

AGREEMENT

1. Applicability: This Agreement is between Meade County Water District (hereinafter referred to as "District") and the Doe Valley Assoc., Inc. (hereinafter referred to as "Doe Valley" or "customers") on this 18 day of May, 2004.
2. Term: Doe Valley may continue to purchase water from the District but may be limited in volume or flow rate as agreed to herein. If Doe Valley reaches the agreed upon volume or flow rate, the District shall reserve the right to limit flows into the customers system in an amount that will reduce the volume to the agreed upon amount.
3. Metering and Service Connections: All new metering points, interconnects or pump stations shall comply in materials and construction standards to those adopted by the District and the Kentucky Division of Water and PSC. All metering equipment, vaults, valves, piping and back-flow devices shall be specified by the District and shall become the property of the District who shall maintain and replace said equipment. Doe Valley shall be responsible to pay for all costs to connect to the District's system including all infrastructure, equipment, engineering and permit costs. Prior to beginning construction, engineering plans prepared by a Professional Engineer shall be submitted to the District for review and approval. Doe Valley shall be responsible for obtaining other permits as required from other local, state or federal agencies.
4. Meter Testing and Accuracy: The District shall be responsible to test and maintain any meters in accordance with PSC regulations and standards. If a meter is found to be inaccurate, the District shall bill or credit Doe Valley's account based on the difference between the inaccurate reading(s) and the averaged monthly amount of three accurate readings or a prior year actual amount. Doe Valley will have the right to be present

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during any meter test or field maintenance. In the event a large billing error has occurred due to an inaccurate meter, Doe Valley shall have the option to re-pay the amount owed for a period of up to six (6) months after being notified of the additional amount owed.

5. Doe Valley will be billed monthly at the rate of \$3.00 per 1,000 gallons of water.

Payment shall be due within 30 days. The rate shall be subject to review at the end of each 12 month period.

6. Water Quality: Water provided by the District shall meet all state and federal standards for water quality. Doe Valley may request Monthly Operating Reports or any other test results which the District will provide within 15 days after a request is presented. Doe Valley is entitled to advance water quality data required for Consumer Confidence Reports as required under the Kentucky Natural Resources and Environmental Protection Cabinet - Division of Water, 401 KAR 8:075. Doe Valley agrees that any new connections with the District will require a back-flow prevention device, as specified by the District, and will be paid for by Doe Valley.

7. Release of Liability: Doe Valley agrees that it shall maintain its own testing, sampling, system flushing and system maintenance as required by state laws and regulations applying to public water systems. This waiver shall not be construed to release either party from an claim brought against either by a third party or to waive other legal rights or remedies allowed by state or federal laws.

8. Volume and Quantity: Doe Valley agrees to limit their demand from the District to the following amounts which are measured by flow rate (gallons per day) in a calendar year.

The amounts agreed to be provided by the District under the terms of this agreement are:

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- (a) 138 Gallons per minute which amount will be determined by the District when observing the total flow rate at one or multiple connection points at any given time. The actual flow rate must continue for at least fifteen (15) minutes before that rate will qualify to be limited to this amount or rate.
- (b) 200,000 Maximum day gallons in a calendar year. This amount will be determined from Doe Valley daily records which they agree to provide to the District if requested. The calculation of a maximum day amount will be determined by taking the sum of 70 percent of the highest day, plus 15 percent of the amounts delivered on the day prior to and after the maximum day of the year. If daily records are not available, the District and Doe Valley agree to use coincidental demand factors or the District's own system demand characteristics and apply those to Doe Valley's monthly water use to estimate the maximum day demand.
- (c) Certain temporary maintenance or hydraulic conditions may cause the District to decrease or increase the above committed volumes. These may include required and scheduled maintenance of District facilities, unscheduled equipment breakdowns or flows available on off-peaks periods or times of the year which may provide additional flows to the customer. The District will make every effort to give Doe Valley as much advance notice as possible of when flows may be reduced or interrupted so they may be prepared. The District will also attempt to plan schedule maintenance during off season and off peak periods to minimize down time impacts to Doe Valley.
- (d) If the Doe Valley demand in a year reaches or exceeds the agreed maximum day demand, the District and Doe Valley agree to meet to determine if Doe Valley will be able to limit future demand, locate a different or additional supplier or to cooperate with the District in financing or expanding its capacity.
- (e) During a water shortage or drought, the District may reduce deliveries or flow rate to Doe Valley in an amount as directed by regulatory agencies having authority to require said reduction, or the amount may be reduced by an amount or method as prescribed in the District's Water Shortage Response Plan which has been approved by the PSC or Division of Water. The District agrees to provide a reasonable notice of any reduction required to Doe Valley.

9. Execution and Signatures: The following representative(s) of Doe Valley have been

authorized to sign and execute this agreement and have read and agreed to its terms and conditions. A formal approval by Doe Valley's governing body is required and the date of said approval shall be written below. This agreement is not valid until it has been approved and

agreed to by the District's Board of Commissioners who will direct its representatives to sign and

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execute the agreement only after approval first by Doe Valley and then by the District.

MEADE COUNTY WATER DISTRICT

John Bartley
Signature of Authorized Representative

5-18-04
Date

Ann Thomas
Attest Signature of Authorized Representative

5-18-04
Date

DOE VALLEY ASSOC., INC.

Jim Jager
Signature of Authorized Representative

5-17-04
Date

Brenda Knott
Attest Signature of Authorized Representative

5-17-04
Date

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**BY: [Signature]
EXECUTIVE DIRECTOR**