

INTERAGENCY AGREEMENT

WHEREAS, the City of Owingsville has entered into the critical water supply stage, due to recent drought conditions, the City approached the Bath County Water District to obtain an additional supply of water. Discussions between the two entities and their engineers have led to the following agreement:

The City of Owingsville agrees to install a line and meter on U.S. 60 connecting the Bath County Water District and the Mt. Sterling Water and Sewer Commission (MSWSC). The City of Owingsville will assume the cost and labor associated with installation of the 6" water line and master meter. Upon completion of the water line, it will be turned over the Bath County Water District (BCWD) for operations and maintenance. The City of Owingsville agrees that no new customers will be added on to the existing system as a result of this temporary agreement.

The Bath County Water District agrees to continue purchasing water from the MSWSC under their existing contract. The BCWD agrees to sell the City of Owingsville water at the same price they purchase it from the MSWSC or as approved by the Public Service Commission, for as long as the water supply remains available.

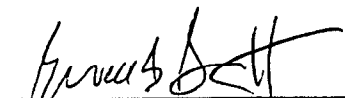
The Mt. Sterling Water & Sewer Commission agrees to continue selling water to the BCWD under their existing contract for as long as the water source remains adequate, and as approved by the Board.

The Morehead Utility Plant Board agrees to allow the BCWD to continue to exceed their contract amount to provide the City of Owingsville with additional water for so long as their water supply remains adequate, after meeting the existing obligations of the Morehead Utility Plant.

All parties agree that these terms are on a temporary basis to assist the City of Owingsville during the time of drought.



Clarence Rister, Mayor
City of Owingsville

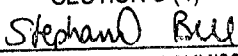


Ewell Scott, Chairman
Morehead Utility Plant Board

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

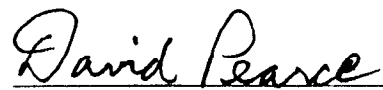
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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: 
SECRETARY OF THE COMMISSION



Alfred Fawns, Jr. Manager
Bath Co. Water District



David Pearce, Manager
Mt. Sterling Water &
Sewer Commission