID	EMPLOYEE PAID	DETAIL INFORMATION OF BENEFIT	
Health Insurance	Employee: 95% Dependent: 70%	Employee: 5% (Disc) Dependent: 30%	<ul style="list-style-type: none"> - Base, Buy-Up and Health Savings Account options available - Plan year = Jan. 1 - Dec. 31 - Prescription Benefits - Maternity Benefits 	
Dental Insurance	Employee: 100% Dependent: 70%	Employee: 0% Dependent: 30%	<ul style="list-style-type: none"> - Preventive, Basic and Major services coverage - In-Network and Out-of-Network benefits 	
Vision Insurance	Voluntary Benefit	0%	100%	- Elects and March/April options
Disability Insurance	Short-Term: 100% Long-Term: 100% Voluntary Long-Term: 95%	Employee: 0% Dependent: 0%	100%	<ul style="list-style-type: none"> - 60% of weekly salary, maximum \$150/week for up to 11 weeks - 60% of monthly salary, maximum \$9,000/month for up to 2 years - Additional benefits until age 65 or NSI eligible - Pays 150k day for illness or injury
Life Insurance	Employee: 100% Dependent: 100% Voluntary Term Life: 95%	Employee: 0% Dependent: 0%	100%	<ul style="list-style-type: none"> - Employee coverage: 1 x annual salary up to \$50,000 - Spouse coverage = \$2,500 / Child coverage = \$1,000 - Up to \$500,000 for employee; \$250,000 for spouse; \$10,000 for child
AD&D	Employee: 100% Voluntary AD&D: 95%	Employee: 0% Voluntary AD&D: 100%	<ul style="list-style-type: none"> - Benefit maximum: 1 x annual salary up to \$50,000 - Up to \$500,000 for employee; \$250,000 for spouse; \$10,000 for child 	
Flexible Spending Account	Advance Fees	100%	<ul style="list-style-type: none"> - Unreimbursed medical expenses and dependent care expenses - Contributions are pre-tax 	
Workers' Compensation	100%	0%	- Pays state mandated benefits for work-related accidents/injuries for employees	
EAP	100%	0%	- Professional, confidential counseling services for employees and immediate family	

BENEFIT	EMPLOYEE PAID	EMPLOYEE PAID	DETAIL INFORMATION OF BENEFIT
401(k)	Salary Matching and Advance Fees	Up to 60% of wages	<ul style="list-style-type: none"> - Entry date is the first of the month following 90-day orientation period - Contribution is pre-tax - Entry Matching (to % of wages): <ul style="list-style-type: none"> EE Contribution: 1% 2% 3% 4% and up Company Match: 2% 4% 5% 6% - Employer contributions subject to setting Employee Contribution Earning Schedule <ul style="list-style-type: none"> - 20% after 1 year of employment - 30% each year until fully vested/retired

This overview describes some of the highlights of our benefit plans. Most benefits are available to employees after completing the 90-day orientation period. The details of the benefits are contained in official plan documents. If there are any differences between this overview and the terms of an official plan document, the plan document will govern. Alliance Water Resources, Inc. reserves the right to terminate or change the benefit plans in any way, at any time.

Revised 02/17

EXHIBIT B

UTILITY OWNED VEHICLES, EQUIPMENT AND SOFTWARE

Martin County Water District						
Vehicle and Equipment Inventory						
As of August 1, 2019						
Vehicle ID #	Type	Assigned To	Make	Model	Year	VIN
4W	Pickup Truck	Water	Chevrolet	Silverado	2005	1GCEK19Z55Z196835
6	Utility Vehicle	Water	Chevrolet	Blazer	2004	1GNDT13X84K165304
8	Pickup Truck	Water	Ford	F-150	2013	1FTFW1EF9DKE05425
9	Pickup Truck	Water	Ford	Ranger	2008	1FTZR15E58PA93057
10	Bucket Truck	Water	Ford	CB	1988	1FDPK84A8JVA17073

