

WATER LINE EXTENSION AGREEMENT

THIS AGREEMENT made and entered into on _____, by and between Butler County Water System, Inc, 1118 South Main Street, Suite 1, Morgantown, Kentucky, 42261 (hereinafter referred to as the "Association"), and _____ (hereinafter referred to as the "Developer"), whose address is _____.

WITNESSETH:

WHEREAS, the Developer is the owner and developer of a certain area of land located in _____ County, Kentucky, and which property is located at _____ and is identified for development purposes as _____.

(Name of Public Project, residential subdivision, commercial or mixed-use development)

WHEREAS, the Developer is desirous of extending and constructing water mains and appurtenances in order to provide water service to that certain area of land described above and which is to be immediately made available as construction sites for residential and/or other structures, and

WHEREAS, the Association is desirous of providing the water service herein described;

NOW, THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, the Association and the Developer covenant and agree as follows:

- 1. The Developer shall employ a Professional Engineer (Developer’s Engineer), licensed in Kentucky, to prepare detailed construction plans of the proposed extension. The plans shall comply with the Association’s Design Standards for Extensions. The Developer’s Engineer shall submit the plans to the Association for its review and approval and the Developer’s Engineer may be required by the Association to revise the plans prior to the Association issuing its written approval. When the plans are approved by the Association, an AutoCad file shall be delivered to the Association for its use in producing as-built drawings.

2. After approval by the Association, the Developer shall obtain approval from the Kentucky Department for Natural Resources and Environmental Protection, Division of Water before any work is performed on extending water mains. This requirement is in accordance with the Kentucky Public and Semipublic Water Supplies regulations (401 KAR 8:100) as relates to the Kentucky Revised Statute 224.

3. The Developer will obtain and record all required easements, both on and off the Developer's property. The Association's standard easement form must be executed by the property owners involved to allow access to the proposed water lines. A permit or letter of authorization must be obtained from the applicable city, county or state agency if proposed facilities encroach in existing public rights of way. The Developer is responsible for restoring any right of ways obtained for the required work including county, city and state right of ways.

4. The Association shall perform routine engineering and daily construction inspection with the Developer reimbursing the Association for actual costs involved with engineering and inspection, including work required for as-built drawings, and all other costs incurred by the Association related to the water line extensions to serve the Development. The Association shall estimate the cost of services based on the linear footage of the proposed water mains. Before any water line construction begins, the Developer shall deliver a deposit to the Association in the amount equal to its estimated costs. If the construction period approaches the time estimated and/or the deposit for services is nearly expended, all construction work shall cease until the Developer makes an additional deposit to the Association to cover an additional estimate of the work to be performed by the Association. The Developer shall employ a Contractor who shall schedule his work so that the Association's inspection services are not required on Saturdays, Sundays or any holiday observed by the Association. The Association shall waive inspection fees for Public Projects. Public Projects are projects funded by and constructed for the benefit of state, county, or city governments or public-school systems.

5. All water lines and appurtenances shall be constructed in accordance with the approved plans and the Association's Standard Specifications for Extension Agreements. The Developer's construction Contractor shall be experienced in the type of work to be performed and shall be approved in writing by the Association's Engineer before the Developer enters into an agreement with the Contractor. The Developer shall be responsible to direct the Contractor and shall authorize and direct all work to be performed in a

continuous orderly manner as approved by the Association's Engineer at a pre-construction meeting between the Developer, the Contractor and the Association's Engineer. If the Contractor does not perform the work in a continuous orderly manner, the Developer shall notify his Contractor to discontinue work until such time as the work can be completed in an orderly manner. The Association's Engineer shall have authority to direct the Contractor to cease work until the Developer, the Contractor and the Association's Engineer agree on a construction schedule that is mutually acceptable. The Association reserves the right to close any Developer's project that remains inactive or shows no construction progress for a period exceeding 3 months. Projects that are closed due to inactivity must be resubmitted for review and approval prior to resuming construction. Resubmitted projects will be evaluated under the Association's current standards, specifications, and applicable fees.

6. Water mains shall normally only be extended parallel to an existing or proposed public road which is regularly maintained to allow daily travel. The Developer's Contractor will install service lines and curb stops to every lot within the proposed development. The Developer's Contractor will be responsible for meeting street compaction requirements of the Planning Commission, the County Road Department, or any other agency.

