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P.O. Box 676

FRANKFORT, KENTUCKY 40602-0676

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ROBERT C. MOORE
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SQUIRE N. WILLIAMS III

DYKE L. HAZELRIGG (1881-1970)
LOUIS COX (1907-1971)

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May 26, 2004

RECEIVED

MAY 26 2004

PUBLIC SERVICE
COMMISSION

Via Hand Delivery

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

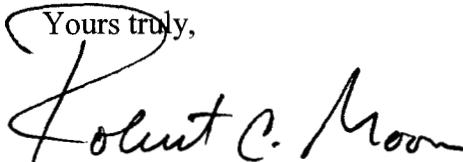
Case 2004-00197

Re: Bullitt Utilities, Inc., and Bullitt County Sanitation District
Joint Application for Approval of Transfer

Dear Ms. O'Donnell:

Please find enclosed for filing the original and 10 copies of the Joint Application for Approval of Transfer of Wastewater Treatment Facility.

Yours truly,


Robert C. Moore

cc: Carroll Cogan and Edward Reinhart
Enclosures
RCM

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE JOINT APPLICATION OF BULLITT
UTILITIES, INC. AND THE BULLITT COUNTY SANITATION
DISTRICT FOR APPROVAL OF TRANSFER OF
WASTEWATER TREATMENT FACILITY

RECEIVED

MAY 26 2004

**PUBLIC SERVICE
COMMISSION**

CASE NO. 2004-00197

JOINT APPLICATION FOR APPROVAL OF TRANSFER

Bullitt Utilities, Inc. ("Bullitt Utilities") and the Bullitt County Sanitation District ("BCSD") hereby petition the Public Service Commission ("Commission") for approval, pursuant to KRS 278.020(4) and (5), of the transfer of the Bullitt Hills Wastewater Treatment Plant and collection system to the BCSD. In support of their application, Bullitt Utilities and BCSD state the following:

1. Bullitt Utilities, the Seller under the Agreement, is a private sewer utility and is subject to the jurisdiction of the Commission under KRS 278.010(3)(f). Bullitt Utilities is a Kentucky Corporation in good standing, with its principal place of business at 1706 Bardstown Road, Louisville, Kentucky, 40205. A copy of the Articles of Incorporation of Bullitt Utilities is attached hereto as Exhibit A. Carroll Cogan is the President and sole shareholder of Bullitt Utilities, and has been duly authorized to execute this joint application on behalf of the corporation. A copy of the resolution of the Bullitt Utilities Board of Directors authorizing the assets transfer to BCSD is attached hereto as Exhibit B.

2. The BCSD is the purchaser of the Bullitt Hills Wastewater Treatment Plant and collection system, and its address is P. O. Box 865, Shepherdsville, Kentucky 40165. The BCSD is a sanitation district established in Bullitt County by Ordinance No. 97-11 pursuant to

KRS 67.715 (2) and KRS 67.083 (3), and its service territory includes the service area of Bullitt Utilities, Inc. As a special district, the BCSD is a political subdivision of the Commonwealth of Kentucky. KRS 67.005(1). Ordinance 97-11 (See Exhibit C) authorizes the BCSD to exercise all powers set forth in KRS Chapter 220 for the purposes set forth in KRS 220.030. BCSD collects and treats sewage and other liquid wastes throughout Bullitt County, Kentucky. Jim Hamilton is the Chairman of the BCSD, and has been duly authorized to execute this joint application on behalf of BCSD. A copy of the resolution of the BCSD Board of Directors authorizing said acquisition and transfer is attached hereto as Exhibit D. A copy of the audited financial statement of BCSD, is attached hereto as Exhibit E.

3. The Bullitt Hills sewer system serves approximately three hundred eighty-three residential customers and fourteen commercial customers located in Bullitt County, Kentucky. Bullitt Utilities desires to transfer the Bullitt Hills Wastewater Treatment Plant and collection system to the BCSD. To that end, Bullitt Hills and the BCSD have executed the Assets Purchase Agreement attached hereto as Exhibit F. The closing under the Assets Purchase Agreement will occur within ten (10) days after receipt of the approval of the Commission.

4. The Environmental and Public Protection Cabinet, Department of Environmental Protection; Division of Water has issued Kentucky Pollution Discharge Elimination System Permit # KY0034901 to Bullitt Utilities authorizing discharge from the Bullitt Hills Wastewater Treatment Plant to the waters of the Commonwealth. See Exhibit G.

5. The BCSD is purchasing from Bullitt Utilities the Bullitt Hills Wastewater treatment plant, which has a current capacity of 350,000 gallons per day, the component parts for a 250,000 gallon per day treatment plant (unassembled) and associated sanitary sewers, pumping stations, force mains, equipment, sewer easements, and real estate. The Bullitt Hills

Wastewater Treatment Plant is in good condition and consistently meets State water quality standards.

6. The BCSD has the financial, technical, and managerial abilities necessary to provide reasonable service. True copies of the BCSD's most recent bank statements are attached as Exhibit H. The BSCD has contracted with David M. Derrick, P.E., Derrick Engineering, Inc., 1397 South Third Street, Louisville, Kentucky 40208, to provide engineering services to it. A copy of Mr. Derrick's resume is attached as Exhibit I. Derrick Engineering, Inc., has provided valuable engineering advice and consultation to the BCSD during the evaluation of the Bullitt Hills Wastewater Treatment Plant and collection system and throughout the negotiations for their transfer to the BCSD. Derrick Engineering, Inc., has also provided valuable assistance to the BCSD in dealing with the Division of Water and the Commission. The BCSD plans to utilize Derrick Engineering, Inc., as needed in the future. The BCSD has operated the Hillview Wastewater Treatment Plants since January 4, 2002, and has also operated the Willow Brook Wastewater Treatment Plant for a substantial period of time. The BCSD has employed a full time manager, Jerry Kennedy to operate its plants. A copy of Mr. Kennedy's resume is attached as Exhibit J. Mr. Kennedy has extensive experience in the management and operation of sewer facilities and also has a Class III Operators License. The BCSD has retained the services of David Bass, CPA, to perform its accounting responsibilities and has submitted its accounting for the purchase of the Hillview Plants and the Willow Brook transfer to the Commission.

7. The proposed transfer of the Bullitt Hills Wastewater Treatment Plant and collection system by Bullitt Utilities to BCSD will be accomplished in accordance with law, for a proper purpose and will be consistent with the public interest. The proposed transfer will also facilitate the future extension of service to the undeveloped land within BCSD's service area.

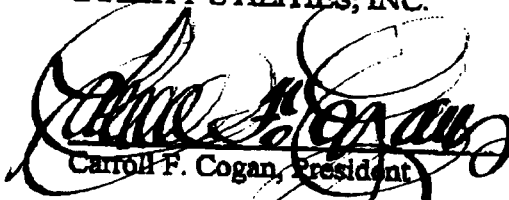
The BCSD will benefit from the transfer as it will be able to allocate its engineering, managerial, equipment and labor resources among its five plants resulting in increased finances, cost savings and improved services to its customers. The Division of Water, the Commission and other governmental entities will benefit by being able to deal with a consolidated sanitation district instead of numerous private providers. Customers of the BCSD will benefit from the additional stability provided by a regional sanitation district committed to a long range planning strategy, which is supported by county government.

8. The BCSD is not under the jurisdiction of the Commission and therefore has not filed a Notice of Adoption as described in 807 KAR 5:011.

WHEREFORE, the undersigned applicants respectfully request the Commission to issue an Order finding that BCSD is financially, technically and managerially capable of rendering sewer service to Bullitt Utilities' customers and authorizing the transfer of the Bullitt Hills Wastewater Treatment Plant and collection facilities to the Bullitt County Sanitation District.

Respectfully submitted,

BULLITT UTILITIES, INC.


Carroll F. Cogan, President

5-25-04
Date

BULLITT COUNTY SANITATION DISTRICT


Jim Hamilton, Chairman

5-19-04
Date

061375

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
Secretary



FRANKFORT,
KENTUCKY

CERTIFICATE OF INCORPORATION

I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of

BULLITT UTILITIES, INC.

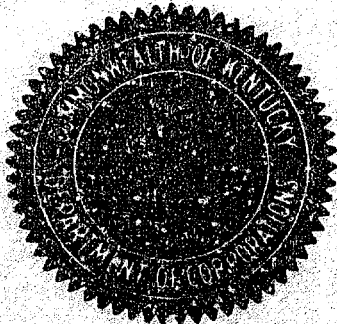
LOUISVILLE, KENTUCKY

whose initial agent for process is CARROLL F. COGAN

4141 BARDSTOWN ROAD

and whose address is LOUISVILLE, KENTUCKY 40218

duly signed according to law, have been filed in my office. I further certify that all taxes, fees and charges payable upon the filing of said Articles of Incorporation have been paid.



SECRETARY OF STATE

Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this 29TH day of JANUARY, 19 76.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

JAN 29 1976

Draper & Davis
SECRETARY OF STATE
SDP

ARTICLES OF INCORPORATION
OF
BULLITT UTILITIES, INC.

SECRETARY OF STATE
RECEIVED

JAN 29 1976
CK 25
Commonwealth of Kentucky

ARTICLE I

The name of the corporation is Bullitt Utilities, Inc.

ARTICLE II

The duration of the corporation shall be perpetual.

ARTICLE III

The purpose of purposes for which the corporation is organized shall include the transaction of any and all lawful business for which corporations may be incorporated under the Kentucky Business Corporation Act, as amended from time to time, including but not limited to, the following purposes:

To design, construct, install, purchase, improve, dismantle, repair, own, lease, hold, rent, sell, manage and operate for its own account or for the account of others and to engage in any and all activities relating to water pollution control systems of any and all types, whether now in existence or as may hereafter be developed and wheresoever situated, including but not limited to any and all types of water and waste treatment and disposal systems, environmental systems, sewage treatment systems, water and waste pumping stations, tertiary treatment systems, and any and all appurtenances thereto and equipment and accessories useful in connection therewith; and generally to deal in, as principal or agent, for its own account or for the account of others, and under contract or

otherwise, all types of water pollution control systems.

