

LARGE LOT
SUBDIVISION EXTENSION APPLICATION
FOR
WEST SHELBY WATER DISTRICT

APPLICANT(S): Majestic Oaks Farm, Inc.
P. O. Box 456, Simpsonville, KY 40067
 (Address) (Phone No.)

NOTE: All Applicants must sign

AREA TO BE SERVED: Majestic Oaks Phase I-Addition #1

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

ESTIMATES: Estimated Water Line Size 8 inch
 Estimated Project Cost \$5,440.00
 Estimated Footage 400 feet
 Other (describe) _____

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 Water Line Extension Estimate
 Other (describe) _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 08 2000

PURSUANT TO 807 KAR 6011,
SECTION 9 (1)
BY Stephan O. Kull
SECRETARY OF THE COMMISSION

CONSTRUCTION COMMENTS: To be constructed by West Shelby.

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). The total construction cost including any cost overruns shall be contributed equally by those Applicant(s) desiring service on the main extension. 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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
OFFICE

JAN 08 2000

PURSUANT TO 607 KAR 0011,
SECTION 9 (1)
BY SKA/O
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 forementioned 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 26, Simpsonville, Kentucky 40067, 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. This is a large lot subdivision extension. The District has found that it expends above average District funds to flush the waterlines in such subdivisions, if they are not immediately looped and if the houses in such a development are not at least 50% constructed. Accordingly, the Applicant(s) is allowed his/her choice between the following alternatives:

Applicant's Initials _____ a) Applicant agrees to pay the total cost of completing a loop of this waterline, the cost of which is not included in the estimate of this project.

- or -

_____ b) Applicant agrees to pay to the District, for the lesser of 5 years or until 50% of the lots are built out and in service, a water flushing fee in accordance with the following formula:

$$FC \left(\frac{\text{cost}}{\text{flush}} \right) = \left\{ \frac{\pi \left(\frac{d}{12} \right)^2}{4} \times L(\text{ft.}) \times 7.48 E^{-3} \left(\frac{1000 \text{gal.}}{\text{ft}^3} \right) \times WR \left(\frac{\text{cost}}{1000 \text{gal.}} \right) \right\} + \left\{ \frac{L(\text{ft.})}{2 \left(\frac{\text{ft.}}{\text{sec.}} \right)} \times \frac{1}{3600} \left(\frac{\text{sec.}}{\text{hr.}} \right) \times LR \left(\frac{\text{labour}}{\text{hr.}} \right) \times C \right\}$$

FC = cost for one line flush
d = pipe diameter in inches
L = pipe
WR = cost of water per 1000 gallons
LR = cost of labor per hour
C = travel time coefficient
Ranges from 1.2-2.0 depending on the distance traveled by water employees.

19. 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.

Date: 3-18-99

APPLICANT(S)
MAJESTIC OAKS FARM, INC.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
REGULATIVE

By: [Signature]
RUDY J. LEWIS

Title: President JAN 08 2000

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

SECRETARY OF THE COMMISSION

Date: 4-7-99

WEST SHELBY WATER DISTRICT

By: [Signature]
Ray Larmee, Chairman

* * *

FOR District USE ONLY:

Received this 18th day of March, 1999,
from Applicant(s) for Escrow Construction: \$ 5440.00
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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WATERLINE EXTENSION ESTIMATE

Client Name Majestic Oaks -- Rudy Lewis Date Prepared 12/29/98
 Client Address _____ Client Phone _____
 Water Utility Waf Shelby Water District Utility Phone 722-8944
 Location of Extension Majestic Oaks ~~II~~ I extension
 Size of Main 8-inch Number of Tap-ons 2
 Length of New Waterline 400 L.F. Feet
 Special Problems - (gas line, railroad, highway, etc.) _____

Construction Estimate	Unit	Cost	Totals
length of pipe	<u>8-inch</u>	<u>400</u> x <u>8⁰⁰</u>	= <u>3200⁰⁰</u>
length of pipe		x _____	= _____
number of valves	<u>1</u>	x <u>850</u>	= <u>850⁰⁰</u>
number of blowoffs	<u>1</u>	x <u>1000⁰⁰</u>	= <u>1000⁰⁰</u>
number of fire hydrants	<u>0</u>	x _____	= _____
length of highway crossing		x _____	= _____
length of stream crossing		x _____	= _____
tons of crushed stone		x _____	= _____
tons of asphalt		x _____	= _____
cubic yards of concrete	<u>1</u>	x <u>150</u>	= <u>150⁰⁰</u>
		x _____	= _____
<u>2" pvc sleeve</u>	<u>40'</u>	x <u>6⁰⁰</u>	= <u>240⁰⁰</u>

Total Construction \$ 5440⁰⁰

Division of Water Processing Fee
 Engineering
 Inspection
 Legal \$100 per easement + 2%

\$ _____
 \$ _____
 \$ _____
 \$ _____
 \$ _____
 \$ _____
 Total Non-Construction \$ _____
 Total Project \$ 5440⁰⁰

will show all on phase II