

**MASTER AGREEMENT  
UTILITY PAVING SHARE**

**THIS MASTER AGREEMENT** is made and entered into as of the October 10<sup>th</sup> day of 2023 (the "Effective Date") by and between **Kentucky American Water Company**, having an address of 2300 Richmond Road, Lexington, KY 40502 (hereinafter referred to as "UTILITY") and the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban-county government pursuant to KRS Chapter 67A, located at 200 East Main Street, Lexington, KY 40507 (hereinafter referred to as "LFUCG"), collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, LFUCG owns and maintains public rights-of-way under the authority of Chapter 17C of the Code of Ordinances of the Lexington-Fayette Urban County Government, which is incorporated by reference as if fully stated herein; and

**WHEREAS**, Chapter 17C of the Code of Ordinances requires that all activities occurring in the public rights-of-way shall be performed in compliance with all applicable laws, ordinances, rules, and regulations and requires each party engaged in activities in the public rights-of-way to obtain all necessary permits, licenses, and authority and to pay all fees required by Chapter 17C or by other applicable laws, rules, or regulations; and

**WHEREAS**, Chapter 17C of the Code requires that each party engaged in activities in the public rights-of-way to make all reasonable efforts to minimize the number of surface cuts made and to make reasonable efforts to coordinate surface cuts with LFUCG's paving schedule, and if appropriate, to enter into joint arrangements with other parties to coordinate activities in the public rights-of-way; and

**WHEREAS**, Chapter 17C of the Code requires that any right-of-way that is disturbed or damaged during construction, excavation, installation, operation, maintenance, or repair of a facility within the right-of-way shall be repaired and restored by the party performing such activities in the public right-of-way; and

**WHEREAS**, Kentucky American Water Company. routinely performs activities to construct, excavate, install, operate, maintain, repair, and replace utility facilities located in the public right-of-way and is subject to the requirement to restore the public right-of-way; and

**WHEREAS**, LFUCG routinely maintains and improves the public right-of-way in accordance with a paving management plan and a paving schedule approved by LFUCG; and

**WHEREAS**, the parties to this Master Agreement mutually agree that the residents of Fayette County are best served with regard to activities in the public rights-of-way if such activities can be effectively coordinated by the parties and where a structure for the sharing of costs for final paving restoration of the public rights-of-way can be mutually agreed upon and administered by LFUCG pursuant to a Master Agreement, in those specific situations where LFUCG's proposed paving improvements pursuant to LFUCG's paving schedule and the proposed work of Kentucky

American Water Company coincide in terms of the timing and location of intended utility work and LFUCG's intended paving activity; and

**WHEREAS**, the parties desire to agree upon a structure for the sharing of the costs for final paving restoration, to be administered on a project-by-project basis, as determined to be appropriate by LFUCG in light of its pavement management plan and proposed paving schedule; and

**WHEREAS**, the parties have agreed that this Agreement shall serve as a Master Agreement setting forth a structure for the sharing of the costs of final paving and for the coordination of paving activity associated with utility work in the public rights-of-way, and the parties now desire to reduce their agreement to writing.

**NOW, THEREFORE**, in consideration of the premises and the foregoing mutually agreed upon promises, conditions, and covenants hereinafter set forth, Kentucky American Water Company and LFUCG hereby covenant and agree as follows:

(1) **INCORPORATION OF RECITALS.** The above recitals are incorporated herein as if fully set forth.

(2) **COST ESTIMATES AND COST ALLOCATION.** For any project for which LFUCG has determined that a paving cost share with UTILITY is appropriate, LFUCG shall provide an estimate of the total cost of final paving restoration in the public right-of-way to UTILITY. It is understood and agreed that, for the purposes of this Master Agreement, final paving restoration includes striping and other markings but does not include curbs, aprons, or disability access ramps. The estimated cost of final paving restoration shall be calculated in accordance with LFUCG's unit price contract with its paving contractor based on then-applicable unit prices. LFUCG shall also provide a proposed percentage allocation to allocate the total estimated cost for final paving restoration between the parties. The allocation shall be calculated by LFUCG based on the proportion that each party's equitable share of the final paving cost bears to the total work to be performed for the benefit of each party. In the event that a project involves work by more than one utility, LFUCG shall provide a proposed percentage allocation to allocate the total estimated cost for final restoration between LFUCG and all interested utilities based on each party's equitable share of the final paving cost bears to the total work to be performed for the benefit of each utility, provided that each interested utility has agreed to a structure for the allocation via master agreement or otherwise. LFUCG shall provide the proposed percentage allocation by providing a completed copy of a Task Order in the form provided as Exhibit A to this Master Agreement identifying the name of the street, expected dates for paving, utilities involved, and proposed sharing percentages. Not less than ten (10) business days following receipt of a Task Order and before paving begins, UTILITY may either agree to proceed under this Master Agreement or inform LFUCG that it will meet its paving obligations by use of its own paving contractor.