To prepare engineering studies, feasibility and other reports, engineering plans, specifications and estimates for domestic or foreign sewage and industrial waste disposal systems and all other types of water pollution control systems.

To design, construct, install, purchase, improve, repair, own, lease, hold, rent, sell, and otherwise deal in all types of new and used equipment and facilities for use in sludge and waste hauling and disposal and all types of other equipment for use in water pollution control systems for its own account and for the account of others and for use by it and sale or lease to others.

To manage, supervise and operate all types of water pollution control systems under contract or otherwise for others; to perform service, maintenance and repair work on all types of electrical and mechanical equipment relating to water pollution control systems, to render financial aid, by loans or advances to or investments in, any corporation, partnership, association, trust or other entity or person in furtherance of its water pollution control system business; and to render consulting services, advice and aid to others in the design, construction, installation, operation, repair and maintenance of water pollution control systems and all types of electrical and mechanical equipment relating thereto.

ARTICLE IV

The aggregate number of authorized shares which the corporation shall have authority to create and issue is One Hundred (100) shares of common stock with a par value of Ten Dollars (\$10) per share. At all meetings of shareholders each shareholder shall be entitled to one vote for each share of such common stock standing in his, her or its name on the books of the corporation.

ARTICLE V

The affairs of the corporation shall be managed (1) by a Board of Directors consisting of not less than three (3) nor more than seven (7) members, and (2) by a president, a secretary and a treasurer, each of whom shall be elected by the Board of Directors as may be prescribed in the by-laws, and by such other officers, assistant officers, agents and employees as (a) the Board of Directors may elect or appoint either from its number or outside of them and (b) may be chosen in such manner as may be prescribed by the by-laws.

At each election of directors, the shareholders shall (before proceeding in the election of directors) determine the number of directors within the limits fixed in the Articles of Incorporation to be elected; provided that by the affirmative vote of a majority of the entire Board of Directors at any regular or special meeting thereof the number of directors may be increased to not more than the maximum number permitted in these Articles of Incorporation until the next election of directors by the shareholders, and any directorship to be filled by reason of such an increase in the number of directors may be filled by the affirmative vote of a majority of the entire Board of Directors for a term of office continuing only until the next election of directors by the shareholders and until the successor of such

At each election of directors by the shareholders each shareholder entitled to vote at such election shall have the right to cast, in person or by proxy, as many votes in the aggregate as he shall be entitled to vote under these Articles of Incorporation, multiplied by the number of directors to be elected at such election; and each shareholder may cast the whole number of votes for one candidate or distribute such votes among two or more candidates.

The time and place at which the officers of the Corporation (other than directors) are to be elected shall be such as are fixed in the by-laws.

ARTICLE VI

The address of the initial registered office of the Corporation is 4141 Bardstown Road, Louisville, Jefferson County, Kentucky, 40218; and the name of its initial registered agent at such address is Carroll F. Cogan.

ARTICLE VII

The number of directors constituting the initial Board of Directors shall be three (3), and the names and addresses of the persons who shall serve as directors until the first annual meeting of shareholders or until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Addresses</u>
Carroll F. Cogan	3001 Hayfield Drive Louisville, Kentucky 40205
Doris M. Cogan	3001 Hayfield Drive Louisville, Kentucky 40205
Martin G. Cogan	3001 Hayfield Drive Louisville, Kentucky 40205

ARTICLE VIII

The highest amount of indebtedness or liability which the Corporation may incur is unlimited.

ARTICLE IX

The private property of the shareholders shall not be subject to the payment of corporate debts to any extent.

ARTICLE X

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise to the fullest extent permitted under and in accordance with applicable statutory provisions.

ARTICLE XI

The power to alter, amend or repeal by-laws or adopt new by-laws, subject to repeal or change by action of the shareholders, shall be expressly vested in the Board of Directors.

ARTICLE XII

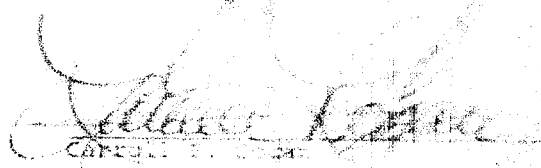
The Corporation reserves the right to amend, alter, change, add to or repeal any provisions contained in these Articles of Incorporation to the fullest extent permitted and in the manner now or hereafter prescribed by law and all rights conferred upon shareholders herein are granted subject to this reservation.

ARTICLE XIII

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Carroll F. Cogan	3001 Hayfield Drive Louisville, Kentucky 40205

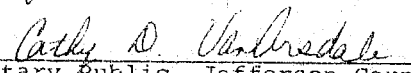
Carroll F. Coogan, hereinafter referred to as Carroll F. Coogan, has, for the purpose of forming a corporation in the State of Kentucky, in conformity with the provisions of the laws of Kentucky, and in accordance with the provisions of the laws of Kentucky, this January 27th, 1976.


Carroll F. Coogan

STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 27th day of January, 1976, by Carroll F. Coogan.

My commission expires: Jan. 29, 1978


Cathy D. VanBreda
Notary Public, Jefferson County,
Kentucky

This instrument was prepared by Thomas W. Bullitt
of Carroll Coogan & Bullitt, Attorneys
at Law, 1100 Pine Street
Cincinnati, Ohio 45219

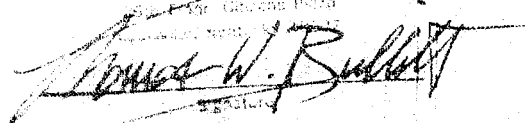

Thomas W. Bullitt

EXHIBIT B

MINUTES OF BULLITT UTILITIES, INC.

A special meeting of the Board of Directors of Bullitt Utilities, Inc., was held at 1706 Bardstown Road, Suite 200, Louisville, Kentucky, at approximately 4 p.m., on Dec. 29th, 2003. Present were Carroll F. Cogan, Doris M. Cogan and Martin G. Cogan, constituting the full membership of the said Board. All members of the Board of Directors waived formal written notice of said Special Meeting. By unanimous consent, Carroll F. Cogan presided as Chairman of the meeting and Doris M. Cogan was Secretary thereof.

The Chairman discussed the negotiation of the sale of the Bullitt Hills Wastewater System and related assets to the Bullitt County Sanitation District. Bullitt Utilities, Inc., owns the Bullitt Hills Wastewater System and the related assets. On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that Bullitt Utilities, Inc., is hereby authorized to negotiate the sale of the Bullitt Hills Wastewater System, including but not limited to the real property and fixtures, machinery, equipment and other personal property related to same, to the Bullitt County Sanitation District, to enter into and execute the documents necessary to consummate the sale of said Wastewater system, which will include the Assets Purchase Agreement by and between Bullitt Utilities, Inc., and the BCSD, and deeds conveying the treatment plant site to the BCSD, and to take all actions necessary to consummate the sale of said Wastewater system to the BCSD. It was specifically stated that the Hunters Hollow system is not part of the Bullitt Hills Wastewater System.

BE IT FURTHER RESOLVED, Carroll F. Cogan is hereby authorized to enter into and execute any and all documents necessary to consummate the sale of the Bullitt Hills Wastewater System, including the related assets, to the BCSD.

There being no further business to come before the meeting, the same was adjourned by unanimous consent.

Doris M. Cogan
Doris M. Cogan, Secretary

Date: 4-22-04

Carroll F. Cogan, Jr.
Carroll F. Cogan, Jr., President

Date: *Carroll F. Cogan*
04-22-04

EXHIBIT C

REGULAR SESSION BULLITT COUNTY FISCAL COURT
HELD ON TUESDAY, APRIL 15, 1997 at 9:30 a.m.

PRESENT: HON. JOHN D. HARPER, BULLITT COUNTY JUDGE/EXECUTIVE

AND THE FOLLOWING MAGISTRATES: Dennis Mitchell, Bill Couch,
R. L. Carter and James R. Sweat

BULLITT COUNTY ATTORNEY: Walt Sholar

BULLITT COUNTY CLERK: Nina Mooney and Donna Ploetner, Deputy Clerk

BULLITT COUNTY SHERIFF: Lloyd "Shot" Dooley

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Judge Harper called the meeting to order at 9:35 a.m. and welcomed all those in attendance. All magistrates were present. Invocation was given by Daryl Lee and James R. "Butch" Sweat led the assembly in the pledge to the flag.

* * * * *

APPROVAL OF MINUTES

On motion of Esq. Carter, seconded by Esq. Couch, it is hereby ordered that the minutes of the regular session of Bullitt County Fiscal Court held on Tuesday, March 18, 1997, be and they are approved as presented and the Judge is authorized to sign same.

Vote: Unanimous for.

* * * * *

UNFINISHED BUSINESS: SANITATION DISTRICT (proposed ordinance)

On motion of Esq. Carter, seconded by Esq. Couch, it is hereby ordered that the proposed ordinance to create a sanitation district be and it is taken from the table and opened for further debate.

Vote: Unanimous for.

Mr. Carter reminded the Court that he had submitted an amendment to the proposed sanitation district ordinance that specified those areas of the County that were to be excluded from the district. He stated that the first paragraph under Section III would be stricken and the amendment he had submitted would be inserted in its place. He read the amendment aloud for those persons present.

On motion of Esq. Carter, seconded by Esq. Couch, it is hereby ordered that proposed Ordinance #97-11 to create a sanitation district be and it is amended to include Mr. Carter's revision of the district boundaries as presented.