EXHIBIT C - Employees

As of 11/15/2019

MARTIN COUNTY WATER DISTRICT									
Employee	Job Description	Rate of Pay	Hire Date	Life	Health	Dental	Vision	Status	
Management		Hourly			Anthem				
Charles Greg Scott	General Manager	N/A	2/1/2018	No	No	No	No	Full Time	
Treatment									
Tom Alley	Lead Plant Operator	\$19.27	3/1/1991	Yes	Yes	Yes	Yes	Full Time	
Mike Sartin	Plant Operator	\$17.83	9/1/1993	Yes	Yes	Yes	Yes	Full Time	
Cameron Justice	Plant Operator	\$16.00	3/9/2015	Yes	Yes	Yes	Yes	Full Time	
Elbert Osborne	Plant Operator-Part Time	\$15.00	8/14/2013	No	No	No	No	Part Time	
Distribution									
Ryan Smith	Electrician	\$19.00	11/1/2017	Yes	Yes	Yes	Yes	Full Time	
Larry Gartin	Laborer	\$11.38	2/14/2019	Yes	No	No	No	Full Time	
John Horn	Distribution Supervisor	\$16.38	3/20/2018	Yes	Yes	Yes	Yes	Full Time	
Steven Jude	Laborer	\$11.38	11/1/2018	Yes	Yes	Yes	Yes	Full Time	
Billy Patrick	Leak Detection	\$11.38	9/19/2018	Yes	Yes	Yes	Yes	Full Time	
Troy Horn	Asst. Distribution Supervisor & Leak Detection	\$14.38	1/24/2014	Yes	Yes	Yes	Yes	Full Time	
Justin Staton	Laborer	\$11.38	4/30/2019	Yes	Yes	Yes	Yes	Full Time	
Joshua Horn	Laborer	\$11.38	6/12/2019	Yes	Yes	Yes	Yes	Full Time	
Amos Fitch	Laborer	\$11.38	7/8/2019	Yes	Yes	Yes	Yes	Full Time	
Office Staff									
Katrina Sansom	Accounting - Water/Wastewater	\$15.38	12/1/2010	Yes	Yes	Yes	Yes	Full Time	
Marcie Dials	Billing - Water/Wastewater	\$12.38	9/4/2007	Yes	Yes	Yes	Yes	Full Time	
Debbie Osborne	Office Clerk-Part Time	\$10.38	12/6/2018	No	No	No	No	Part Time, No Benefits	
Kody Rainwater	Office Clerk-Part Time	\$7.25	10/4/2019	No	No	No	No	Part Time, No Benefits	
MCWD Meter Readers									
		Bi-Weekly							
Kathey Carter	Meter Reader	\$843.60	8/13/2004	No	No	No	No	Contract	
Lisa Wilson	Meter Reader	\$521.73	5/8/2019	No	No	No	No	Contract	
MARTIN COUNTY SANITATION DISTRICT									
Samuel Fletcher	Plant Operator	\$17.67	1/24/2011	Yes	Yes	Yes	Yes	Full Time	
Kyle Sammons	Plant Operator	\$14.38	12/12/2011	Yes	Yes	Yes	Yes	Full Time	
Charles May	Plant Laborer	\$10.38	9/26/2019	No	No	No	No	Full Time -Will be insured after 90 days of employment	
Corey Hill	Collections Laborer	\$11.38	11/4/2019	No	No	No	No	Full Time -Will be insured after 90 days of employment	
Nathanial Mullett	Collections Laborer	\$10.38	9/30/2019	No	No	No	No	Full Time -Will be insured after 90 days of employment	
Helen Proctor	Office Clerk - Wastewater	\$12.38	10/11/2011	Yes	Yes	Yes	Yes	Full Time	