Each party shall pay the actual costs of final paving as allocated by LFUCG on a percentage basis under the authority of this Master Agreement. If the total estimated cost of the final paving restoration changes, LFUCG shall provide prompt notice to UTILITY of the change in cost. If the

proposed utility work changes, LFUCG shall be entitled to recalculate the percentage allocation to reflect material changes in the work. In no event shall either party be required to pay an amount in excess of the percentage allocation provided by LFUCG under the authority of this Master Agreement as applied to the total actual cost of the paving work, except by written modification to this Agreement approved by both parties.

(3) **BILLING.** All paving work in the public rights-of-way that is subject to an agreed-upon cost share under this Master Agreement shall be performed by LFUCG's unit price paving contractor, who shall be required to bill LFUCG for all work performed, subject to a percentage allocation which shall be calculated by LFUCG and further billed to each UTILITY responsible for a percentage allocation as set forth herein. The percentage allocation shall be determined by LFUCG prior to any work being performed and shall be provided by LFUCG to UTILITY and to LFUCG's unit price paving contractor prior to the beginning of the work. UTILITY shall be entitled to receive a copy of the billings made to LFUCG by its unit price paving contractor. UTILITY may request, and LFUCG shall provide, a detailed explanation of the inputs used to calculate the percentage allocation. The parties agree to meet in good faith to discuss and determine any necessary revisions to the allocation if UTILITY believes said allocation is inaccurate.

(4) **ADMINISTRATIVE FEE.** The parties recognize that the administration of paving work in the public right-of-way performed under the authority of this Master Agreement by LFUCG, including the tracking of costs, administrative oversight of the Master Agreement and LFUCG's unit price paving contractor, and the calculation and allocation of costs between the parties, results in additional administrative burden incurred by LFUCG and reduces the administrative burden incurred by UTILITY. Therefore, in order to defray the administrative expense incurred by LFUCG in administering this agreement, the parties agree that LFUCG shall be entitled to assess and collect an administrative fee from UTILITY in the amount of TWO HUNDRED DOLLARS (\$200.00) per permit. The administrative fee shall be billed once annually by LFUCG to UTILITY in an amount calculated by LFUCG based on permits pulled by the paving contractor(s) for all work subject to a cost share under this Master Agreement during the previous year.

(5) **CONSTRUCTION APPROVALS; CHANGES IN THE WORK; CHANGE ORDERS.** Any and all work performed pursuant to this Master Agreement shall be approved by LFUCG. Pursuant to Chapter 17C of the Code of Ordinances, UTILITY shall be responsible for all surface cuts and for maintenance of all temporary pavement and base preparation of the public right-of-way for two (2) years from the date of installation of any temporary pavement or base preparation by and through its unit price paving contractor. UTILITY hereby agrees to submit any changes or modifications to the planned utility work to LFUCG's Division of Engineering for consideration and approval. LFUCG reserves the right to recalculate the percentage allocation of the cost share based on material changes in the proposed utility work. LFUCG further retains the right in its reasonable discretion to demand that paving contractors or subcontractors immediately cease any portion of, or all further work undertaken within the right of way or in the scope of work described in this Agreement. Any authorized services performed, materials used or installed to the satisfaction of LFUCG before the demand to cease any and all further work shall be paid by each party in accordance with the terms of this Agreement and the allocation made thereto. UTILITY

shall notify LFUCG in writing, and obtain its approval, prior to any change to construction plans for the site or service area that will affect the shared project costs.