Vote: Three (3) for; two (2) against - Sweat & Mitchell; no abstentions.

There was more discussion about the proposed ordinance with the main objection by Mr. Sweat and Mr. Mitchell being that there were many rural areas in their respective districts that will probably never be serviced by a sewer system and the people in those areas should not be taxed for a service they will never get. Mr. Carter and Judge Harper argued that the County must plan ahead for future development and those plans must include a county-wide sanitation district to allow for that development.

On motion of Judge Harper, seconded by Esq. Carter, it is hereby ordered that Ordinance #97-11 creating a sanitation district in Bullitt County be and it is approved and adopted as amended and recorded below and the Judge is authorized to sign same.

Vote: Three (3) for; two (2) against - Sweat & Mitchell; no abstentions.

ORDINANCE NUMBER 97-11

AN ORDINANCE RELATING TO THE
CREATION OF A SANITATION DISTRICT
IN BULLITT COUNTY, KENTUCKY

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF BULLITT COUNTY, COMMONWEALTH OF KENTUCKY, THAT;

SECTION I ESTABLISHMENT

Pursuant to KRS Chapter 67.715 (1), (2) and (3) and KRS Chapter 67.083 (3)(c)(ii) and (r), the Fiscal Court of Bullitt County grants its approval for the County Judge/Executive to establish a Special District and said Special District shall be known as the BULLITT COUNTY SANITATION DISTRICT. The Sanitation District shall have all the powers and duties to reasonably, necessarily and effectively implement the provisions of and carry out the duties prescribed by KRS Chapter 220. The District shall be structured consistent with the provisions of KRS Chapter 220.

SECTION II PURPOSE

The Bullitt County Sanitation District is established for the purposes set forth in KRS Chapter 220.030 which include providing for the collection of sewage and other liquid wastes produced within the district; and incident to such purposes and to enable their accomplishment, to construct, with all appurtenances thereto, laterals, trunk sewers, intercepting sewers, siphons, pumping stations, treatment

WHEREAS, THE Bullitt County Fiscal Court recognizes the need for a Sanitation District to provide for the collection and disposal of sewage and other liquid wastes in Bullitt County, Kentucky, so as to prevent and reduce the pollution of streams and provide for the general public health, safety and welfare; and recognizes the necessity that such a District be empowered to construct sanitation facilities conducive to the public health, safety, comfort, convenience and welfare;

WHEREAS, the Kentucky Revised Statutes, Chapter 67.715, authorizes the County Judge/Executive, with the approval of the Fiscal Court, to create and establish any Special District, and KRS 67.083 provides for the establishment of necessary governmental services, AND;

WHEREAS, it is the desire of the Fiscal Court of Bullitt County, Kentucky, to establish a Sanitation District within the County;

and disposal works, to maintain, operate and repair same, and do all other things necessary for the fulfillment of the purposes of KRS 220.010 to 220.340.

SECTION III BOUNDARIES OF THE BULLITT COUNTY SANITATION DISTRICT

The boundaries of the Bullitt County Sanitation District shall follow and be the same as the boundaries of Bullitt County with the following territory within the county excluded from the Sanitation District:

1. The territory within the corporate limits of the municipalities of Shepherdsville, Lebanon Junction, Pioneer Village, Fox Chase and Hebron Estates.
2. The territory in the north east quadrant of Bullitt County containing the municipal entity of Mt. Washington, said territory excluded is all of Bullitt County lying to the East of Floyd's Fork and North of the Salt River. The City of Mt. Washington currently serves this area with its municipal water supply and plans to extend municipal sanitary sewers into this area in the future.
3. The territory held by the United States Government and identified as the Fort Knox Military Reservation.

Further, any property or properties within the above described boundaries of the Bullitt County Sanitation District, which may in the future be annexed into or otherwise be served by sanitary sewers extended from any of the municipal entities named above, shall be stricken and removed from the territorial boundaries of the Bullitt County Sanitation District, provided the Sanitation District is not indebted for improvements made on said property/properties, in which case the provisions of KRS 220.530 shall prevail.

SECTION IV SANITATION DISTRICT BOARD OF DIRECTORS

In accordance with KRS 220.140, there shall be appointed a board of directors for the district, consisting of three (3) members, which shall control and manage the affairs of the district.

The County Judge/Executive shall appoint the directors, subject to the approval of the Fiscal Court. The directors shall serve at the pleasure of the Judge/Executive, and may be removed without cause, subject to the approval of the Fiscal Court.

SECTION V POWERS OF THE SANITATION DISTRICT

- A. The District shall have the powers authorized in KRS Chapter 220 including the power to sue and be sued, contract and be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, contract for rentals, issue bonds, and do and perform all acts necessary and proper for the carrying out of the purposes for which the District is created, and for executing the powers with which it is invested as provided in KRS 220.110
- B. The District shall have the power of condemnation, as provided and described in KRS 220.310.
- C. The District may provide for a sewer service charge to be imposed and collected pursuant to KRS 220.510.
- D. The District may provide sewer service outside the district as authorized by KRS 220.285.

Recorded in County Ordinance Book 2 Page 738.

* * * * *

STORAGE FOR CIRCUIT COURT RECORDS

There was a brief discussion about the need for accessible storage space for circuit court records and Tom Wood, a representative from David Engineering and Construction, Inc. presented a proposal to the Court for a 30' x 50' x 12' high storage building that would be erected on the northeast Courthouse lawn. The specifications of the building are on file in the Clerk's office. No action was taken.

* * * * *

SEVEN COUNTY SERVICES

Frank Hatfield, a representative from Seven County Services presented a brief overview of the programs available and asked for the morale support of the Court for their services. Laura Fitzgibbons, a child and family supervisor, listed some of the programs they are seeking grants for and hope to have available to the residents of Bullitt County in the near future. No action was taken.

* * * * *

SECTION VI POWERS OF THE FISCAL COURT

- A. The Bullitt County Fiscal Court, pursuant to KRS 220.035, reserves the power and authority to:
 1. Review and approve, amend or disapprove proposed district land acquisitions;
 2. Review and approve, amend or disapprove proposed district construction of capital improvements;
 3. Review and approve, amend or disapprove proposed service charges or user fees;
 4. Review and approve, amend or disapprove the district's proposed budget.

SECTION VII SUBMISSION OF DOCUMENTS AND PLANS

The District shall submit to the Fiscal Court all plans and documentation for review and approval, amendment or disapproval by tendering any such documents or plans to the Fiscal Court through the County Judge/Executive at least 60 days prior to the proposed effective date or time for submission to any entity.

SECTION VIII ANNEXATION OF PART OF DISTRICT BY A CITY

KRS 220.530 provides for the annexation of a Sanitation District or a part of a District by a city that provides sewage disposal and treatment as a municipal function. The Cities of Bullitt County that provide this service are encouraged to expand into the Bullitt Sanitation District territory when ever it is feasible.

SECTION IX SEVERABILITY

Should any section, paragraph, sentence, clause, phrase or portion of this Ordinance be held invalid or unconstitutional by a Court of competent jurisdiction, then such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

INTRODUCED AND GIVEN FIRST READING AT A REGULAR SESSION OF THE BULLITT COUNTY FISCAL COURT HELD ON THE 18th DAY OF Feb. 1997.

GIVEN SECOND READING AND ADOPTED AT A REGULAR SESSION OF BULLITT COUNTY FISCAL COURT HELD ON THE 1st DAY OF April 1997.

VOTE: 3 FOR; 2 AGAINST; 0 ABSTENTIONS.

John D. Harper
JOHN D. HARPER
Bullitt County Judge/Exec...

ATTEST:

Mina M. Moorey
CLERK of the FISCAL COURT

EXHIBIT D

Resolution No. 04-00-1
BULLITT COUNTY SANITATION DISTRICT
Resolution Authorizing the Acquisition and Transfer of
Bullitt Hills Wastewater Treatment Plant from Bullitt Utilities, Inc.

On Motion of KEVIN HOLLOWAY, Bullitt County Sanitation District, seconded by GARY SEIGLE, Bullitt County Sanitation District;

WHEREAS, the Board of Directors ("Board") of the Bullitt County Sanitation District ("District") recognizes the need for the District to continue to expand it's service base and continue with the discharge of it's responsibilities on behalf of the citizens of Bullitt County; and

WHEREAS, The Bullitt Fiscal Court has expressed no reservations to the Bullitt County Sanitation District concerning the acquisition and expansion of the Bullitt County Sanitation District's holdings and service base; and

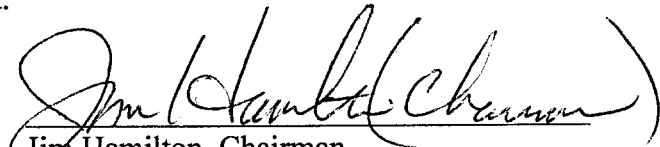
WHEREAS, the Board desires to acquire and operate the Bullitt Hills Wastewater Treatment Plant for use by the District;

IT IS HEREBY RESOLVED:

1. The Chairman of the Board is authorized to execute and deliver any all papers, documents, deeds, contract, permits, and other incidentals necessary for the acquisition and transfer of the Bullitt Hills Wastewater Treatment Plant to the Bullitt County Sanitation District.
2. The Chairman of the District is further authorized to execute any and all documents necessary for approval of this transaction with any governmental agency or body including but not limited to the Kentucky Division of Water and the Public Service Commission.

This Resolution having been adopted by the Bullitt County Sanitation District on the 19th day of May, 2004 by a vote of : 3 for, 0 against, and 0 abstentions.

This Resolution shall stand adopted.


