

SPECIAL
EXTENSION APPLICATION
FOR
U.S. 60 WATER DISTRICT

RECEIVED

APR 25 1997

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PUBLIC SERVICE
COMMISSION

ROCKBRIDGE ROAD PHASE II

APPLICANT(S): Timothy and Helen Donnelly, Missy and Bruce Maeser,
Michael and Laticia Husband, Thomas and Amy Palmer,
Tim White, and Bob and Carol Auth

NOTE: All Applicants must sign.

AREA TO BE SERVED: Rockbridge Road from existing waterline in a
southeasterly direction to Maeser.

SERVICE APPLIED FOR: Distribution Line Extension X
Distribution Flush Hydrant 1
Distribution Upgrading _____
Distribution Relocation _____
Other (describe) _____

ESTIMATES: Estimated Water Line Size 6-inch
Estimated Project Cost \$40,200.00
Estimated Footage 6500
Other (describe) See Exhibit A

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) _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 25 1997

CONSTRUCTION COMMENTS: _____
PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Phyllis Lammie
DIRECTOR/RATES & RESEARCH DIV

AGREEMENT:

1. Applicant applies for a water line extension upon the terms and conditions set forth in this contract. For purposes of the rebate in this agreement, all Applicants who are married or are otherwise living within the same dwelling unit shall be considered one Applicant.

2. Applicant agrees to obtain and provide without cost to the District any 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 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 or the consent of Applicant. The District shall have the right to make service connections thereto without the consent of the Applicant, and subject to the District's construction rebate agreement as hereinafter provided.

4. Upon approval by the District's engineer, manager, and board of directors, the manager and engineer will design and make a cost estimate of the project. The Applicant will, prior to construction, make a deposit to the District's escrow construction account of the entire estimated project cost. If the actual

construction cost exceeds the estimate, Applicant will promptly pay the difference. If the actual construction cost is less than the estimate, the District will refund to Applicant 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 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. 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 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 until Applicant has obtained for 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 six (6) months from the date of this contract, either the District or the Applicant 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 Applicant only when executed by its Chairman. Any deposit made with application prior to such signature shall not be construed as acceptance hereof.

12. Notwithstanding anything in this agreement to the contrary, if the District has contributed excess District funds (funds exceeding 50 feet per actual customer) to assist in this extension, each Applicant hereby assigns to the District that Applicant's construction rebate refund to the extent necessary to ~~the~~ first repay the District's excess construction contribution. The District has agreed to contribute a total of \$3,295 to the project. Based on the anticipated 6 initial customers at a 50' rule contribution of \$310 per customer, the District's total 50' rule contribution to the construction cost would be \$1,860. Based on these figures, the District's excess contribution would be \$1,435. This is subject to change in the event the number of customers changes. Likewise, the Applicants acknowledge that it was the condition of the Fiscal Court contribution that Fiscal Court be repaid prior to Applicants from any construction rebates, following repayment of the aforementioned District excess contribution. As set out herein, each Applicant hereby assigns to the District and to Shelby Fiscal Court that Applicant's construction refund to the extent necessary to repay the District's excess construction contribution and Fiscal Court's construction contribution.

13. The District shall determine the total cost of the water

main extension (exclusive of the tap on fee). The total construction cost including any cost overruns, minus the Shelby County Fiscal Court \$13,382.00 contribution and the District's excess construction contribution of \$1860 (such net figure hereinafter referred to as the "Net Construction Contribution"), shall be contributed by those initial Applicants 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 Applicant (customer) directly connected to that portion of the water main constructed under this agreement (not including customer connections to further extensions or branches thereof) will be required to contribute an equal Share to the cost of that extension. The initial amount of an equal Share shall be \$2,906. Each future Share so contributed shall be first paid to the three Applicants who each contributed \$4,935 in order to reduce their contribution to \$2,906, without interest. Each future Share so contributed shall next be paid to the District until the District's excess contribution has been repaid, without interest, provided however that the District's excess contribution will also be reduced by \$310 for each such new customer over the initial 6 customers. After the District's excess contribution has been fully repaid, then each future share plus the District's \$310 per customer 50' rule contribution shall then be paid to Shelby Fiscal Court until the Court's contribution has been fully paid, without interest. When the District and Court have been fully repaid, any unused rebate funds shall be equally divided between all customers then having contributed a Share. After the District and Fiscal Court have been paid in full, the amount to be contributed to the cost of the extension by each new customer connected to that extension shall be based on a re-computation of each Shareholder's contribution (i.e., the Net Construction Contribution divided each time by the new total number of customers who have contributed to the extension cost). After the District and Fiscal Court have been paid in full, the District must refund to the holders of each Share that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution per Share to the currently calculated Share amount provided, however, that the total amount returned shall not exceed the total construction cost, without interest. All customers directly connected to this main extension for a ten year period after it is placed in service are to contribute equally to the cost of 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 each main extension 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.

14. If Applicant's account becomes delinquent, 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.

15. 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 Applicant at _____.

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SECTION 9(1)

BY: Phyllis Lanning
DIRECTOR, RATES & RESEARCH DIV

16. By signature hereon, Applicant 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.

APPLICANTS

Timothy S. Donnelly
Timothy Donnelly, husband

Helen Donnelly
Helen Donnelly, wife

Missy Maeser
Missy Maeser, wife

Bruce Maeser
Bruce Maeser, husband

Michael A. Husband
Michael Husband, husband

Laticia Husband
Laticia Husband, wife

Thomas O. Palmer
Thomas Palmer, husband

Amy Palmer
Amy Palmer, wife

N/A Dropped out of project
~~Bob Auth, husband~~

N/A ...
~~Carol Auth, wife~~

Timothy Wayne White
Tim White

Jimmy Kay White

U.S. 60 WATER DISTRICT

By: Bill Eggen
Bill Eggen, Chairman

* * *

FOR DISTRICT USE ONLY:

Received this ____ day of _____, 19____,
from Applicant for Escrow Construction: \$ _____
Fiscal Court Contribution \$ 13,382.00
Completed Cost of Project \$ _____
Balance due from (to) Applicant \$ _____

Completed Footage of Project _____

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(2/13/97)

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SECTION 9(1)

BY: Phyllis Lammie
DIRECTOR, RATES & RESEARCH DIV

**U.S. 60 WATER DISTRICT
ROCKBRIDGE ROAD EXTENSION PHASE II
September 17, 1996**

The project consists of extending service from a planned line on Rockbridge Road easterly along Rockbridge Road approximately 6,500 linear feet to KY 714. The extension would have 10 customers. The water district would own and maintain the water lines.

PROJECT COST:

6,500 L.F. 6-inch water main	\$35,550
Engineering Design & Bidding	\$3,900
Inspection	0
Legal (Easements)	<u>\$750</u>
TOTAL	\$40,200

Shelby County Fiscal Court proposes to furnish 20% of the project cost (\$8,040).

U.S. 60 Water District proposes to match each customer's contribution with \$310 (assume 10 customers = \$3,100)

COST PER CUSTOMER:

\$40,200	Project Cost
\$8,040	Fiscal Court Grant
\$3,100	Water District Match
\$29,060	Total to be Raised
\$15,000	3 Customers at \$5,000
<u>\$8,718</u>	3 Customers at \$2,906
\$5,342	Remaining Balance

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DIRECTOR, RATES & RESEARCH DIV

TOTAL CONTRIBUTION BY FISCAL COURT:

\$8,040
<u>\$5,342</u>
\$13,382