(6) **CHAPTER 17C OF THE CODE OF ORDINANCES INCORPORATED BY REFERENCE.** The parties hereto acknowledge and agree that nothing herein shall alter, amend, reduce, or eliminate any requirements set forth in Chapter 17C of the Code of Ordinances, and that Chapter 17C of the Code of Ordinances be and hereby is incorporated herein by reference as if fully stated herein. In the event of a conflict between Chapter 17C of the Code and this Agreement, the provisions of Chapter 17C shall control. Unless specifically waived herein, all LFUCG ordinances, manuals, rules, regulations, or similar requirements of LFUCG applicable to the subject matter of this Master Agreement shall control.

(7) **WARRANTY.** UTILITY acknowledges and agrees that Chapter 17C of the Code of Ordinances makes the party who disturbs or damages the public rights-of-way during construction, excavation, installation, operation, maintenance, or repair of a facility responsible for the repair and restoration of the public rights-of-way following completion of the activities that cause the disturbance or damage. UTILITY acknowledges and agrees that, in the event that any final paving restoration performed under the authority of this Agreement and which is subject to a cost share under this Agreement fails with regard to pavement condition or surfacing, to the extent such failure is solely due to a failure in the base work performed by the utility and/or in the event of any damage or deterioration to the final paved surface that occurs to the extent such damage or deterioration is solely due to a failure in the base work performed by the utility, UTILITY remains responsible for such damage or deterioration, notwithstanding LFUCG's participation in the final restoration of the public right-of-way by and through a sharing of costs under this Master Agreement. UTILITY remains responsible for complying with all requirements of Chapter 17C of the Code of Ordinances and other applicable law. This expressly includes, but is not limited to, the maintenance of a performance bond in favor of LFUCG, consistent with UTILITY's currently effective franchise agreement. LFUCG acknowledges and agrees that nothing in this section shall apply to paving work performed by LFUCG's paving contractor that fails for reasons other than a failure in the base work performed by UTILITY.

(8) **INSURANCE.** UTILITY shall procure and maintain commercially reasonable levels of insurance coverage as set forth in the currently effective franchise agreement at all times during the period of this Master Agreement, and shall provide LFUCG with a certificate of insurance evidencing the insurance policy required by this section. UTILITY shall provide at least thirty (30) days advance written notice via certified mail, return receipt requested, in the event that any required insurance coverages are canceled or not renewed.

(9) **TERM.** The initial term of this Master Agreement shall be for one (1) year from the date of execution. The agreement may be renewed for two (2) additional one (1) year terms by mutual agreement of the parties.

(10) **TERMINATION.** UTILITY may only terminate this Master Agreement due to LFUCG's material breach of the terms hereof, and only upon thirty (30) days written advance notice to LFUCG by registered or certified mail. Notwithstanding the foregoing, if an LFUCG breach of this Master Agreement presents a safety issue, as determined by UTILITY, UTILITY

may terminate this Master Agreement immediately. LFUCG shall have the right to terminate and cancel this Agreement at any time upon thirty (30) days written notice served on UTILITY by registered or certified mail.

(11) **DEFAULT.** No party shall be in default under this Agreement unless and until the non-defaulting party shall have given the defaulting party written notice of such default and the defaulting party shall have failed to cure the default within thirty (30) days after written receipt of such notice. Upon the failure by the defaulting party to timely cure any default after notice thereof from the non-defaulting party, the non-defaulting party shall have the right to terminate the Agreement and pursue an appropriate remedy.

(12) **INDEMNIFICATION AND HOLD HARMLESS.** It is understood and agreed by the parties that, to the extent permitted by law, UTILITY hereby assumes the entire responsibility and liability for any and all direct damages to persons or property directly caused by or resulting from or directly arising out of any negligent act or omission on the part of UTILITY that directly arises from the negligent performance or breach of this Master Agreement and/or the provision of goods and services thereby, including but not limited to any negligent act or omission related to all surface cuts made by the utility and/or temporary pavement and base preparation of the public right-of-way and/or the provision of services and the performance or failure to perform any work required thereby. UTILITY shall indemnify, save, hold harmless, and defend LFUCG and its elected and appointed officials, employees, agents, volunteers, and successors in interest from and against any and all direct liability, damages, and losses, including but not limited to, demands, claims, causes of action, judgments, penalties, fines, liens, costs, expenses that directly arise from the negligent performance or breach of this Master Agreement and/or the provision of goods or services by UTILITY under the authority of this Agreement, provided that (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of UTILITY; and (b) not caused by the negligent acts or omissions or willful misconduct of LFUCG or its contractors, representatives or agents. These provisions shall in no way be limited by any financial responsibility or insurance requirements and shall survive any termination of this Master Agreement. It is further understood that, to the extent permitted by law, this provision for indemnification and hold harmless obligations is reciprocal on the part of LFUCG; provided, however, that this shall not constitute a waiver of the sovereign immunity of LFUCG or any defense which may be available to LFUCG.

