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CONTRACT AND AGREEMENT

PUBLIC SERVICE
COMMISSION

THIS CONTRACT AND AGREEMENT, made and entered into as of the 1st day of July, 1993, by and between the CITY OF BURKESVILLE, a municipal corporation (hereinafter called the "CITY"), and SOUTH CUMBERLAND WATER DISTRICT, a body corporate, (hereinafter called the "WATER DISTRICT"),

WITNESSETH:

WHEREAS, the CITY has since the creation of the WATER DISTRICT, under and pursuant to the terms and provisions of Chapter 74, Kentucky Revised Statutes, provided and sold water to the WATER DISTRICT for the service of its subscribers and water customers, and,

WHEREAS, in connection with the sale of the water by the CITY to the WATER DISTRICT, the CITY has also provided to the WATER DISTRICT the required billing services for its customers, and,

WHEREAS, the last contract pertaining to these services was executed for a term of five (5) years, beginning with the month of July, 1988, in which Contract the CITY and the WATER DISTRICT covenanted and agreed that the billing services would be provided at \$.80 cents per monthly billing, per customer, plus \$85.00 per calendar month to the WATER DISTRICT system, and,

WHEREAS, the aforementioned Contract has now expired and since the execution of that Contract, which became effective in July of 1988, the WATER DISTRICT customers have increased from an approximate total of four hundred (400) to a present total of approximately eight hundred (800) customers, with this growth in the size of the WATER DISTRICT now accounting for approximately 50% of the total billing operation carried on by the CITY for all customers of both the CITY and the WATER DISTRICT, and,

WHEREAS, the cost of providing these services to the WATER DISTRICT has increased, and the CITY, in order to provide the services without any monetary loss, now required increased compensation, and,

WHEREAS, the parties hereto have had a general discussion and a meeting of the minds as to the appropriate increase of

NOW, THEREFORE, in consideration of their mutual covenants and agreements, IT IS HEREBY AGREED AND COVENANTED AS FOLLOWS:

SEP 16 1994

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

1) That the CITY shall continue providing the aforementioned services to the WATER DISTRICT in the same manner it has in the past.

2) That this Contract shall be binding for a period of five (5) years beginning as of the 1st day of July, 1993.

3) That the CITY shall provide these services for the WATER DISTRICT in exchange for the receipt of the following compensation:

a) Reimbursement for the actual cost of billing cards and postage.

b) \$.80 cents for each metered customer billed each month.

c) The fixed sum of \$85.00 for each calendar month.

4) The CITY shall, in addition to the foregoing services, and for the same consideration, receive the payments from the WATER DISTRICT customers at City Hall, and/or by mail, and shall maintain all necessary records relative to such payments and receipts. These services shall include the handling of monies, which shall be performed by the CITY employees, who are property bonded. The monies collected for the WATER DISTRICT by the CITY shall be periodically delivered to the Treasurer of the WATER DISTRICT, or deposited in the WATER DISTRICT checking account. A separate ledger or other permanent record suitable for this purpose shall be kept of all collections, transfers and deposits of the WATER DISTRICT money.

5) This Contract shall be subject to review at the expiration of each six month period in order that both parties hereto may ascertain and verify that the compensation being paid to the CITY by the WATER DISTRICT is sufficient to defray the cost to the CITY, this review being for the specific purpose of verifying that the CITY is not performing these services at a financial loss.

6) This Contract may be unilaterally revoked upon sixty (60) days written notice to the other party.

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SECTION 9(1)

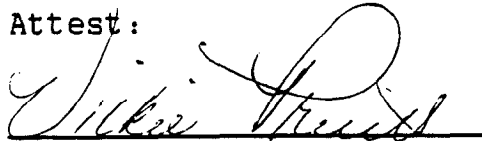
BY: Jordan C. Meek
FOR THE PUBLIC SERVICE COMMISSION

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto, as of the day and year first hereinabove written.

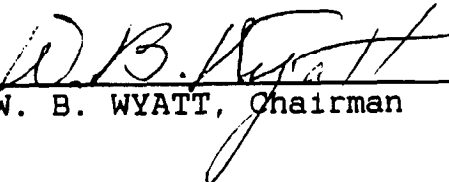
CITY OF BURKESVILLE

BY: 
PAUL T. SMITH, Mayor

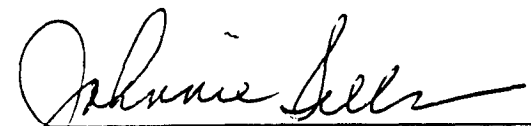
Attest:


VICKIE PRUITT, City Clerk

SOUTH CUMBERLAND WATER DISTRICT

BY: 
W. B. WYATT, Chairman

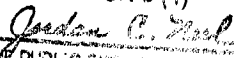
Attest:


JOHNNIE SELLS, Secretary

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SECTION 9(1)

BY: 
FOR THE PUBLIC SERVICE COMMISSION