

## AGREEMENT

THIS AGREEMENT is made and entered into on the 25<sup>th</sup> day of MARCH 2025, by and between the **MARSHALL COUNTY SANITATION DISTRICT**, a sanitation district created pursuant to KRS 220.010, et seq, having and address of P.O. Box 432, Benton, KY 42025 ("Sanitation District") and **JONATHAN CREEK WATER DISTRICT** a water district created pursuant to KRS 74.010 et seq, having an address of 7564 US Highway 68, Benton, KY 42025 ("Water District").

WHEREAS, the Sanitation District is the operator of a public wastewater collection and treatment system ("Sanitary Sewer System") serving Marshall County, Kentucky which provides its customers sanitary sewer services ("Sanitary Sewer Services");

WHEREAS, the Sanitation District charges its customers for use of its Sanitary Sewer System based upon the amount of water its customers use and bills such charges on a periodic basis to its customers so served;

WHEREAS, Chapter 220 of the Kentucky Revised Statutes permits the Sanitation District to enforce collection of rates and charges for use of sewer facilities;

WHEREAS, the Sanitation District has requested the Water District to perform billing, collection and related account services for the Sanitary Sewer Services provided by the Sanitation District to customers of the Sanitation District that are also customers of the Water District, to terminate water service if a Sanitation District customer is delinquent on its bill for the Sanitary Sewer Charges and to reconnect such water service upon all charges, including any reconnect charges, being paid by the customer;

WHEREAS, the Water District provides water services to a portion of the area and customers served by the Sanitation District. The Water District is in a position to bill and collect the Sanitation District's sanitary sewer service charges and to terminate water service if a Sanitation District customer is delinquent on its bill for Sanitary Sewer Services;

WHEREAS, the Water District is willing to perform billing, collection and other account related services for the Sanitary Sewer Services provided by the Sanitation District to customers of the Sanitation District that are also customers of the Water District; to terminate water service if a common Sanitation District customer is delinquent on its bill for Sanitary Sewer Services as required under KRS 220.510 and to reconnect such water service upon all charges, including any reconnect charges, being paid by the customer upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** As used in this Agreement, the following terms shall have the respective meanings indicated below.

a. "Common Customer" or "Common Custo

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Executive Director

*Linda C. Bridwell*

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corporation, entity, or municipality who receives or received water service provided by the Water District and Sanitary Sewer Services provided by the Sanitation District at the same location during the Term.

b. "Effective Date" means the date the last party signs this Agreement.

c. "Sanitary Sewer Charge" or "Sanitary Sewer Charges" means the charges for Sanitary Sewer Services.

## 2. **Billing and Collection Services.**

a. During the Term, the Water District agrees to be responsible for the billing and collecting activities for the Sanitary Sewer Services provided by the Sanitation District to Common Customers at the rates provided to the Water District by the Sanitation District.

b. The Water District will calculate the applicable Sanitary Sewer Charges for each Common Customer based on rates established by the by the Sanitation District and provided to the Water District as set forth below, and include the Sanitary Sewer Charges on the Water District's bills to Common Customers with any and all water services provided to the Common Customers during the applicable billing period in accordance with the Water District's common billing practices.

c. The Water District will observe the same diligence, policies and procedures in the billing and collecting of the Sanitary Sewer Charges subject hereto as it uses in administering the billing and collecting of its water service accounts, including establishment of payment plans, preparation and mailing of delinquent notices, procedures for the handling of reconnects and removal of meters.

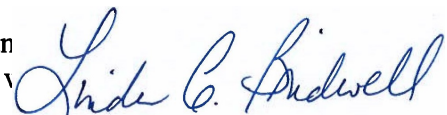
d. The Sanitation District will provide the Water District with the resolution or resolutions establishing the rate or rates to be charged for the Sanitary Sewer Charges, prior to the Water District commencing the billing and collection services. The Sanitation District will notify the Water District of any revisions of such rates.

e. The Sanitation District and the Water District will jointly designate and identify their Common Customers. The Sanitation District will be responsible for establishing new Sanitary Sewer Services accounts and contracts and will notify the Water District new accounts that shall be designated as Common Customers under this Agreement withing thirty (30) days.

f. Adjustments to Sanitation Sewer Charges which directly relate to the quantity of water discharged into the sanitary sewer system shall be made by the Water District in accordance with the Sanitation District's policies, accepted by the Sanitation District and recognized in determining the billing for the Sanitation Sewer Charges. The Water District shall make any other adjustment requested, in writing, by the Sanitation District, for the next billing cycle(s) and until such adjustment has been made in full.

g. All of the Sanitary Sewer Charges, plus an or local sales, use or other taxes, which are currently in effect or v

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term of this Agreement, paid by the Sanitation District's customers, will be collected and receipted by the Water District. The Water District shall transmit to the Sanitation District the funds collected on a monthly basis. The Sanitation District shall be solely responsible for filing any necessary and related tax forms and remitting amounts due to the appropriate taxing entities subject to any errors in calculation, collection, or transmission by the Water District. Any reconnect fees, returned check fees, or other fees which may be imposed by the Water District during the term of this Agreement which are charged to and collected from customers, shall be retained by the Water District.

h. The Water District will maintain a record of all accounts receivable properly and timely reflecting all billings, receipts and adjustments for the Sanitary Sewer Charges billed to Common Customers.

i. Any payment received by the Water District which is not adequate to pay the water charges and sewer charges, may be applied to the amount owed to the Water District for water services, first.