Notwithstanding the foregoing, in no event shall either party be liable to the other or to any third party for any indirect, consequential, punitive or special damages, by reason of any services or acts performed, any omissions, or services or acts undertaken to be performed hereunder, or otherwise arising from this Master Agreement.

(13) **BINDING EFFECT.** This Master Agreement shall be binding upon, and shall inure to the benefit of, the executors, heirs, successors, and assigns of the parties hereto, and no party shall assign, sublet, or transfer its interests in this Master Agreement without the written consent of the other parties.

(14) **NON-WAIVER.** The failure or delay on the part of UTILITY or LFUCG to exercise any right, power or privilege hereunder shall not operate as a waiver thereof.

(15) **AMENDMENTS.** This Master Agreement may only be amended by a written agreement of all the parties hereto. No revision of this Master Agreement shall be valid unless made in writing and signed by an officer of UTILITY and an authorized signatory on behalf of LFUCG.

(16) **GOVERNING LAW; CHOICE OF FORUM.** The laws of the Commonwealth of Kentucky shall govern this Master Agreement. This Master Agreement shall be interpreted, applied and enforced according to the fair meaning of its terms and not be construed strictly in favor of or against either party, regardless of which party may have drafted any of its provisions. Any action brought against UTILITY and/or LFUCG on this Master Agreement, including but not limited to actions either for breach of the agreement or for enforcement of the agreement, shall be brought in a court of appropriate jurisdiction in Fayette County, Kentucky.

(17) **SEVERABILITY.** In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Master Agreement.

(18) **NO THIRD PARTY RIGHTS.** Nothing in this Master Agreement, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the parties hereto any right, remedy, or claim under or by reason of such agreement or covenant, condition, or stipulation herein contained. Nothing expressed or mentioned in or to be implied from this Master Agreement is intended or shall be construed to give to any person other than the parties hereto any legal or equitable right, remedy, or claim under or in respect to this Master Agreement.

(19) **KENTUCKY PUBLIC SERVICE COMMISSION.** The parties agree that any order, Tariff, rule, or regulation of the Kentucky Public Service Commission or other jurisdictional utility regulator shall take precedence and control over the terms of this Agreement as to that utility party and issue in the event of a conflict. The parties also agree that in some circumstances it may be in their best interest to seek a deviation or relief from such order, Tariff, rule, or regulation in order to fulfill the terms of this Agreement.

(20) **NOTICES.** All notices, consents, demands, or other communications required or permitted to be given or made hereunder shall be sufficiently given or made if given in writing, mailed by reliable overnight courier or by Certified Mail, return receipt, in a sealed envelope, postage prepaid, addressed to the following addresses:

LFUCG:                      Urban County Engineer, LFUCG Division of Engineering  
                                    Lexington-Fayette Urban County Government  
                                    101 E Vine St.  
                                    Lexington, KY 40507

With  
copies to:                      Commissioner of Law

Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, KY 40507

UTILITY: Kentucky American Water Company  
2300 Richmond Road  
Lexington, KY 40502

UTILITY or LFUCG may from time to time designate any other address for this purpose by written notice to the other Party.

(21) This Master Agreement may be executed in duplicate counterparts, each of which shall be deemed an original. In the event that any signature is delivered by facsimile or by email of a ".pdf" format data file, such signature shall create a valid and binding obligation of such party with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

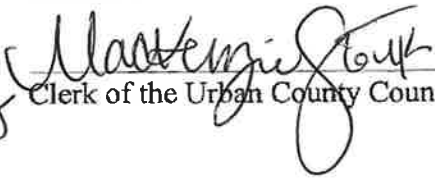
(22) The execution, delivery and performance of this Master Agreement and any documents relating hereto have been duly authorized by all necessary parties, and this Master Agreement is enforceable in accordance with its terms. UTILITY and LFUCG have full power and authority to enter into this Master Agreement, to execute and deliver all instruments and documents referred to herein and to consummate the transactions contemplated hereby.