Jim Hamilton, Chairman
Bullitt County Sanitation District

Attest:

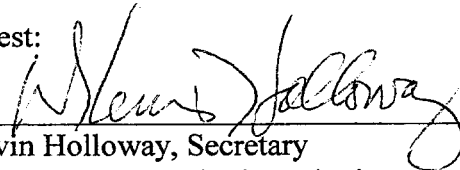

Kevin Holloway, Secretary
Bullitt County Sanitation District

EXHIBIT E

EXHIBIT F

ASSETS PURCHASE AGREEMENT

This is an Assets Purchase Agreement ("Agreement") dated as of the ____ day of _____, 2004, between Bullitt County Sanitation District, a Sanitation District organized pursuant to KRS Chapter 67 ("BCSD"), and Bullitt Utilities, Inc., a Kentucky corporation ("Seller").

RECITALS

WHEREAS, the Seller owns and operates certain waste water collection, conveyance and treatment facilities (the "Wastewater System"), serving land located in or adjacent to Bullitt Hills in Bullitt County, Kentucky as reflected on Exhibit A. The Wastewater System includes a 350,000 gallon per day wastewater treatment plant, component parts for a 250,000 gallon per day treatment plant (unassembled) and associated sanitary sewers, pumping stations, force mains, equipment, sewer easements, and real estate.

WHEREAS, the Seller desires to sell and the BCSD desires to purchase the Wastewater System in accordance with and subject to the provisions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the parties, and in consideration of the mutual covenants and agreements contained in this Agreement, and intending to be legally bound, the parties hereto agree as follows:

SECTION I PURCHASE AND SALE

Section 1.1 Sale of Assets: The Seller hereby agrees to sell and convey to BCSD, and BCSD hereby agrees to purchase from Seller the following assets (the "Assets");

- (a) Property. All real property, fixtures and equipment owned by Seller, which is more particularly described on Exhibit B (the "Equipment").
- (b) Contracts. All right, title and interest in and to the contracts in which Seller is a party, which contracts are more particularly listed on Exhibit C (the "Contracts").
- (c) Records. Copies of all records of the Seller relating to the ownership, operation, maintenance and design of the Wastewater System, including but not limited to sewer maps, construction plans and drainage plans that may exist, as more particularly set forth in Exhibit D. (the "Records").

(d) Governmental Approvals. Kentucky Pollutant Discharge Elimination System ("KPDES") Permit No. _____, a copy of which is attached hereto as Exhibit E, as issued by the Kentucky Department for Environmental Protection, Division of Water, and as amended from time to time (the "Permit"), and all other existing approvals, certificates of public convenience and necessity, permits, licenses, orders, tariffs, and similar rights obtained from governments and governmental agencies to the extent Seller's interest therein is transferrable and related to the ownership or operation of the Wastewater System.

(e) Excluded assets. Seller previously entered into an agreement with the developer of the Glen McDonald property granting it the right to connect to the Wastewater System through the Autozone Pump Station and associated force main, which belong to Autozone and are not part of the Wastewater System. Any fee or charge assessed the owners of the Glen McDonald property for connecting to the Autozone pump station and/or force main shall be shared pro-rata between Carroll Cogan, P.E., and Autozone, to pay for the engineering services provided by Carroll Cogan, P.E. This provision in no way affects BCSD's ability to impose an impact fee to individuals or entities on the Glen McDonald property to the Wastewater System.

Section 1.2 Assumption of Liabilities by BCSD. BCSD does not assume, agree to perform or discharge, or otherwise have any responsibility for, any liabilities or contractual obligations of the Seller arising prior to the Closing Date with the exception of the obligations arising out of the contracts assigned to the BCSD pursuant to this Agreement, which includes the obligations set forth in the contract containing the requirement to provide service to the Preston Parkway Mobile Home Park and Hillview Woods Apartment project or complex. Except as specifically stated herein, the Seller agrees to retain and satisfy or discharge in full, all liabilities existing on the Closing Date or arising out of the Wastewater System prior to the Closing Date.

Section 1.3 Terms and Conditions of Sale.

(a) The purchase price (the "Purchase Price") to be paid by the BCSD to Bullitt Utilities, Inc., for the assets described in Section 1.1 above shall be Eight Hundred Ten Thousand Dollars (\$810,000.00). The parties further agree:

(i) that any indebtedness of Seller as of the Closing Date, shall be paid from proceeds at the Closing;

(ii) that Real and Personal Property Taxes and Public Service Commission Assessments due and payable for 2004 shall be pro-rated as of the Date of Closing. BCSD shall pay any sales tax due on the sale of the assets to it, but it is believed that BCSD is exempt from Sales Tax and Real and Personal Property Taxes; and

(iii) that Customer Receivables made up of payments by customers of Seller for services provided by Seller up to the date of closing and received by the BCSD shall be retained by Seller and paid to Seller within ten (10) days of collection by BCSD. Tap Fees (A/K/A Impact Fees or Connection Fees) received by Seller on lots for which building permits were issued on or after September 1, 2003, shall be delivered to BCSD at closing.

(b) Payment of Purchase Price. The purchase price shall be paid to Bullitt Utilities,

Inc., as follows:

(i) at the closing Bullitt Utilities, Inc., is to be paid the amount of Two Hundred Ten Thousand Dollars (\$210,000.00) by BCSD on the Closing Date, with said funds to be from impact fees (also referred to as tap fees or connection fees) paid or pre-paid to BCSD by developers.

(ii) at the closing, the BCSD is to sign a Promissory Note in favor of Bullitt Utilities, Inc., in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), said Promissory Note to bear interest at the rate of six percent (6%) per annum and to be payable in forty (40) equal quarterly installments of principle and interest. The Promissory Note shall be in the form set forth in Exhibit F.

(iii) at the closing, the BCSD shall sign a second Promissory Note in favor of Bullitt Utilities, Inc., in the amount of Four Hundred Fifty Thousand Dollars (\$450,000.00), said Note to bear interest at the rate of six percent (6%) per annum and said Note to be payable on a quarterly basis, with minimum quarterly payments to be not less than fifty percent (50%) of all impact fees received during the previous quarter for new connections to the Wastewater System. Said Note is to mature in fifteen (15) years and shall be in the form reflected in Exhibit G. In the event that this Promissory Note has not been paid in full after the fortieth quarterly payment has been made, the interest rate on the remaining balance due on said Promissory Note shall be adjusted to a rate equal to the Prime Interest Rate, for the next twenty (20) payments. However, in no event shall the interest rate be less than six percent (6%) per annum or greater than eleven percent (11%) per annum.

(iv) in order to ensure the timely payment of the Promissory Notes identified in paragraphs 1.3(b)(ii) and 1.3 (b)(iii) above, BCSD agrees that the use of the funds or revenue received by BCSD due to the operation of the Wastewater System, including but not limited to impact fees paid for connections to said Wastewater System, shall be limited to the following purposes until said Promissory Notes have been paid in full: 1) to pay off said Promissory Notes; 2) to pay the cost of the normal operation and maintenance of said Wastewater System; and 3) to pay the costs incurred in expanding the treatment capacity of said Wastewater System. The BCSD further agrees that Seller shall retain a mortgage and a vendor's lien on said real and personal property and contracts conveyed or assigned to BCSD pursuant to this Agreement to secure the payment of said Promissory Notes. Said mortgage and a vendor's lien shall be released by Seller upon payment in full of said Promissory Notes.

(v) BCSD reserves the right to prepay in whole or in part any sums due under this Agreement without prepayment penalty or interest.

SECTION II

CLOSING

Section 2.1. Closing. The purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of BCSD at a date and time to be agreed upon by the parties to this

Agreement, but in no event shall the closing take place after April 1, 2004, unless the delay in closing is the result of a delay in receiving the Kentucky Public Service Commission's approval of the purchase of the subject assets by BCSD. If the closing does not take place on or before April 1, 2004, or within 10 days of the date said approval is granted by the Public Service Commission, whichever date is later, this Agreement is terminated.

Section 2.2. Pre-Closing Obligations.

- (a) Thirty days prior to the date of Closing, Seller shall deliver to BCSD a Certificate executed by Seller representing and warranting to BCSD that each of Seller's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and remains accurate. Said Certificate shall be in the form as reflected in Exhibit K;
- (b) Thirty days prior to the date of Closing, BCSD shall deliver to Seller a Certificate executed by BCSD to the effect that as otherwise stated in such Certificate, each of BCSD's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and remains accurate. Said Certificate shall be in the form as reflected in Exhibit K.

Section 2.3. Closing Obligations. At the Closing:

- (a) Seller will deliver to BCSD:
 - (i) a Bill of Sale documenting the sale of the fixtures and equipment listed on Exhibit B to BCSD;
 - (ii) General Warranty Deeds reflecting the conveyance in fee simple of the Wastewater System Treatment Plant Site and Lots 14, 15 and 16 of Bullitt Hills Subdivision, Section I, located adjacent to Mayflower Road in Bullitt County, Kentucky, to BCSD. Said Deeds shall be in the form reflected in Exhibit H.
 - (iii) an Assignment reflecting the assignment to BCSD of the contracts listed on Exhibit C.
 - (iv) the records set forth on Exhibit D and copies of correspondence forwarded to the appropriate government agencies requesting the transfer to BCSD of all permits, licenses, orders, tariffs and other similar rights.
 - (v) a resolution of the Seller authorizing the Seller to enter into this Agreement.
- (b) BCSD will deliver to Seller:
 - (i) Payment of immediately available funds in the full amount of Two Hundred Ten Thousand Dollars (\$210,000.00), a Promissory Note in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) issued by BCSD in favor of Bullitt Utilities, Inc., as described in paragraph 1.3(b)(ii) above, and a Promissory Note in the

amount of Four Hundred Fifty Thousand Dollars (\$450,000.00) issued by BCSD in favor of Bullitt Utilities, Inc., as described in paragraph 1.3(b)(iii) above;

(ii) a Deed fully and finally releasing the ingress and egress easement across Lot No. 8 of Bullitt Hills Subdivision, Section I, located adjacent to Blue Jay Road. Said Deed shall be in the form reflected in Exhibit I.