EXHIBIT D
ALLIANCE COST PROPOSAL

ATTACHMENT A1 (revised) - MARTIN COUNTY WATER DISTRICT					
COST PROPOSAL					
Contractor:	Alliance Water Resources, Inc.				
Date:	19-Nov-19				
Submitted By:	Tim Geraghty, President				
Signature Line:					
Category:	Contract Year ==>	Year 1	Year 2	Year 3	Total
Annual Services	based on 12 months				
1. Labor Costs		\$ 633,527.00	\$ 649,365.18		\$ 1,282,892.18
2. Labor Related Overhead		\$ 322,599.00	\$ 339,535.45		\$ 662,134.45
3. Purchased Water		not bid	not bid		not bid
4. Power (Treatment and Pumping only)		N/A	N/A		N/A
5. Chemicals (Treatment only)		\$ 110,000.00	\$ 110,000.00		\$ 220,000.00
6. Maintenance and Repair		\$ 125,000.00	\$ 125,000.00		\$ 250,000.00
7. Equipment		\$ 13,800.00	\$ 14,145.00		\$ 27,945.00
8. Materials and Supplies		\$ 108,400.00	\$ 111,110.00		\$ 219,510.00
9. Utilities, Rental, Leases		\$ 5,500.00	\$ 5,637.50		\$ 11,137.50
10. Professional Contract Services		included	included		included
11. Miscellaneous Contract Services		\$ 11,500.00	\$ 11,787.50		\$ 23,287.50
12. Insurance and Bonds		\$ 72,775.00	\$ 74,594.38		\$ 147,369.38
13a. Other (Contractor to specify)	postage	\$ 30,000.00	\$ 30,750.00		\$ 60,750.00
13b. Other (Contractor to specify)	fuel & travel expense	\$ 87,500.00	\$ 89,687.50		\$ 177,187.50
13c. Other (Contractor to specify)	misc. dues, advertising	\$ 11,500.00	\$ 11,787.50		\$ 23,287.50
14. Sub-Total Cost of Services		\$ 1,532,101.00	\$ 1,573,400.00		\$ 3,105,501.00
15. Overhead Percentage (insert %)		\$ 275,778.18	\$ 283,212.00		\$ 558,990.18
16. Profit Percentage (insert %)		\$ 165,466.91	\$ 165,466.91		\$ 330,933.82
17. Total Annual Cost of Service		\$ 1,973,346.09	\$ 2,022,078.91		\$ 3,995,425.00
Other Services:					
18. Management and Infrastructure Plan		included	N/A		included
19. Capital Improvement Plan		N/A	N/A		N/A
20. Water Rate Study		N/A	N/A		N/A
21. Total Other Services Cost		included	N/A		included
NOTES:					
1. Contractor should fill in each yellow cell. The green cells will automatically calculate the sum.					
2. Year 1 begins January 1, 2020; Year 2 (FY 2021) begins Jan 1, 2021.					
3. Year 2 (FY2021) entries include increase in annual costs from prior year.					
4. Other Services Cost (Items 18,19,20) are a one time total cost to provide the services requested and includes overhead, markup and profit.					
5. The Contract Year will begin on the operations start date identified in the Contract.					
6. Addendum #1 removes the cost of power for water operations from the Scope of Work. MCWD will pay the power costs directly.					
7. Addendum #1 removes the Capital Improvement Plan (line 19) and the Water Rate Study (line 20) from the scope of work.					
8. Addendum #1 notifies Contractor that Year 4 and 5 costs will be adjusted using the CPI-U for Water and Wastewater Services.					

EXHIBIT E

INSURANCE REQUIREMENTS

Alliance shall maintain:

1. Statutory Worker's Compensation Insurance for all Alliance employees at the Utility as required by law.
2. Comprehensive or commercial general liability insurance for bodily injury and/or property damage as follows:

General Aggregate	\$3,000,000
Each Occurrence Limit	\$1,000,000
Umbrella Aggregate	\$4,000,000

Alliance will assist the Utility to provide information and documentation to support or deny the settlement of claims by the Utility's insurance carrier.

Each Party:

1. Shall maintain adequate property insurance for its equipment and real and personal property, including but not limited to extended coverage.
2. Shall provide, with respect to its owned/leased vehicles, primary Commercial Automobile Liability Insurance for bodily injury and/or property damage with \$1,000,000 per occurrence. Utility's auto insurance shall be primary on its owned/leased vehicles, and Alliance's auto insurance shall be primary on its owned/leased vehicles, regardless of the vehicle's driver.

EXHIBIT F

FACILITY CHARACTERISTICS

WATER TREATMENT FACILITY

- 1 Alliance shall not be responsible for fines or penalties or any other liability if there are limitations with the water treatment facility which limit adequate treatment, or the Utility System is inoperable due to circumstances beyond Alliance's control.
- 2 In the event that water quality requirements are revised in the future, Alliance shall have the right to renegotiate the terms of Sections 6 and 7 in the Agreement by giving notice to the Utility of the revised water quality requirements.

EXHIBIT G

GRANT FUNDED CAPITAL PROJECTS

Martin County Water District Grants Awarded as of 9-1-19								
Project Name	Project Description	Grant Value (\$)	Grant Source or Agency	Award Date (Month/Year)	Grant Administrator	Engineer	Status	Completion Target
Beauty/Lovely Main Replacement	Replace water mains and service lines in Beauty and Lovely area	\$1,200,000	Appalachian Regional Commission (ARC)	8/24/2018	Big Sandy ADD	Bell Engineering	In design	2020
Water Treatment Plant Upgrades	Replace source water pumps, upgrade raw water transmission, upgrade treatment plant clarifier, and replace water mains (pending fund availability). Project includes developing hydraulic model and 10-Year Capital Improvement Plan	\$3,450,000	Abandon Mine Lands (AML)	1/26/2018	Big Sandy ADD	Bell Engineering	Phase I bid, Phase II in design.	2021
Water Treatment Plant Upgrades	Upgrade raw water intake, pumps and treatment plant, including clarifiers. Project combined with \$3.4 million AML Project	\$1,869,718	Corps of Engineers (COE)	9/6/2019	Big Sandy ADD	Bell Engineering	Approved	2021
Develia Pump Station and Storage Tank	Replace Develia Pump station and install new pump station and 500,000 gallon storage tank.	\$2,000,000	Abandon Mine Lands (AML)	9/6/2019	Big Sandy ADD	Bell Engineering	Approved	2021
Total		\$8,519,718						

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