**IN WITNESS WHEREOF**, the parties by their authorized representative have executed this Master Agreement as of the Effective Date.

**LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT**

BY:   
Linda Gorton, Mayor

ATTEST:

  
Deputy Clerk of the Urban County Council

**Kentucky American Water Company**

BY: Shelley W. Porter

Name: Shelley W. Porter

Title: Director of Engineering

**ACKNOWLEDGMENT**

STATE OF )  
)  
COUNTY OF FAYETTE )

On the 27<sup>th</sup> day of September, 2023, before me personally appeared Shelley W. Porter, and acknowledged under oath that she is the authorized representative of Kentucky American Water Company, and as such was authorized to execute this Master Agreement.

My Commission Expires: 7/25/24  
Sharon Miller  
NOTARY PUBLIC  
ID # KYNP9273



**TASK ORDER #XX**  
**TO MASTER AGREEMENT – UTILITY PAVING SHARE**  
**Between**  
**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (“LFUCG”) And**  
**KENTUCKY AMERICAN WATER CO. (“Utility”)**  
**FOR**  
**[PROJECT NAME] Paving Share**

Article 1 – This task order is pursuant to the Master Agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_ (the “Effective Date”) by and between \_\_\_\_\_ KENTUCKY AMERICAN WATER CO. and LFUCG.

Article 2 – The parties desire to agree upon a structure for the sharing of the costs for final paving restoration, to be administered on the locations indicated on the attached paving sharing schedule.

Article 3 – Utility’s Representative in charge of the services is \_\_\_\_\_ [NAME] who may be contacted at \_\_\_\_\_ [PHONE NUMBER, EMAIL]. LFUCG’s Representative in charge of the services is \_\_\_\_\_ [NAME] who may be contacted at \_\_\_\_\_ [PHONE NUMBER, EMAIL].

Article 4 – The Services performed within the Task Order should commence on or about \_\_\_\_\_ [DATE] and should be complete on or before \_\_\_\_\_ [DATE].

Article 5 – Payment shall be as defined in the Master Agreement and as outlined on the attached paving sharing schedule. If it becomes necessary for time and efforts to exceed these amounts using the agreed upon rates, an agreement must be reached between the Utility’s Representative and LFUCG for additional time and expense and the Task Order shall be updated.

Payment procedures shall be made in accordance with the above referenced Master Agreement.

PREPARED BY: \_\_\_\_\_ Date \_\_\_\_\_  
(LFUCG)

Agreed to by:

**UTILITY**  
**KENTUCKY AMERICAN WATER CO.**

**OWNER**  
**LEXINGTON-FAYETTE URBAN COUNTY**  
**GOVERNMENT**

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Paving Sharing Schedule

FACILITY	SECTION	DISTRICT	CKE	SECTION FROM	SECTION TO	SECTION'S BEHIND	SECTION'S WIDTH	TREATMENT	DEPTH OF ASPHALT	TONS	COMMENTS	TONS	SI	SI	FACTOR	MI/UNIT'S	MI/COFT	PAVING UNITS	PAVING COST	SI / TOTAL COST	ADA	TAKE STRIPING	REPORTED COST	REMARKS
CLAYTON PLACE	0002	0002	0002	11.000	11.000	11.000	11.000	11.000	7	118	WEAR COURSE	118	1227	1227	3.001	2.7832	48,735.85	118.45	3,712,667.2	3,712,667.2			3,712,667.2	3,712,667.2
				11.000	11.000	11.000	11.000	11.000	7	118	BASE	118	1227	1227	0.915	2.7832	38,433.6	118.45	3,171,177.12	3,171,177.12			3,171,177.12	3,171,177.12
				11.000	11.000	11.000	11.000	11.000	7	118	BASE	118	1227	1227	0.915	2.7832	38,433.6	118.45	3,171,177.12	3,171,177.12			3,171,177.12	3,171,177.12