(iii) a Mortgage and Vendor's Lien executed by the BCSD in favor of Seller applicable to the fixtures, equipment and real property and contracts conveyed or assigned to the BCSD pursuant to this Agreement in the form as reflected in Exhibit J.

(iv) the resolutions of the BCSD and of the Fiscal Court of Bullitt County, Kentucky authorizing the BCSD to enter into and to perform this Agreement and the consents of all third parties and governmental authorizations necessary to this transaction, including, without limitation, Bullitt County Fiscal Court, the Public Service Commission of Kentucky and the Kentucky Department of Environmental Protection, Division of Water.

SECTION III

REPRESENTATIONS AND WARRANTIES OF THE SELLER

Section 3.01. Organization. The Company is a for-profit corporation duly organized and in existence under the laws of the Commonwealth of Kentucky, for which Seller states that all reports required to be filed with the Kentucky Secretary of State have been filed, and for which no articles of dissolution have been filed with the Kentucky Secretary of State. The Company has all requisite power and authority to own, lease, and operate the assets used in the conduct of its business and to carry on its business as it is now being conducted and Seller does not know of any facts to the contrary.

Section 3.02. Authority, No Conflict. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms. Upon the execution and delivery by Seller of this Assets Purchase Agreement and the documents described herein (collectively, the "Seller's Closing Documents"), the Seller's Closing Documents will constitute the legal, valid, and binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Seller has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and the Seller's Closing Documents and to perform its obligations under this Agreement and the Seller's Closing Documents.

Section 3.03. Books and Records. The books and records concerning the design, operation, maintenance, and repair of the Wastewater System have been made available to BCSD.

Section 3.04. No Undisclosed Liabilities. Seller is not aware of any Company liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for current liabilities incurred in the Ordinary Course of Business which are known to BCSD.

Section 3.05. Compliance with Legal Requirements; Governmental Authorizations.

(a) Seller believes the following to be true:

(i) The Seller is in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership, use or transfer of any of its assets, and does not know of any pending proceeding against it relating to the operation, ownership, use or transfer of its assets; and

(ii) the Seller has not received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any applicable Legal Requirement, or (B) any actual, alleged, possible, or potential obligation on the part of the Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

Section 3.06. Disclosure. No representation or warranty of Seller in this Agreement omits a material fact necessary to make the statements herein accurate.

Section 3.07. Brokers or Finders. Seller and his agents have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

SECTION IV

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

BCSD represents and warrants to Seller as follows:

Section 4.01. Certain Proceedings. There is no pending Proceeding that has been commenced against BCSD that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with its contemplated purchase of the Wastewater System. To BCSD's knowledge, no such Proceeding has been threatened.

Section 4.02. Approval of Purchase and Authorization, Execution and Delivery of this Agreement. The BCSD has obtained the approval of the Bullitt County Fiscal Court of the purchase of the Wastewater System, and any other necessary approvals, to enter into this Assets Purchase Agreement and to undertake and fulfill the duties and obligations set forth herein. The BCSD has been duly authorized by all necessary action and the execution of this Assets Purchase Agreement constitutes a valid and binding obligation of the BCSD in accordance with its terms. The execution and delivery by the BCSD of this Agreement and the consummation and performance by the BCSD of the transaction contemplated hereby will not conflict with or constitute a violation of any provision of the Bullitt County ordinance establishing the BCSD or any constitution, law, statute, ordinance, or regulation to which the BCSD is subject, or conflict with or constitute a violation, breach, or default under any material contract, trust agreement, mortgage indenture or other agreement or instrument to which the BCSD is a party or by which the BCSD is bound or to which the BCSD or any of its properties is subject.

Section 4.03. Brokers or Finders. BCSD and its agents have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar

payment in connection with this Agreement and will indemnify and hold Seller harmless from any such payment alleged to be due by or through BCSD as a result of the action of BCSD or its officers or agents.

Section 4.04 Examination of Properties and Records. The BCSD has examined and is familiar with the real property, sewer system, fixtures and equipment constituting the Wastewater System and their current condition, and has had the opportunity to have such real property, sewer system, fixtures and equipment inspected. The BCSD has received or has examined to its satisfaction all books and records of the Seller concerning the design, operation, maintenance, and repair of the Wastewater System. The BCSD has had the opportunity to make all inquiries about the Wastewater System and Seller it deemed appropriate and has received satisfactory responses to such inquiries.

ARTICLE V

COVENANTS OF SELLER

Section 5.01. Access and Investigation. Between the date hereof and the Closing Date, Seller will (a) afford BCSD and its Representatives (collectively, "BCSD's Advisors") full and free access to the Seller's personnel, properties (including subsurface testing), contracts, books and records, and other documents and data, concerning the operation, maintenance and repair of the Wastewater System.

Section 5.02. Operation of the Businesses of the Company. Between the date hereof and the Closing Date, Seller will:

- (a) conduct its business only in the Ordinary Course of Business;
- (b) use its Best Efforts to maintain the relations and good will with suppliers, customers, landlords, creditors, employees, agents, and others with whom it has business relationships; and
- (c) confer with BCSD concerning operational matters of a material nature.

Section 5.03. Required Approvals. As promptly as practicable after the date hereof, Seller will make or assist in the submittal of all filings required in order to consummate the sale of the Wastewater System to BCSD. Between the date hereof and the Closing Date, Seller will, cooperate with BCSD with respect to all filings that BCSD elects to make in connection with the purchase of the Wastewater System.

Section 5.04. Notification. Between the date hereof and the Closing Date, Seller will promptly notify BCSD in writing if Seller becomes aware of any fact or condition that causes or constitutes a Breach of any of Seller's representations and warranties as of the date of this Agreement.

Section 5.05. Best Efforts. Between the date of this Agreement and the Closing Date, Seller will use its Best Efforts to cause the conditions set forth herein to be satisfied, and to obtain the consents necessary to consummate the transaction contemplated herein.

ARTICLE VI

COVENANTS OF BCSD

Section 6.01. Approvals of Governmental Bodies. As promptly as practicable after the date of this Agreement, BCSD will make all filings required to consummate the purchase of the Wastewater System, and will cooperate in the preparation and filing of the Joint Application necessary to obtain the Public Service Commission's approval of said purchase.

Section 6.02. Best Efforts. Between the date of this Agreement and the Closing Date, BCSD will use its Best Efforts to cause the conditions set forth herein to be satisfied, and to obtain the consents necessary to consummate the transaction contemplated herein.

Section 6.03. Records. BCSD agrees to, on an every six month basis, provide Seller with copies of the records of BCSD reflecting the revenue generated by the operation of the Wastewater System and the receipt of any impact fees received for connections onto the Wastewater System, copies of all contracts with developers for impact fees and/or engineering contracts for expansion to or modification of the Wastewater System.

ARTICLE VII

TERMINATION

Section 7.01. Termination Events. This Agreement may, by notice given prior to or at the Closing, be terminated:

- (a) by either BCSD or Seller if a material Breach of any provision of this Agreement has been committed by the other party and such Breach has not been waived.
- (b) by mutual consent of BCSD and Seller; or
- (c) by either BCSD or Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before or such later date as the parties may agree upon; or
- (d) by either party should additional information disclosed after execution of this Agreement, by way of document review, disclosure, or any other means, have a material and adverse affect on the terms of this Agreement.

Section 7.02. Effect of Termination. Each party's right of termination under Section 7.01 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 7.01(b), all further obligations of the parties under this Agreement will terminate. However, if this Agreement is terminated by a party because of the Breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

SECTION VIII

GENERAL PROVISIONS

Section 8.01. Expenses. Each party will bear its own expenses regarding the preparation and closing of this Agreement.

Section 8.02. Public Announcements. Any public announcements or similar publicity with respect to this Agreement or the Contemplated Transactions prior to The Closing will be issued, if at all, at such time and in such manner as BCSD and the Seller determine. Unless consented to by BCSD and Seller in advance or required by Legal Requirements prior to the Closing, they shall keep this Agreement strictly confidential and may not make any disclosure of this Agreement to any Person. Seller and BCSD will consult with each other concerning the means by which their employees, customers, and suppliers and others having dealings with them will be informed of the purchase by BCSD of the Wastewater System, and BCSD and Seller will have the right to be present for any such communication.

Section 8.03. Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of service if served personally on the party to whom notice is to be given, (b) on the day after delivery to a nationally recognized overnight courier service, or the Express Mail service maintained by the United States Postal Service, or (c) on the fifth (5th) day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and addressed as follows:

If to Seller, to:

Carroll Cogan
1706 Bardstown Road
Louisville, Kentucky 40205

If to BCSD, to:

Jim Hamilton, Chairman
Bullitt County Sanitation District
P.O. Box 818
Hillview, Kentucky 40165

With a copy to:

Any party may change its address for the purpose of this Section 9.03 by giving the other parties written notice of its new address in the manner set forth above.

Section 8.04. Headings. The article, section, and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 9.05. Construction. The parties have participated jointly in the negotiation and drafting

of this Agreement, and, in the event of an ambiguity, or, a question of intent or a need for interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

Section 8.06. Severability. If any provision of this Agreement is declared by any court or other governmental body to be null, void, or unenforceable, this Agreement shall be construed so that the provision at issue shall survive to the extent it is not so declared and that all of the other provisions of this Agreement shall remain in full force and effect.

Section 8.07. Entire Agreement. This Agreement contains the entire understanding between the parties to this Agreement with respect to the transactions contemplated by this Agreement and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to those transactions. All exhibits to this Agreement are expressly made a part of this Agreement as fully as though completely set forth herein.

