

## AGREEMENT

This Agreement is entered into and effective this 16 day of June, 2008 by and between the Paintsville Utilities Commission ("PUC") whose address is 137 Main Street, Post Office Box 630, Paintsville, Kentucky 41240 and Butcher Enterprises, doing business as Woodland Estates Sewage System ("WESS") by and through its President, Paul D. Butcher, whose address is P.O. Box 586, West Van Lear, Kentucky 41268.

WITNESSETH:

WHEREAS, pursuant to KRS 96.930, the General Assembly of the Commonwealth of Kentucky has declared the use of water, in any manner tending to contaminate it, raises a correlative public duty to provide for the proper disposition thereof according to the highest public health standards, and that such public duty includes full responsibility for paying the cost of such disposition; and

WHEREAS, WESS controls, operates, and maintains that certain sewer facility located within Johnson County, Kentucky, and more particularly in the Woodland Estates Subdivision, ("WESS Customers"); and

WHEREAS, the PUC is the authorized entity that supplies water to residents within the above-described community; and

WHEREAS, certain residents in the above-described community have demonstrated a refusal of timely pay for sewer services to WESS; and

WHEREAS, in the best interests of public health, safety and general welfare, WESS has sought the assistance of PUC to enforce collection of lawful rates and charges for the use of sewer facilities through PUC by requesting that water service be discontinued until payment is made or satisfactory arrangement is reached; and



WHEREAS, to protect the best interests of public health, safety and general welfare, PUC has agreed to assist WESS in this regard; and

NOW, THEREFORE, in consideration of the payments, mutual covenants and promises as set forth herein, the Parties hereto agree as follows:

## SECTION ONE

### Term

The term of this Agreement shall be for a period of one (1) year and shall automatically renew each year thereafter for a successive one-year term. Either party may cancel this Agreement, with or without cause, by providing written notice not less than thirty (30) days prior to the anniversary date of this Agreement.

## SECTION TWO

### Disconnection Procedure

- a. PUC will be, from time to time, directed by WESS to discontinue water service to certain customers who fail to timely pay charges for sewer services provided by WESS.
- b. WESS shall provide PUC written notice (“WESS Notice”) to discontinue water service to the premises designated in the notice.
- c. WESS Notice shall specifically identify the individual or entity and physical location of the premises to which PUC is to discontinue water service.



### SECTION THREE

#### Compensation to PUC

a. WESS shall pay PUC the sum of Twenty-Five Dollars (\$25.00) for each event in which PUC disconnects water service pursuant to a WESS Notice. WESS shall pay PUC the sum of Twenty-Five Dollars (\$25.00) for each event in which PUC connects water service at WESS' request.

b. In instances in which PUC has received a notification from WESS and arrived at the premises in order to perform services but is directed by WESS not to discontinue service or reestablish service, PUC shall be entitled to receive the payments set forth above.

### SECTION FOUR

#### Indemnity

WESS shall indemnify and hold harmless PUC for any and all claims caused, in whole or in part, by WESS' negligence. It is further agreed and understood that WESS shall fully and completely and unconditionally indemnify and hold harmless PUC for any claims or causes of action asserted against PUC for discontinuing or reestablishing service under this Agreement.

### SECTION FIVE

#### Liability for Failure to Discontinue Service

In the event PUC wrongfully fails or refuses to discontinue water service pursuant to a WESS Notice and continues such failure or refusal for a period of thirty (30) days



after receipt of the notice, PUC shall be liable to WESS for the amount due from WESS' customer involved from the effective date of the WESS Notice.

## SECTION SIX

### General Provisions

a. If any provision of this Agreement is determined to be unenforceable that determination shall not affect the enforceability of any other provisions of this Agreement.

b. This Agreement contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agent of either party that are not contracted in this written contract shall be valid or binding; this Agreement may not be enlarged, modified or altered except in writing signed by the parties and indorsed on this Agreement.

c. It is mutually understood and agreed that this Agreement shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance.

d. The Parties agree this Agreement is the result of mutual changes and the Rule of Construction against the drafter shall not apply.

In witness whereof, the Parties have executed this Agreement the day and year first above written.



PAINTSVILLE UTILITIES COMMISSION

BY: Larry W. Herald

ITS: General Manager

BUTCHER ENTERPRISES d/b/a  
WOODLAND ESTATES SEWAGE  
SYSTEM

BY: Paul D. Butcher

ITS: President

COMMONWEALTH OF KENTUCKY  
COUNTY OF JOHNSON

Subscribed and sworn to before me by Larry Herald, an authorized representative  
of the Paintsville Utilities Commission, on this the 16 day of June, 2008.

Jeresa A. Litteral  
NOTARY PUBLIC

MY COMMISSION EXPIRES: 7-13-09

COMMONWEALTH OF KENTUCKY  
COUNTY OF Johnson

6<sup>th</sup> Subscribed and sworn to before me by Paul D. Butcher, President, on this the  
day of June, 2008.

Joyce Marie  
NOTARY PUBLIC

MY COMMISSION EXPIRES: 4/28/2011

TARIFF BRANCH  
**RECEIVED**  
7/9/2010  
PUBLIC SERVICE  
COMMISSION  
OF KENTUCKY