

CONTRACT – RE:
OPERATIONAL AGREEMENT FOR
THOMAS COUNTRY ESTATES, HIGHLAND CLUB ESTATES AND
HOLIFIED HEIGHTS
SEWER SYSTEMS

This Operational Agreement for the Thomas Country Estates, Highland Club Estates and Holified Heights Sewer Systems made and entered into on this / day of September, 2001, by and between Purchase Public Service Corporation of P. O. Box 5100, Mayfield, Kentucky 42066, party of the first part, hereinafter referred to as “PPSC”, and the Mayfield Electric & Water System of 301 East Broadway, Mayfield, Kentucky 42066, party of the second part, hereinafter referred to as “MEWS”.

: W I T N E S S E T H :

WHEREAS, PPSC is the presently the owner and operator of the Thomas Country Estates, Highland Club Estates and Holified Heights Sanitary Sewer Systems, with all said sewer systems located in Graves County, Kentucky; and

WHEREAS, PPSC and MEWS desire to enter into an Operational Agreement wherein MEWS will assume from PPSC some of the responsibilities for operations of the three sanitary sewer systems; and

WHEREAS, MEWS is willing to assist PPSC in operating these three sanitary sewer systems for the consideration as set forth in this document



NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, said parties hereby agree as follows:

(1) TERM:

a. This Operational Agreement shall be effective on September 1, 2001, and shall continue on a month to month basis thereafter.

b. Either party may cancel this Operational Agreement on thirty (30) days written notice to the other party

(2) RESPONSIBILITIES OF MEWS:

a. Assume the daily operations of Thomas County Estates, Highland Club Estates and Holified Height Sanitary Sewer Systems.

b. Provide all tools, materials and labor necessary for the operations of three sanitary sewer systems. This includes the furnishing of chemicals for disinfection.

c. Perform preventative maintenance to the sewer systems as determined a necessity by MEWS and preapproved by PPSC.

d. Conduct emergency repairs.

e. Pull samples and perform lab analysis in accordance with the KPDES permit.

f. Notify DOW operator certification.

g. Sign and submit discharge monitoring reports to the Kentucky Division of Water.

h. Provide tap-on services for new customers.



i. If new customers have their personal plumbers provide tap-on services, to conduct inspections.

j. To mow or spray properties as needed.

k. To accompany a PPSC representative on annual inspections of PPSC Graves County facilities.

l. Submit monthly bills to PPSC by the 10th of the following month.

Expenses should be itemized for each individual sanitary sewer system and for planned and emergency expenditures for Public Service Commission reporting purposes.

m. Attach to the monthly billing the call out report.

n. Advise PPSC of expenditures exceeding the contract amount before incurring the expenditure.

(3) COMPENSATION FROM PPSC to MEWS:

PPSC shall pay to MEWS compensation at the rate of \$30,000.00 per year payable in monthly payments of \$2,500.00 each.

(4) PPSC'S OBLIGATION:

a. To mail to customers the bills.

b. Maintain books and ledgers for the accounts payable and accounts receivable.

c. Pay for operators' workers' compensation.

d. Pay for slug hauling.

e. Pay for the insurance on the system(s).

f. Pay for electricity, water and other utilities used by the system(s).



- g. Pay equipment repair – replacement costs.
- h. Notify KPDES Branch of changes and have forms sent to **MEWS** to the attention of Kevin Leonard.
- i. Sign DMRs as owner.
- j. Generate reports for the Public Service Commission.
- k. Provide a monthly revenue and expense report to **MEWS**.
- l. If this contract is in existence for a quarter, to consider issuing quarterly reports after the first six months of operation.
- m. Maintain the proper insurance on the three sanitary sewer systems subject to this agreement.
- n. At the end of the first year, to pay to **MEWS** all revenue received in excess of expenses.

(5) SUCCESSION:

This Agreement shall be binding upon the parties, their respective successors and assigns forever.

(6) INTERPRETATION:

a. In the event this Agreement has to be interpreted by any Court, it shall be interpreted by a Court of competent jurisdiction in Graves County, Kentucky.

b. The Courts of Graves County, Kentucky, are the proper venue for any dispute regarding this Agreement.



(7) ENTIRE AGREEMENT:

a. This Agreement contains the entire agreement between the parties regarding this Operational Agreement and any amendments or modifications thereto shall be executed in like formality.

IN WITNESS WHEREOF, the parties have hereunto set their hands this the day and date first above written.

PURCHASE PUBLIC SERVICE CORPORATION

By: Henry Hodges
Chairman Executive Director

MAYFIELD ELECTRIC & WATER SYSTEM

By: Mat Fick

STATE OF KENTUCKY

COUNTY OF Graves

Subscribed, sworn to, and verified before me by Henry Hodges, Chairman of PURCHASE PUBLIC SERVICE CORPORATION, to be as free act and deed as Chairman of the Corporation and to be the free act and deed of the Corporation, on this the 1st day of September, 2001.

L. Donna Reed
Notary Public State-at-Large

My Comm. Expires:

12-31-02



STATE OF KENTUCKY

COUNTY OF Graves

Subscribed, sworn to, and verified before me by Marty T. Luy, as
General Superintendent of MAYFIELD ELECTRIC & WATER
SYSTEMS, to be in free act and deed as Corporation of the System and to be the
free act and deed of the System, on this the 15th day of September, 2001.

Shonna Reed
Notary Public State-at-Large

My Comm. Expires:

12-31-02
113.0000