Section 8.08. Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties, or conditions hereof may be waived, only by a written instrument executed by the parties to this Agreement, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be or construed as a further or continuing waiver of any condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

Section 8.09. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than Seller and BCSD and their respective successors and permitted assigns.

Section 8.10. Successors and Assigns. No party to this Agreement shall assign or delegate this Agreement or any rights or obligations hereunder without the prior written consent of the other parties to this Agreement, and any attempted assignment or delegation without prior written consent shall be void and of no force or effect.

Section 8.11. Governing Law, Jurisdiction. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the Commonwealth of Kentucky (without giving effect to the principles of conflicts of laws thereof). The parties to this Agreement irrevocably agree and consent to the jurisdiction of the courts of the Commonwealth of Kentucky for the adjudication of any matters arising under or in connection with this Agreement.

Section 8.12. Survival of Representations and Warranties. All representations, warranties and covenants by any party to this Agreement contained in this Agreement or in any certificate or other instrument delivered by or on behalf of any party pursuant to this Agreement shall be continuous and shall survive the closing.

Section 8.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together constitute the same instrument.


IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement effected as of the date first above written.

'SELLER'

BULLITT UTILITIES, INC.


Date 04/26/04

"BCSD"

By 
Jim Hamilton Date 5-19-04

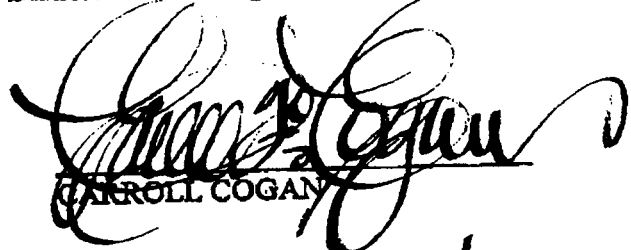
ADDENDUM NO. 1

This Addendum modifies Section III of the Asset Purchase Agreement executed between the parties by adding an additional paragraph as follows:

Section 3.08 the Seller warrants that each of the pumps in the Tanyard Springs pump station will, prior to the closing, each be upgraded to a pump rate of 400 gallons per minute at the Sellers own cost and expense. The Seller further warrants that such testing to be done in conformance with this section shall be independently witnessed and verified the District's consulting engineer or the District's manager.


JIM HAMILTON

Date: 5-21-04


CARROLL COGAN

Date: 05-25-04

EXHIBIT G

JAMES E. BICKFORD
SECRETARY



PAUL E. PATTON
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
FRANKFORT OFFICE PARK
14 REILLY RD
FRANKFORT KY 40601

AUG 23 2002

*Rec'd
8/27/02
cc JWS
Bickford
File
Dir MBE*

Mr. Carroll Cogan
Bullitt Utilities, Incorporated
1706 Bardstown Road
Louisville, Kentucky 40205

Re: Bullitt Hills Subdivision
KPDES No.: KY0034901
Bullitt County, Kentucky

Dear Mr. Cogan:

Enclosed is the Kentucky Pollutant Discharge Elimination System (KPDES) permit for the above-referenced facility. This action constitutes a final permit issuance under 401 KAR 5:075, pursuant to KRS 224.16-050.

This permit will become effective on the date indicated in the attached permit provided that no request for adjudication is granted. All provisions of the permit will be effective and enforceable in accordance with 401 KAR 5:075, unless stayed by the Hearing Officer under Sections 11 and 13.

Any demand for a hearing on the permit shall be filed in accordance with the procedures specified in KRS 224.10-420, 224.10-440, 224.10-470 and any regulations promulgated thereto. Any person aggrieved by the issuance of a permit final decision may demand a hearing, pursuant to KRS 224.10-420(2), within thirty (30) days from the date of the issuance of this letter. Two (2) copies of request for hearing should be submitted in writing to the Natural Resources and Environmental Protection Cabinet, Office of Administrative Hearings, 35-36 Fountain Place, Frankfort, Kentucky 40601 and the Commonwealth of Kentucky, Natural Resources and Environmental Protection Cabinet, Division of Water, 14 Reilly Road, Frankfort, Kentucky 40601. For your record keeping purposes, it is recommended that these requests be sent by certified mail. The written request must conform to the appropriate statutes referenced above.

If you have any questions regarding the KPDES decision, please contact Courtney Seitz, Inventory and Data Management Section, KPDES Branch, at (502) 564-2225, extension 465.

Further information on procedures and legal matters pertaining to the hearing request may be obtained by contacting the Office of Administrative Hearings at (502) 564-7312.

Sincerely,

Jeffrey W. Pratt, Director
Division of Water

JWP:NG:ng
Enclosure

c: Louisville Regional Office
Division of Water Files



KPDES



KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM

PERMIT

PERMIT NO.: KY0034801

AUTHORIZATION TO DISCHARGE UNDER THE KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM

Pursuant to Authority in KRS 224,

Mr. Carroll Cogan
Bullitt Utilities, Incorporated
1706 Bardstown Road
Louisville, Kentucky 40205

is authorized to discharge from a facility located at

Bullitt Hills Subdivision
12105 Preston Highway
Hillview, Bullitt County, Kentucky

to receiving waters named

Unnamed tributary (mile 0.30) of Tanyard Branch (mile 1.60)

in accordance with effluent limitations, monitoring requirements, and other conditions set forth in PARTS I, II, and III hereof. The permit consists of this cover sheet, and PART I 2 pages, PART II 1 page, and PART III 1 page.

This permit shall become effective on March 1, 2003.

This permit and the authorization to discharge shall expire at midnight, February 29, 2008.

AUG 23 2002

Date Signed

Jeffrey W. Pratt, Director
Division of Water

Robert W. Logan
Commissioner

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Division of Water, Frankfort Office Park, 14 Reilly Road, Frankfort, Kentucky 40601

Printed on Recycled Paper

PART I
Page 1-1
Permit No.: KY0034601

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning on the effective date of this permit and lasting through the term of this permit, the permittee is authorized to discharge from Outfall serial number: 001, Sanitary Wastewater.

Such discharges shall be limited and monitored by the permittee as specified below:

EFFLUENT CHARACTERISTICS	DISCHARGE LIMITATIONS			MONITORING REQUIREMENTS		
	lbs/day	Other Units (Specify)	Measurement Frequency	Sample Type	Sampling Location	
	Monthly Avg.	Daily Max.	Daily Max.	Continuous	Continuous	Influent or Effluent
Flow, Design (0.35 mgd)	N/A	N/A	Report	Report	Continuous	Influent or Effluent
Biochemical Oxygen Demand (5-day), Carbonaceous	73.0	146	25 mg/l	50 mg/l	1/Week Composite	Effluent
Total Suspended Solids	88.0	175	30 mg/l	60 mg/l	1/Week Composite	Effluent
Fecal Coliform Bacteria, N/100	N/A	N/A	200	400	1/Week Grab	Effluent
Ammonia (as N)	11.7	23.4	4 mg/l*	8 mg/l*	1/Week Composite	Effluent
	29.2	58.4	10 mg/l**	20 mg/l**	1/Week Grab	Effluent
Dissolved Oxygen shall not be less than 7 mg/l					1/Week Grab	Effluent
Total Phosphorus (as P)	N/A	N/A	Report	Report	1/Week Composite	Effluent
Total Residual Chlorine (TRC)	N/A	N/A	0.010 mg/l	0.019 mg/l	1/Week Grab	Effluent

The pH of the effluent shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored once per week by grab sample.

There shall be no discharge of floating solids or visible foam in other than trace amounts.

The effluent shall not cause a visible sheen on the receiving water.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location: nearest accessible point after final treatment, but prior to actual discharge or mixing with receiving waters.

* Effective May 1 - October 31
** Effective November 1 - April 30

PART I
Page I-2
Permit No.: KY0034801

B. Schedule of Compliance.

1. The permittee shall achieve compliance with all requirements on the effective date of this permit.
2. This treatment unit is temporary and in no way supersedes the need of a regional sewer system. The permittee will eliminate the discharge and treatment unit by connection to a regional sewer system when it becomes available as defined in 601 KAR 9:002.

PART II
Page II-1
Permit No.: KY0034801

STANDARD CONDITIONS FOR KPDES PERMIT

The permittee is also advised that all KPDES permit conditions in KPDES Regulation 401 KAR 5:065, Section 1 will apply to all discharges authorized by this permit.

This permit has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal, and local agencies.

It is the responsibility of the permittee to demonstrate compliance with permit parameter limitations by utilization of sufficiently sensitive analytical methods.

PART III
Page III-1
Permit No.: KY0024801

PART III

COVER REQUIREMENTS

A. Reporting of Monitoring Results

Monitoring results must be obtained for each month and reported on a preprinted Discharge Monitoring Report (DMR) form that will be mailed to you each quarter for the upcoming quarter. The completed DMRs for each month must be sent to the Division of Water at the address listed below (with a copy to the appropriate Regional Office) postmarked no later than the 28th day of the month following the completed quarter:

Division of Water
Louisville Regional Office
916 Leesgate Road
Louisville, Kentucky 40222-5084
Attn: Supervisor

Kentucky Natural Resources and
Environmental Protection Cabinet
Dept. for Environmental Protection
Division of Water/KPDWS Branch
14 Reilly Road, Frankfort Office Park
Frankfort, Kentucky 40601

B. Reopener Clause

This permit shall be modified, or alternatively revoked and reissued, to comply with any applicable effluent standard or limitation issued or approved under 401 KAR 5:050 through 5:080 and KRS 224 if the effluent standard or limitation so issued or approved:

1. Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
2. Controls any pollutant not limited in the permit.