7. The water lines shall be constructed initially with consideration for future grade work; however, if in the future, the area through which this water line construction passes requires grade work, and adjustments to the water line, fire hydrants, and appurtenances are required, the Developer agrees to reimburse the Association for expenses incurred for said adjustments. Any changes in the original development plan which cause adjustments to water system facilities, including service lines, will be at the expense of the Developer. If such adjustments to facilities are required, the Association will estimate the cost and the Developer will pay an advance deposit in that amount for the Association to make the adjustments. The Association will not sign a revised plat until the advance deposit is paid by the Developer. Connection of the water line extension to the existing water system does not constitute acceptance of the facilities by the Association. When the Developer's Contractor requests it, the Association will perform a final inspection of the extension. A list of any items not conforming to the approved plans and standard specifications will be provided to the Developer and his Contractor. When all items on this list are performed the construction will be considered complete. The Developer shall provide the Association with a summary of all construction costs. The Developer and his Contractor shall each provide a Release of Liens to the Association indicating that all costs related to the water line

extension have been paid. When the construction is complete, Releases of Liens and the Construction Cost Summary are delivered as described above and any amounts due the Association are paid by the Developer, the Association will notify the Developer in writing of its acceptance of the extension. The Association will not provide service to any customers on the water line extension until it is accepted.

8. The Developer shall guarantee all materials and work included in the water line extension for a period of one year from the date it is accepted by the Association. Defective materials or work that does not jeopardize service to the Association's customers may be corrected by the Developer's Contractor. However, whenever there is any defect in the work or a complaint from anyone granting an easement or right of way and the developer fails to act in a reasonable time in the judgement of the Association, then the Association may take such action deemed necessary. Anytime a failure of the water line extension work creates an emergency which threatens service or poses an inconvenience to the Association's customers the Association may perform the work. Work may be performed by the Association under the above conditions prior to the commencement of the warranty period. The Developer shall pay the Association for the actual cost of all such work. The ending date for the warranty period will be included in the Association's acceptance letter.

9. Upon completion of construction of the water line extension and acceptance by the Association, the Developer shall relinquish any and all control over the facilities covered by this Agreement and the facilities constructed in accordance with this agreement shall become the property of the Association. The Association shall thereafter be responsible for routine maintenance of the water line extension.

10. The Association is specifically granted the right to make extensions to any water lines which are the subject of this Agreement, at no expense to the Developer, and without any reimbursement to the Developer for any connections made on said extensions constructed by the Association. Final authority relative to additions, extensions, taps, and/or uses of the subject water mains and appurtenances shall rest solely with the Association.

11. Any reasonable legal expense incurred by the Association to enforce provisions of this agreement shall be paid by the developer.

12. The Developer or the person applying for service shall pay the standard tap-on fee based on the

established connection charge for each size service requested, without exception, as set forth in the Association's tariff on file with the Kentucky Public Service Commission.

13. The Developer will be partially reimbursed by the Association for the cost of constructing distribution mains in a Development under the following terms and conditions:

- A. The Developer must qualify for reimbursement within a term of ten (10) years from the date of this Agreement.
- B. For each service connection added, except for laterals or extension to the extension, or special metering assemblies solely used for fire protection, the Developer shall, upon his request, be reimbursed by the Association the cost of fifty (50) feet of the extension in place for each service connection made to the distribution main constructed to serve the Development.
- C. The reimbursement amount for each connection shall be the actual cost to construct fifty (50) feet of the distribution line serving the Development. This amount must be supported by documentation of construction costs. Both the cost and the documentation of the cost must be found to be satisfactory by the Association's engineer before any reimbursement will be made.
- D. The Association will make reimbursements once each six (6) month period, but in no event shall reimbursement be paid for connections after ten (10) years from the date of this Agreement, or after the original cost of extension has been recovered by the Developer.
- E. No reimbursement shall be made for connections within the Development itself.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement with the signatures of their authorized representatives on the date indicated below.

BUTLER COUNTY WATER SYSTEM, INC.

BY: _____
General Manager

Date: _____

DEVELOPER

BY: _____

Title: _____

Date: _____