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DIVISION OF UTILITY
ENGINEERING & SERVICES

812-9901

AUG 1 1999

EXTENSION APPLICATION

FOR

U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY

APPLICANT(S):

Jim KESSINGER

PO BOX 350, 1001 CALENDRIE LAURELCEBURG B 893-9700
(Address) 40342 (Phone No.)

NOTE: All Applicants must sign

AREA TO BE SERVED: PIGEON FORK RD

SERVICE APPLIED FOR: Distribution Line Extension X
Distribution Flush Hydrant _____
Distribution Upgrading _____
Distribution Relocation _____
Other (describe) _____

ESTIMATES: Estimated Water Line Size 4"
Estimated Project Cost 7385.00
Estimated Footage _____
Other (describe) _____

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EXHIBITS: Map or plat showing streets,
lots, buildings, proposed
service route, and easements,
a copy of which is attached
hereto and made a part hereof,
and marked "Exhibit A" for
identification
Other (describe) _____

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PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

CONSTRUCTION COMMENTS: _____

AGREEMENT:

1. Applicant(s) applies for a water line extension upon the terms and conditions set forth in this contract. All Applicants who are married or are otherwise living within the same dwelling unit shall normally be considered one Applicant for rebate purposes.
2. Applicant(s) agrees to obtain and provide, without cost to the District, all properly signed recordable easements required by the District for the installation and maintenance of the District's water transmission or distribution lines, existing and future. If Applicant(s) cannot obtain easements on property other than Applicant's, the District will obtain those easements at Applicant's cost, which is not included in the estimate.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the District. The District shall have the right to extend the facilities without compensation to Applicant(s) or the consent of Applicant(s). The District shall have the right to make service connections thereto without the consent of Applicant(s), and subject to the District's construction rebate agreement as hereinafter provided.
4. Upon approval by the District's engineer, manager, and board of commissioners, the manager and engineer will design and make a cost estimate of the project. Applicant(s) will, prior to construction, make a deposit to the District's escrow construction account of the entire estimated project cost (less any District and Fiscal Court contribution). If the actual construction cost

exceeds the estimate, Applicant(s) will promptly pay the difference. If the actual construction cost is less than the estimate, the District will refund to Applicant(s) any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.

5. Applicant(s) acknowledges that the project cost will include the District's reasonable supervision, engineering, legal and accounting charges attributable to this project

6. All projects having estimated construction costs exceeding \$10,000.00, shall be bid as required by state law. All smaller projects will be constructed by the District or the District's contractor. All contractors will sign the District's standard construction contract.

7. Applicant(s) grants District a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the District's specifications. A payment and performance bond will be required.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the District's easements upon Applicant's property. Under no circumstances will construction begin on Applicant's property until Applicant(s) has granted District all necessary and proper recorded easements.

10. The District agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the District or all of the Applicant(s) may terminate this agreement by written notice to the other at which time the District will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the District only when executed by its Chairman. Any deposit made with this application prior to such signature shall not be construed as an acceptance hereof.

12. The District shall determine the total cost of the water main extension (exclusive of the tap on fee, and any District and Fiscal Court contributions). This construction cost including any cost overruns shall be contributed equally by those Applicant(s) desiring service on the main extension. No Fifty-foot rule contribution or rebate will be paid by the District. Each Applicant (customer) will also be required to pay the District's approved "Tap-on fee" for a meter connection to the main extension.

For a period of ten years after the project has been completed and placed in service, each additional customer directly connected to that portion of the water main constructed under this agreement (but not including any future main extensions or customer connections thereto) will be required to contribute to the cost of that extension based on a recomputation of each customer's contribution as set out above. The District must refund to those customers that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. All customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to

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PURSUANT TO KY KAR 5011,
SECTION (1)
BY STEVEN BULL
SECRETARY OF THE COMMISSION

the cost of the construction of the water main extension. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten year refund period expires, any additional customer applying for service on this project main must be connected for the amount of the approved tap on fee only, and all or any part of the construction cost not refunded within said ten year period shall become the property of the District. All refunds shall be made on an annual basis and without interest.

13. If this application is for extension of water service to a subdivision (a subdivision is presumed by the existence of a plat), the Applicant(s) agrees that no refund will be paid for any customer located within that subdivision, it being expected that the subdivider will recoup the cost of this extension in the sale of the subdivision lots. Applicant(s) further agrees that the construction contribution for each additional customer not located within said subdivision, will be computed using the number of planned customers in that subdivision. (For example, if there are 19 single-family lots in the subdivision and a new customer across the road but not in the subdivision applies for service from the water main extension, the construction contribution from that new customer will be calculated by dividing the original construction cost by 20.)

14. Notwithstanding anything in this agreement to the contrary, if the District or Shelby Fiscal Court have contributed funds to assist in this extension, each Applicant hereby assigns, first to the District and second to Shelby Fiscal Court, that Applicant's construction rebate to the extent necessary to first repay the District's construction contribution, if any, and next repay Shelby Fiscal Court's construction contribution. Each Applicant acknowledges that it is a condition of the Shelby Fiscal Court contribution that Shelby Fiscal Court be repaid prior to Applicant from any construction rebates, following repayment of the aforementioned District construction contribution.

15. If any Applicant's account becomes delinquent, that Applicant agrees to pay the District's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to District at P.O. Box 97, Bagdad, Kentucky 40003, and to each Applicant at that Applicant's most recent billing address or, if none, then that Applicant's address as shown on this application.

17. The terms of this special extension agreement, if filed with the Kentucky Public Service Commission pursuant to 807 KAR 5:001 Section 9(1), shall prevail over any of the District's rules and regulations.

18. By signature hereon, Applicant(s) acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

CORPORATE, LLC, PARTNERSHIP APPLICANT(S)

Date: _____

Name: _____

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By: _____

SEP 09 1999

Title: _____

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

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

INDIVIDUAL APPLICANT(S)

X DATE 6-16-99

X James R. Reese

Additional Applicants, if any (sign on back if necessary)

Date: 7-28-99

U.S. 60 WATER DISTRICT

By: William Eggen
William Eggen, Chairman

* * *

FOR District USE ONLY:

Received this 14 day of July, 1999,
from Applicant(s) for Escrow Construction: \$ 7385.00
Completed Cost of Project \$ _____
Balance due from (to) Applicant(s) \$ _____

Completed Footage of Project _____
District Contribution (if any) _____
Shelby Fiscal Court Contribution (if any) _____

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form 5/20/99

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