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July 17, 2015

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
PO Box 615
Frankfort KY 40602-0615

Re: Application of the City of Irvine Utility Commission to acquire the facilities of the Estill County Water District No. 1 (Case No. 2014-00425)

Dear Mr. Derouen:

Pursuant to the provisions of the Commission's Order entered into the above case on February 13, 2015, and on behalf of the City of Irvine Utility Commission, please accept this as notice that the provisions of the Settlement Agreement between Estill County Water District No. 1 and the City of Irvine Utility Commission for the takeover of the wastewater treatment facilities and operations is now complete. Specifically, all federal and state approvals that were required, have been obtained; such accounts receivable documentation as has been requested by the Irvine Municipal Utilities has been delivered to them; the easements granting Irvine Municipal Utilities the use of property over which the Water District's sewer lines and facilities are located have been conveyed by the District to the City; USDA loan to the District has been paid by the City of Irvine; the Water District's sewer plant has been decommissioned and as we understand it, closed and such closure approved by the Division of Water; the enclosed Agreed Order of Dismissal has been executed by counsel for both the Water District and IMU and has been sent to the Estill Circuit Court for entry; based upon the information provided us by the District, all fines and assessments against the District for previous transgressions have been waived; all the District's personal property and equipment utilized in the operation of its sanitary sewage disposal operation have been transferred to the City of Irvine; and the Water District and the City of Irvine have recently compromised the sums due the City from the Water District for sewage treatment services it previously offered and for which the District was paid.

With all of the foregoing, we believe this matter is now concluded and please let me express our appreciation for the many courtesies extended by your staff in helping

facilitate the quick and orderly transfer of this facility. We believe the residents of Estill County and of Irvine have all mutually benefited by it.

Sincerely,

SWORD, FLOYD & MOODY, PLLC



Michael R. Eaves
eaves@sfnky.com

MRE/ks

Enclosures

cc: Hon. Larry R. Anderson
Billy Williams

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SWORD, FLOYD & MOODY

COMMONWEALTH OF KENTUCY
ESTILL CIRCUIT COURT
CIVIL ACTION NO. 14-CI-21

CITY OF IRVINE UTILITY COMMISSION
d/b/a IRVINE MUNICIPAL UTILITIES

PLAINTIFF

vs.

AGREED ORDER OF DISMISSAL AS SETTLED

ESTILL COUNTY WATER DISTRICT NO. 1

DEFENDANT

* * * * *

The parties hereto, by and through their respective counsel of record, having advised the Court that they have reached agreement to settlement this matter and the Court being so advised and being otherwise sufficiently advised, it is therefore

ORDERED that this action be and the same is hereby dismissed as settled with each of the parties to bear their respective costs.

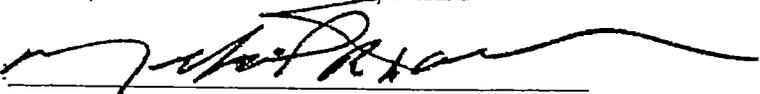
Date: _____

Estill Circuit Court Judge

PREPARED BY:

~~SWORD, FLOYD & MOODY, PLLC~~

By: _____


Michael R. Eaves
Counsel for Plaintiff

ADDRESS: 218 West Main Street
P.O. Box 300
Richmond, Kentucky 40476-0300
Telephone: 859-623-3728

HAVE SEEN AND AGREED TO:

BY: Larry R. Anderson

4115 Larry R. Anderson
4415 Woodmont Park Lane
Louisville, KY 40245
Attorney for the Defendant

**NOTICE OF ENTRY
AND CLERK'S CERTIFICATE**

Hon. Michael R. Eaves
Sword, Floyd & Moody, PLLC
218 West Main Street
P. O. Box 300
Richmond, KY 40476-0300
Attorney for Plaintiff

4115 Hon. Larry R. Anderson
4415 Woodmont Park Lane
Louisville, KY 40245
Attorney for Defendant

PLEASE TAKE NOTICE that the foregoing **AGREED ORDER OF DISMISSAL AS SETTLED** was entered in the official records of the Clerk of the Estill Circuit Court, on this the _____ day of _____, ~~2014~~ 2015

I, Clerk, Estill Circuit Court do hereby certify that I served the foregoing **AGREED ORDER OF DISMISSAL AS SETTLED** upon the parties as set forth in the above caption by mailing a true and correct copy of same to each at their address as set out in the caption NOTICE OF ENTRY, same having been placed in an envelope, postage pre-paid thereon, and deposited in the mails of the United States, Irvine, Kentucky, on this the _____ day of _____, ~~2014~~ 2015

Estill Circuit Court Clerk

By: _____
D.C.