The permit as modified or reissued under this paragraph shall also contain any other requirements of KRS Chapter 224 when applicable.

EXHIBIT F TO
ASSETS PURCHASE AGREEMENT BETWEEN
BCSD AND BULLITT UTILITIES, INC.

1. See attached Promissory Note in favor of Bullitt Utilities, Inc., in the amount of \$150,000.

JAMES E. BICKFORD
SECRETARY



PAUL E. PATTON
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
FRANKFORT OFFICE PARK
14 REILLY RD
FRANKFORT KY 40601

STATEMENT OF BASIS

XPDS No.: KY0034801 **Permit Writer:** Paul L. Heckley **Date:** June 21, 2002

Facility Name: Bullitt Hills Subdivision

Facility Location: 11109 Preston Highway
Hillview, Bullitt County, Kentucky

Permitting Action: This is a re-issuance of a permit for a subdivision.

Permit Duration: This permit shall become effective March 1, 2003. The effective date of this permit is being delayed to place the facility in the correct 9-year cycle, as per the Kentucky Watershed Management Framework. During the interim period, the current permit will remain effective, in accordance with 401 KAR 5:060, Section 1(5)(c). In this instance, the permit is scheduled for re-issuance in March 2008 for the Salt/Licking Basin Management Unit.

Receiving Stream: Unnamed tributary (mile 0.30) of Tanyard Branch (mile 1.60)

Stream Segment Use Classification: Warmwater Aquatic Habitat and Primary/Secondary Contact Recreation

Stream Low Flow Condition: 0.00 cfs

Justification of Permit Conditions:
The following regulations are pursuant to KAR 224.70-100 and KRS 224.70-110.

Biochemical Oxygen Demand (5-day), Total suspended Solids, Fecal Coliform, and pH
The effluent limitations for the above permit parameters are consistent with 401 KAR 5:045.

Ammonia Nitrogen, Phosphorus, Dissolved Oxygen, and Total Residual Chlorine (TRC)
The effluent limitations for the above permit parameters are consistent with 401 KAR 5:031. Due to nutrient concerns for the receiving stream, Phosphorus monitoring is being required for this permit re-issuance. A limitation may be required in the future.

Antidegradation:
The conditions of 401 KAR 5:029, Section 1(1) have been satisfied by this permit action. A review under Section 1(2), (3), and (4) is not applicable.

cm



EXHIBIT H



Bullitt County Bank

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502-543-2245

6980 Preston Highway North
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502-957-2196



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ACCT NO: 1006142
STMT DT: 4/30/04
PAGE NO: 1
ITEMS: 0

STATEMENT OF ACCOUNT

Transfer funds between any of your checking, money market, or savings accounts on the internet! It's simple and easy, because you've got better things to do than run to the bank.

.....General Inquiry.....1006142.....			
Previous Balance on	3/31/04	\$	1,035.54
Deposits and Other Additions (Credits)		+	0.85
Checks and Other Charges (Debits)		-	0.00
Current Balance on	4/30/04	\$	1,036.39

Deposit and Other Addition Details

4/30/04	INTR DEPOSIT	\$	0.85
Total of 1 Deposits/Other Additions\$			0.85

Year to Date Interest Paid is	\$	3.43
Low Balance for the Period was	\$	1,035.54
Current Interest Rate is	1.0000%	
STATEMENT PERIOD = 30 DAYS		
INTEREST EARNED FOR PERIOD	.85	
ANNUAL PERCENTAGE YIELD EARNED	1.00%	

MONEY MARKET ACCOUNT

PLEASE EXAMINE AT ONCE. IF NO ERROR IS REPORTED IN SIXTY DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT.



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Account

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ACCT NO: 1006096
STMT DT: 4/30/04
PAGE NO: 1
ITEMS: 59

STATEMENT OF ACCOUNT

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```

.....1006096.....
.....General Inquiry.....
Previous Balance on 3/31/04 $ 3,259.62
Deposits and Other Additions (Credits) + 97,072.20
Checks and Other Charges (Debits) - 92,762.51
-----
Current Balance on 4/30/04 $ 7,569.31

```

Deposit and Other Addition Details

```

4/01/04 REGULAR DEPOSIT $ 1,700.00
4/08/04 REGULAR DEPOSIT $ 2,940.00
4/08/04 REGULAR DEPOSIT $ 105.07
4/13/04 REGULAR DEPOSIT $ 25,333.53
4/13/04 REGULAR DEPOSIT $ 18,305.59
4/13/04 REGULAR DEPOSIT $ 37,236.67
4/13/04 REGULAR DEPOSIT $ 11,351.34
4/14/04 REVERSE NSF SERVICE CHG $ 100.00
-----
Total of 8 Deposits/Other Additions $ 97,072.20

```

Checks and Other Charge Details

```

4/12/04 NSF PAID SERV CHG $ 25.00
4/13/04 NSF PAID SERV CHG $ 175.00
-----
Subtotal of 2 Other Charges/Transfers $ 200.00

```

CK #	DATE	PD	AMOUNT	CK #	DATE	PD	AMOUNT
1785	4/15/04		600.00	1825	4/14/04		12.10
1787*	4/06/04		600.00	1826	4/13/04		250.84
1811*	4/01/04		128.35	1827	4/14/04		252.49
1812	4/01/04		1,363.68	1828	4/09/04		3,901.99
1813	4/15/04		186.69	1829	4/13/04		103.16
1814	4/02/04		1,075.00	1830	4/13/04		200.00
1815	4/02/04		528.52	1831	4/15/04		119.23
1816	4/12/04		1,075.00	1832	4/13/04		79.41
1817	4/12/04		16,617.62	1833	4/12/04		1,361.18
1818	4/14/04		137.85	1834	4/19/04		488.21
1819	4/13/04		13,975.00	1836*	4/22/04		600.00
1820	4/12/04		7,644.00	1837	4/28/04		600.00
1821	4/12/04		939.06	1838	4/13/04		84.24
1822	4/09/04		100.00	1839	4/13/04		83.57
1823	4/12/04		853.00	1840	4/12/04		564.64
1824	4/09/04		417.83	1841	4/13/04		198.50

REGULAR CHECKING ACCOUNT



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ACCT NO: 1006096
STMT DT: 4/30/04
PAGE NO: 2
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STATEMENT OF ACCOUNT

CK #	DATE PD	AMOUNT	CK #	DATE PD	AMOUNT
1842	4/14/04	2,446.54	1856	4/28/04	475.54
1843	4/14/04	253.33	1857	4/26/04	3,786.32
1844	4/16/04	23.63	1858	4/26/04	89.02
1845	4/13/04	64.39	1860*	4/27/04	109.74
1846	4/15/04	2,252.44	1861	4/29/04	100.28
1847	4/15/04	8.96	1862	4/22/04	259.14
1848	4/22/04	270.51	1863	4/26/04	1,186.32
1849	4/16/04	10,242.98	1864	4/26/04	1,269.89
1850	4/16/04	2,150.00	1866*	4/29/04	1,061.50
1851	4/16/04	1,363.68	1867	4/26/04	37.00
1852	4/27/04	235.65	1868	4/27/04	2,150.00
1853	4/16/04	5,500.54	1869	4/27/04	1,363.68
1854	4/29/04	154.99	1870	4/27/04	376.03
1855	4/27/04	189.25			
Subtotal of		59 Checks			\$ 92,562.51
Total of		61 Checks/Other Charges			\$ 92,762.51

DAILY BALANCE SUMMARY

BALANCE	DATE	BALANCE	DATE	BALANCE	DATE
3,259.62	3/31	29,190.18	4/12	20,754.52	4/22
3,467.59	4/01	47,822.84	4/13	14,385.97	4/26
1,864.07	4/02	44,820.53	4/14	9,961.62	4/27
1,264.07	4/06	41,653.21	4/15	8,886.08	4/28
4,309.14	4/08	22,372.38	4/16	7,569.31	4/29
110.68	4/09	21,884.17	4/19		
Low Balance for the Period was				\$ 29,190.18	04



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ACCT NO: 1006096
STMT DT: 3/31/04
PAGE NO: 1
ITEMS: 34

STATEMENT OF ACCOUNT

Transfer funds between any of your checking, money market,
or savings accounts on the internet! It's simple and easy,
because you've got better things to do than run to the bank.

.....General Inquiry.....1006096.....
Previous Balance on 2/29/04 \$ 14,397.29
Deposits and Other Additions (Credits) + 20,578.17
Checks and Other Charges (Debits) - 31,715.84
Current Balance on 3/31/04 \$ 3,259.62

Deposit and Other Addition Details

3/08/04 REGULAR DEPOSIT \$ 1.20
3/10/04 REGULAR DEPOSIT \$ 18,585.20
3/18/04 REGULAR DEPOSIT \$ 1,920.00
3/19/04 REGULAR DEPOSIT \$ 71.77
Total of 4 Deposits/Other Additions \$ 20,578.17

Checks and Other Charge Details

Table with columns: CK #, DATE PD, AMOUNT, CK #, DATE PD, AMOUNT. Lists various checks and their amounts.

Subtotal of 34 Checks \$ 31,715.84
Total of 34 Checks/Other Charges \$ 31,715.84



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ACCT NO: 1006096
STMT DT: 3/31/04
PAGE NO: 2
ITEMS: 34

STATEMENT OF ACCOUNT

DAILY BALANCE SUMMARY

....BALANCE DATE.BALANCE DATE.BALANCE DATE.
14,397.29 2/29	8,216.29 3/09	5,758.36 3/17
13,954.31 3/02	26,325.85 3/10	6,134.33 3/18
12,590.63 3/04	20,286.69 3/11	4,056.10 3/19
10,204.98 3/05	10,972.52 3/12	3,834.97 3/24
10,186.18 3/08	10,372.52 3/15	3,259.62 3/26
Low Balance for the Period was		\$ 3,259.62

.....



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ACCT NO: 1006096
STMT DT: 2/29/04
PAGE NO: 1
ITEMS: 49

STATEMENT OF ACCOUNT

Transfer funds between any of your checking, money market, or savings accounts on the internet! It's simple and easy, because you've got better things to do than run to the bank.