### 3. Shut-Off / Disconnection Services

a. The Water District agrees to refuse or discontinue water service to a Common Customer for non-payment of Sanitary Sewer Charges in accordance with the established Water District policies for refusing or terminating water service for delinquent accounts.

b. Prior to discontinuing water service for non-payment of sewer service, the Water District shall give the Common Customer at least five (5) days' written notice of termination, separate from the original bill, and the District will not discontinue the service less than twenty (20) days after the mailing of the original bill.

c. If prior to discontinuance of water service a residential customer presents to the water utility a written certificate signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises in which case discontinuance may not be made until the affected resident can make other living arrangements or until at least thirty (30) days elapse from the date of the utility's notification.

d. The Sanitation District may assume the collection responsibility for any sanitary sewer service account upon seven (7) days written notice to the Water District.

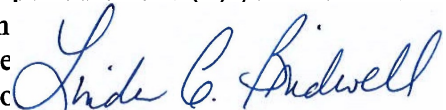
e. The Water District shall restore water service observing the same diligence, policies and procedures as it uses in restoring water service accounts. The Water District shall be entitled to all reconnection fees.

4. **Collection of Connection Fees.** The Sanitary District and Water District will be responsible for the billing and collection of their own connection fees.

5. **Term.** The term of this Agreement shall be for a period of one (1) year from the Effective Date. Upon the expiration of the initial term or any renewal term, the Agreement shall be automatically renewed for a one (1) year period unless, at the next renewal date, either party gives the other party written notice of non-renewal.

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Agreement. During any renewal term, the terms, conditions and provisions set forth in this Agreement shall remain in effect unless modified as permitted herein.

6. **Fee for Services.** In consideration for the services provided, the Sanitation District will pay the Water District an annual fee in the amount of \$1,500.00, to be paid in monthly installments of \$125.00, to be withheld by the Water District from the Sanitary Sewer Charges collected by the Water District and remitted to the Sanitation District each month.

7. **Termination.** Either party shall have the right to terminate this Agreement upon ninety (90) days written notice to the other party.

8. **Costs.** The Sanitation District agrees to reimburse the Water District all costs incurred by the Water District associated with the preparation and negotiation of this Agreement and its request for approval by the Kentucky Public Service Commission, including its attorney's fees.

9. **No Liability.** Unless negligent or otherwise improper in its conduct, the Water District shall not be liable for any loss, damage or other claim asserted by the Sanitation District's customers, the owner and/or tenant of the premises, the water customer, the Sanitation District or any other person based upon or arising out of the termination of water service in accordance with this Agreement.

10. **Indemnification.** Each party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other party (the "Indemnified Party"), its affiliates, and its respective officers, directors, employees, agents, and representatives from and against any and all claims, damages, losses, liabilities, judgments, settlements, costs and expenses (including reasonable attorney's fees) arising from or in connection with intentional acts, negligent acts or any breach of this agreement by the Indemnifying Party or its representatives, except to the extent that such claims, damages, losses, liabilities, judgments, settlements, costs and expenses are caused by the negligence or intentional misconduct of the Indemnified Party. The Indemnified Party shall promptly notify the Indemnifying Party of any such claim and reasonably cooperate with the Indemnifying Party in defense of such claims at the Indemnifying Party's expense.

11. **Mutual Cooperation.** The parties agree to perform whatever tasks and execute whatever documents as may be necessary to implement the intent of this Agreement.

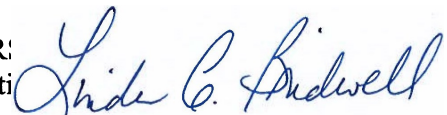
12. **Assignment.** Neither party may assign this Agreement, in whole or in part, without the prior written of the other party.

13. **Binding Effect.** This Agreement binds and inures to the benefit of both of the parties and their successors and permitted assigns.

14. **Entire Agreement; Modifications.** This Agreement contains the entire agreement of the parties. This Agreement cannot be modified or terminated orally, but only by a writing signed by both of the parties hereto.

15. **Notice under KRS 220.510.** Pursuant to KRS Section 15(1)(f)(4), this Agreement shall constitute written notice

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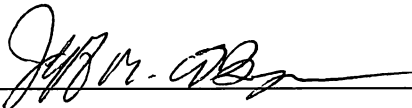
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District to the Water District to discontinue the water service of any Common Customer who fails to pay for Sanitary Sewer Services billed and collected by the Water District in accordance with the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

**WATER DISTRICT:**

JONATHAN CREEK WATER DISTRICT

By: 

Name: Jeff M. O'Bryan

Title: Chairman

ATTEST:

  
Secretary, Jonathan Creek Water District

**SANITATION DISTRICT:**

MARSHALL COUNTY SANITATION DISTRICT

By: 

Name: Robert Gold

Title: Chairman

ATTEST:

  
Secretary, Marshall County Sanitation District

