

AGREEMENT

This Agreement, made by and between the Cumberland County Water District of Cumberland County, Burkesville, Kentucky ("COMMISSION"), and the Department of Parks and Department of Finance ("CUSTOMERS").

WITNESSETH:

WHEREAS, the COMMISSION is a utility engaged in the distribution and sale of water to the Dale Hollow State Resort Park. The required investment is for the necessary pipeline repair and pump station upgrade to provide adequate water at an acceptable volume and pressure.

WHEREAS, the CUSTOMERS desire to obtain the water service for use on their premises known as the "Dale Hollow State Resort Park" and CUSTOMERS are willing to make the required investment, for the upgrade water services made available to the CUSTOMERS premises.

NOW, THEREFORE, in consideration of the mutual promises of the parties and subject to the applicable rules of the COMMISSION, and any other agencies with jurisdiction to make such rules and regulations, the COMMISSION and the

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

CUSTOMERS agree as follows:

FEB 22 1998

1. UPGRADE OF WATER LINES & PUMP STATION:

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

COMMISSION shall construct as the COMMISSION shall determine necessary But

SECRETARY OF THE COMMISSION

pursuant to the project description attached hereto as Exhibit "A", in accordance with the specifications of the COMMISSION for the distribution of water, and to make the necessary connections to the existing lines. Construction of the water lines, pumping

equipment, and master meter shall be in accordance with the specifications and regulations of the COMMISSION.

2. COST OF PROJECT, COMPLETION OF PROJECT:

2.1 It is anticipated that the COMMISSION shall advertise for bids for the project within 150 days following the execution of this Agreement. It is also anticipated that the cost of the project will not exceed the sum of \$290,000.00, "the anticipated cost". The cost of this project will be partially reimbursed to the CUSTOMERS at a reduced water rate defined below and for a period not to exceed 30 years or \$29,000.00, whichever occurs first.

This contract supersedes, replaces and voids prior contract between the parties hereto.

<u>CONSUMPTION</u>	<u>DISCOUNT RATE</u>
0 to 299,999 Gallons	0%
over 300,000 Gallons	10%

2.2 Upon receipt of bids, the COMMISSION shall advise CUSTOMERS of the lowest bid meeting terms, conditions, specifications, etc. of the procurement. If the bid is acceptable to the CUSTOMERS, the CUSTOMER'S contract with the COMMISSION to pay the agreed project cost; included in the project cost shall be the construction costs, engineering fees, resident inspection fees and a 10% contingency fee to meet any unexpected expenses and costs. In the event the bid is unacceptable to the CUSTOMERS, the CUSTOMERS agree to pay the bidding costs and engineering fees incurred.

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FEB 22 1998

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SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

2.2.1 Construction contractor charges shall be disbursed to the COMMISSION periodically, upon receipt of monthly progress and payment estimates, certified by the Engineer employed by the COMMISSION to inspect construction of the work, based on percentages of work completed, and the value of materials purchased by the Contractor and stored on the job site. The estimate shall be reviewed by the Finance and Administration Cabinet, Division of Engineering/Contracting and Administration and the amount due to the Contractor shall be transmitted to the COMMISSION.

2.2.2 In the event the bids for the project exceed the anticipated cost of the project, either party shall have the option of canceling this Agreement by giving written notice to the other parties within three (3) business days following the date the bids are opened and the Engineers have rendered a recommendation as the lowest bid meeting terms, conditions, specifications, etc. of the procurement. Should the bids exceed the anticipated cost of the project, and the parties agree to proceed with the project, the parties shall execute an addendum to this Agreement which provides for payment by CUSTOMERS of the additional costs.

2.3 It is expected that the COMMISSION shall commence the upgrade of the water lines and pump station as soon as practicable after contract award. The construction is estimated to take approximately three months from the date of contract award. The COMMISSION represents that it will make all reasonable attempts to complete the project within the estimated time. However, this Agreement is subject to force majeure and is contingent on accidents, acts of God, weather conditions, inability to secure labor, restrictions imposed by governmental agencies, strikes and other delays beyond the COMMISSION'S control.

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3. **TITLE TO PIPELINES, EASEMENTS AND RIGHTS OF WAY, TAP-
ON FEES:**

Title and ownership of all pipelines and other facilities located within the boundaries of Dale Hollow State Park, beyond the point of the new master meter, shall belong to the CUSTOMERS and the CUSTOMERS shall be responsible for the operation and maintenance of these pipelines and other facilities. CUSTOMERS have in place the necessary service lines to connect their respective facilities to the main water line.

The master meter shall be located at or near the entrance way of Dale Hollow State Park and the COMMISSION shall be responsible for all lines to the master meter.

COMMISSION shall obtain any and all permits, rights of way and easements necessary to complete the project. All rights of way and easements shall be obtained in the name of the COMMISSION. Any fees and costs of permits, rights of way and easements shall be paid by COMMISSION.

4. **CHARGES FOR WATER SERVICES:**

Charges for WATER USAGE to the CUSTOMERS facilities shall be calculated on the amount of water used in accordance with Cumberland County Water District rates based on readings from the master meter. CUSTOMERS hereby agree to pay a minimum water bill each month based upon the consumption of 299,000. The quantity of water supplied by the COMMISSION to the CUSTOMER shall not exceed 1,500,000 gallons per month under this Agreement. Attached hereto are copies of the applicable COMMISSION policy.

5. **BIDS:**

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COMMISSION shall cause to be prepared the bid advertisement, determine which bid to accept, and a contract award to that respondent with the lowest bid meeting the terms, conditions, specifications, etc. of the procurement. COMMISSION shall provide CUSTOMERS with notice of the time and place of the bid opening and the opportunity to examine all bids.

6. FUNDS DEPOSITED WITH COMMISSION:

The funds paid to COMMISSION in accordance with this Agreement shall be for the sole use and benefit of the COMMISSION subject to the terms hereof. No interest shall be payable on any deposits paid to the COMMISSION.

7. MODIFICATION:

This Agreement shall not be modified without the written consent of all parties hereto.

8. BINDING EFFECT:

This Agreement shall be binding on the parties, their successors and assigns.

9. NOTICES:

Any notice for the purpose of this Agreement shall be deemed sufficient if mailed, postage prepaid, by certified mail, to the respective parties as follows:

Cumberland County Water District
1236 Columbia Road
Burkesville, Kentucky 42717

Tourism Development Cabinet
Department of Parks
Capital Plaza Tower
Commonwealth of Kentucky
500 Mero Street, 11th Floor
Frankfort, Kentucky 40601

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BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

COMMONWEALTH OF KENTUCKY
COUNTY OF FRANKLIN

The foregoing instrument was subscribed and sworn to before me by
John P. McCarty, Secretary of the Finance and Administration Cabinet, for
and on behalf of the Commonwealth of Kentucky, on this the 25th day of
Sept, 1996.

Melissa S. Mills
Notary Public, State-at-Large
My Commission Expires June 1, 2000

COMMONWEALTH OF KENTUCKY
COUNTY OF CUMBERLAND

The foregoing instrument was subscribed and sworn to before me by
Edwin Proshaw, of the Cumberland County Water
District, Marrowbone, Kentucky, for and on behalf of the corporation, on this the 9th
day of August, 1996.

John E. [Signature]
Notary Public, State at Large
My Commission Expires 5-25-99

PREPARED BY:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

EXAMINED FOR FORM AND LEGALITY BY:

Angela C. Robinson
ATTORNEY, FINANCE AND
ADMINISTRATION CABINET

FEB 22 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

APPROVED BY:

John P. McCarty
SECRETARY, FINANCE AND
ADMINISTRATION CABINET