```

.....General Inquiry.....1006096.....
Previous Balance on 1/31/04 $ 1,021.86
Deposits and Other Additions (Credits) + 88,280.67
Checks and Other Charges (Debits) - 74,905.24
Current Balance on 2/29/04 $ 14,397.29

```

Deposit and Other Addition Details

```

2/10/04 REGULAR DEPOSIT $ 9,532.14
2/10/04 REGULAR DEPOSIT $ 17,346.71
2/10/04 REGULAR DEPOSIT $ 25,626.06
2/10/04 REGULAR DEPOSIT $ 34,755.76
2/19/04 REGULAR DEPOSIT $ 1,020.00
Total of 5 Deposits/Other Additions $ 88,280.67

```

Checks and Other Charge Details

CK #	DATE PD	AMOUNT	CK #	DATE PD	AMOUNT
1716	2/02/04	237.00	1748	2/17/04	148.16
1725*	2/02/04	179.00	1749	2/17/04	1,112.92
1726	2/13/04	255.65	1750	2/12/04	37.00
1727	2/11/04	1,363.68	1751	2/17/04	2,661.00
1728	2/17/04	3,225.00	1752	2/11/04	589.38
1729	2/13/04	2,725.52	1753	2/13/04	2,404.00
1730	2/11/04	2,150.00	1754	2/18/04	6,483.25
1731	2/13/04	126.95	1755	2/18/04	119.23
1732	2/11/04	3,845.40	1757*	2/17/04	2,286.65
1733	2/13/04	1,356.95	1759*	2/17/04	600.00
1734	2/11/04	13,995.00	1760	2/17/04	600.00
1735	2/13/04	285.00	1761	2/17/04	3,361.67
1736	2/17/04	2,756.80	1762	2/13/04	6,540.45
1737	2/12/04	87.31	1763	2/13/04	1,419.70
1738	2/20/04	37.30	1764	2/17/04	62.40
1739	2/12/04	4,410.01	1765	2/17/04	496.00
1740	2/17/04	89.37	1766	2/26/04	277.77
1741	2/13/04	132.80	1767	2/19/04	547.49
1742	2/12/04	281.44	1768	2/20/04	1,419.88
1743	2/12/04	125.00	1770*	2/20/04	72.69
1744	2/13/04	253.55	1771	2/23/04	360.00
1745	2/12/04	9.92	1772	2/18/04	1,363.68
1746	2/13/04	146.28	1774*	2/20/04	318.96
1747	2/18/04	1,222.00	1775	2/19/04	2,150.00



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ACCT NO: 1006096
STMT DT: 2/29/04
PAGE NO: 2
ITEMS: 49

STATEMENT OF ACCOUNT

CK #	DATE PD	AMOUNT	CK #	DATE PD	AMOUNT
1776	2/27/04	176.03			
Subtotal of		49 Checks	\$	74,905.24	
Total of		49 Checks/Other Charges	\$	74,905.24	

DAILY BALANCE SUMMARY

....BALANCE DATE.BALANCE DATE.BALANCE DATE.
1,021.86 1/31	45,325.54 2/13	14,851.09 2/23
605.86 2/02	27,925.57 2/17	14,573.32 2/26
87,866.53 2/10	18,737.41 2/18	14,397.29 2/27
65,923.07 2/11	17,059.92 2/19	
60,972.39 2/12	15,211.09 2/20	
Low Balance for the Period was		\$ 605.86

EXHIBIT I

DAVID G. DERRICK

Principal and Project Manager

Mr. Derrick has over twenty years experience in water quality engineering. In 1977 he founded Derrick Engineering, Inc. to provide consulting engineering services to governmental, commercial and industrial clients in the specialized area of water quality control. Since the firm's founding, he has been the chief executive officer of the firm and has served as project director for the major projects that the firm has undertaken. Prior to founding Derrick Engineering, Mr. Derrick was a project engineer and project manager for three other consulting engineering firms engaged in the field of water quality control. He also served as an officer in the U.S. Navy Civil Engineer Corps, where he directed the design, construction and operation of public works facilities at bases in the United States and Central America.

Mr. Derrick has authored a number of technical papers on water quality control published in technical journals and/or presented at technical conferences. In 1987 he was selected to present a paper on industrial wastewater treatment at the Industrial Pollution Control Symposium held in Kaohsiung, Republic of China.

The following is a brief description of several of the major water quality engineering projects that Mr. Derrick has directed during the past few years.

Evaluation of Airport Facility Needs at Standiford Field, Louisville, Kentucky. This study by a team of consultants including Derrick Engineering evaluated the near term and long term facility needs of Standiford Field. Facility needs for the next 20 years were projected and five alternatives were evaluated to improve the airside facilities of Standiford Field. These onsite improvement alternatives were compared with an alternative to build a new remote airport. The team recommended a project to construct two new parallel runways at Standiford Field as the best alternative to meet future aviation needs of the community. Derrick Engineering developed water quality control strategies and costs for each alternative and participated in the overall evaluation and selection process.

Study of Surface Water Quality Problems at Standiford Field and Bowman Field, Louisville, Kentucky. This currently ongoing study for the Louisville and Jefferson County Regional Airport Authority is evaluating and developing strategies for control of surface water quality at these two Louisville airports. A surface water quality monitoring program is being carried out, stream discharge permits are being obtained, and control strategies will be developed where required to control contamination from deicing chemicals used on aircraft and pavement surfaces.

Surface Water Quality Control Project, United Parcel Service Air Parcel Hub, Standiford Field, Louisville, Kentucky. This project was undertaken to identify and control surface water quality

problems associated with the use of deicing chemicals at the UPS Air Parcel Hub at Standiford Field. Initially, an extensive surface water monitoring program was carried out to define the problem. Secondly, several control alternatives were evaluated including segregation of surface drainage, storage, treatment, and discharge to a public sewer system. Lastly, over \$2 million in facilities were designed and constructed to segregate, store, and pump contaminated surface water to the Metropolitan Sewer District for final treatment and discharge.

Louisville Downtown District Heating and Cooling System Studies, Louisville, Kentucky. On behalf of the City of Louisville and the Jefferson County Fiscal Court, Derrick Engineering has performed two feasibility studies to identify the potential for development of a district heating and cooling system to serve the Louisville Central Business District. The studies have done extensive investigation of the potential for using the Louisville Aquifer as a source of geothermal energy for the system. A ground-water-based district heating and cooling system has been proposed to spur economic development in the Downtown Area.

Municipal Sewer System Expansion, Frankfort, Kentucky. This project involved the planning, financing, design, and construction supervision of a \$20 million project to upgrade and expand the entire municipal sewer system for the City of Frankfort. Under the direction of the Frankfort Municipal Sewer Board, the project

included: a new 9 million gallon per day wastewater treatment plant, 5 new major pumping stations, improvements to 30 existing pumping stations, and over 20 miles of new major trunk sewers and force mains. Most of the facilities were built in developed and congested areas of this Capital City of the Commonwealth.

Mammoth Cave Area Regional Sewer System, Cave City, Kentucky. Derrick Engineering has served as the lead consultant in planning, designing, and supervising the construction of this regional sewer system for the Caveland Sanitation Authority. The system will serve the cities of Horse Cave, Cave City and Park City, and also rural areas of Hart, Barren, and Edmonson Counties. The project includes 2 wastewater treatment plants, 6 pumping stations, and 18 miles of trunk sewers and force mains. The system will reduce widespread groundwater pollution in the caves of the area and preclude serious groundwater pollution problems in Mammoth Cave National Park.

Mr. Derrick holds a bachelors degree in civil engineering from Purdue University. He also has a masters degree in water quality engineering from Cornell University, financed by a fellowship from the U.S. Environmental Protection Agency. He has taught graduate level courses in water and wastewater treatment at the Speed Scientific School of the University of Louisville. He holds professional engineering licenses in the fields of civil and sanitary engineering in the states of Kentucky, Indiana, and Tennessee.

EXHIBIT J

BULLITT COUNTY SANITATION DISTRICT

Commissioners

Jim Hamilton

Gary Seigle

Kevin Holloway

RESUME

JERRY KENNEDY MANAGER OF THE BULLITT COUNTY SANITATION DISTRICT

EDUCATION:

- Master of Environmental Engineering, University of Louisville, 1975
- Bachelor of Science, University of Louisville, 1974
- Continuing Education Classes
- Six (6) Hours, MBA Program, University of Louisville

PROFESSIONAL:

- Indiana Class IV Collection System Certification
- Kentucky Class IV Operators Certification
- Indiana Class IV Operators Certification
- Illinois Class II Operators Certification
- US Patent for Oxidation Ditch In- channel Clarification
- Ozone Disinfection Presentation, WPCA-AWWA Conference
- Member of the Kentucky Water and Wastewater Operators Association

CAREER EXPERIENCE:

I have had a unique career experience with respect to having worked as a Consulting Engineer, Wastewater Plant Superintendent and in the private Pollution Control Equipment Manufacturing Industry. Some highlights are as follows:

- Environmental Engineer for Miller, Wihry and Lee Inc.
- Wastewater Plant Superintendent for Frankfort, Kentucky, 9 MGD Plant
- Field Research Engineer for Lakeside Equipment Corporation
- Staff Engineer for Derrick Engineering
- Wastewater Plant Superintendent for Clarksville, Indiana, 3.1 MGD Plant
- Staff Engineer for New Albany, Indiana Wastewater Department