



Legal Counsel.

DINSMORE & SHOHL LLP
101 S. Fifth St., Suite 2500
Louisville, KY 40202
www.dinsmore.com

Clifford H. Ashburner
(502) 540-2382 (direct) · (502) 581-8111 (fax)
Clifford.Ashburner@DINSMORE.COM

May 30, 2025

Daniel Hinton
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601
Via Email – dehinton@ky.gov

Re: Sunanza, Inc. – Water Supply Agreement

Dear Mr. Hinton:

Our firm represents Sunanza, Inc., a party to the attached Water Supply Agreement between it and Henry County Water District #2. The attached Agreement is in agreement with the existing tariff of Henry County Water District #2, and we write to respectfully request its approval.

The Agreement will allow for a separate metered line to be constructed to serve the common interests of lot owners in the subdivision. The subdivision will also be served by a line with property service connections to provide domestic water to the individual lots. Maintenance of the separate line, by virtue of it being private, will initially be in the hands of the developer, then transfer to the homeowners association. The connection will be metered and subject to the Henry County Water District #2 tariff.

Please let me know if you have any questions on the document.

Sincerely,

A blue ink signature of Clifford H. Ashburner, written in a cursive style.

Clifford H. Ashburner

Enclosure: Water Supply Agreement

c: Keith Morris, COO
Henry County Water District, #2 (kmorris@hcwd2.com)

D. Berry Baxter, Esq.
Oldham County Attorney (baxterlaw@icloud.com)

Water Supply Agreement

This Water Supply Agreement is made and entered into this 12th day of May 2025 by and between Henry County Water District #2, a non-profit water district organized under KRS Chapter 74 (the "District"), with an address of 8955 Main Street, Campbellsburg, KY 40011 and Sunanza, Inc., a Kentucky corporation, with an address of 16900 Meeting House Road, Fisherville, KY 40023 ("Sunanza").

WHEREAS, Sunanza is the owner of certain property located on US 42 and Old Sligo Road in Oldham County, Kentucky but within the service area of the District (the "Sunanza Property"); and

WHEREAS, the District is the exclusive supplier of water within its service area, which includes the Sunanza Property, and is regulated by the Kentucky Public Service Commission and the Kentucky Division of Water; and

WHEREAS, Sunanza represents that it desires to construct a residential subdivision consisting of 46 lots to be used for single family residential purposes and to provide a separate dedicated line that will contain a private fire system (as that term is defined in 807 KAR 5:095) for a portion of the Sunanza Property located in Oldham County; and

WHEREAS, Sunanza and the District have agreed that the private fire system line can be connected to the District's line in front of the Sunanza Property on the conditions contained in this Agreement; and

WHEREAS, the parties hereto acknowledge that the District will not be providing any fire protection to the residents of the Sunanza property being developed as the District's tariff prohibits it from providing fire protection and further that the District will in no way be responsible for any maintenance, repair or upkeep of the private fire system including the line, hydrants or any related or appurtenant equipment beyond the meter installed at the inception of the private fire system; and

NOW, THEREFORE, in consideration of the duties and obligations contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. District grants Sunanza the right to connect a metered line to the District's system generally in the location shown on Exhibit A. Further, the District acknowledges that the metered line will contain a number of hydrants of the size and configuration necessary to be considered "fire hydrants." The metered line shall be constructed to the specifications generally shown on Exhibit B attached hereto, which specifications are intended to ensure that the metered line will be sufficiently sized to carry a flow rate of at least 500 gallons per minute and to maintain a residual pressure on the District's lines in the area of the Sunanza Property of at least 20 PSI, which conditions are the same as set forth in the Hydraulic Analysis performed by Tetrattech, Inc. dated July 15, 2022. It is specifically noted and agreed that the District in no way guarantees or warrants that the pressure or flows referenced herein will be available at any given time but the District will not restrict pressure or flows

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for reasons outside of routine maintenance, repair, or replacement of the District's lines. The District agrees that it will comply with the terms of its tariff concerning the provision of service for potable drinking water and specifically excludes any guarantees or warranties that regarding fire protection. The District's grant is conditioned upon Sunanza's satisfaction of the conditions set forth below.

2. Sunanza, its successors and assigns, shall be solely responsible for the installation, maintenance, repair and replacement of the metered line, any hydrants installed on said line and any other related or appurtenant equipment installed as part of said private fire protection system. The installation shall be made by a contractor of Sunanza's choosing subject to the approval of the District. Sunanza shall be solely responsible for the actual costs and construction of the meter vault and metered line and fire hydrants installed on the metered line and any other related or appurtenant equipment installed as part of said private fire protection system, including all costs of construction and connection. The meter used to connect the metered line to the District's line shall be subject to the District's "Standard Specifications and Drawings," and the costs of evaluating the meter used to connect the metered line to the District's system shall be initially borne by the District but reimbursed by Sunanza within fifteen (15) days of request. Sunanza shall further indemnify and hold District harmless for any and all liability arising from the installation of the metered line.

3. Sunanza and the District agree that Sunanza's Property is within the District's service area and is subject to the District's approved tariffs.

4. It is understood and agreed that Sunanza, its successors and assigns, including the Homeowner's Association contemplated to be formed herein, hereby assumes the entire responsibility and liability for any and all damage to persons or property caused by, resulting from or arising out of any act or omission related to the private fire protection system, including any loss by any person or entity that shall utilize said system in connection with this contract. Sunanza, its successor and/or assigns shall save harmless and indemnify the District from and against any and all claims, losses or expenses, including but not limited to counsel fees, which either or both of them may suffer, pay or incur as the result of claims or suits due to, arising out of or in connection with any and all such damage, real or alleged, and Sunanza, its successor and/or assigns shall, upon written demand by the District, assume and defend, at Sunanza's sole cost and expense, any and all such suits or defense of claims.

5. District and Sunanza agree that, upon the subdivision of the Sunanza Property, Sunanza shall cause to be recorded a declaration of restrictions and articles of incorporation to create the Old Sligo Farm Estates Homeowners Association, including an obligation for said Homeowners Association to assume Sunanza's obligations under this Agreement. The declaration shall contain a paragraph concerning the obligations of the Old Sligo Farm Estates Homeowners Association substantially the same as the paragraph attached hereto as Exhibit C.

6. The parties understand and agree that District's grant contained in Paragraph 1 above is specifically subject to the acceptance of the Kentucky Public Service Commission of this Agreement. The District shall use good faith efforts to ensure that the Kentucky Public Service Commission reviews this

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Agreement in a timely manner and specifically agrees to submit this Agreement to the Public Service Commission within fourteen (14) days of the date of this Agreement.

7. This Agreement shall be for the benefit of the parties to this Agreement their successors and assigns. There are no third-party beneficiaries to this Agreement.

8. This Agreement may be enforced by an action in the Henry Circuit Court. This Agreement shall be interpreted in accordance with the law of the Commonwealth of Kentucky.

Witness the hands of the undersigned on the date first above written.

Henry County Water District #2

By: 

Date: 5/12/25

Sunanza, Inc.

By: 

Date: 5/12/25

Me 5/12/25