

WOOD AND WOOD

ATTORNEYS AT LAW

33 WEST 2ND STREET
3RD FLOOR, U.S. BANK BUILDING
MAYSVILLE, KY 41056
TELEPHONE: 606/564-9959
FAX: 606/564-9976

WOODSON T. WOOD
ANDREW W. WOOD

RECEIVED

NOV 23 2015

PUBLIC SERVICE
COMMISSION

November 19, 2015

Kentucky Public Service Commission

P.O. Box 615

Frankfort, Kentucky 40602-0615

In re: Pinewood Subdivision Inc.

Dear Sir or Madam,

This letter accompanies Pinewood Subdivision Inc's Application for Approval for Transfer enclosed herein. The verified Application has been executed by the authorized representatives of each of the parties to the proposed transfer. Also enclosed, please find Pinewood's Articles of Incorporation as well as the Resolutions of the respective parties regarding their intent to transfer assets from Pinewood to Western Mason Sanitation District.

If you need any additional information or if this Application and associated documents are incomplete, please notify me at the address or phone number listed above.

Yours truly,



Andrew W. Wood
Attorney for Pinewood Subdivision Inc.
awood@maysvilleky.net

Western Mason Sanitation District

Resolution No. 922-15

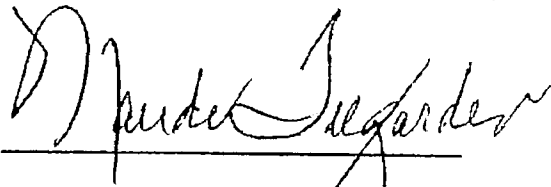
**Resolution to Receive Wastewater Treatment Plant Assets
From Pinewood Subdivision, Inc.**

Be it resolved by the directors of the Western Mason Sanitation District to receive from Pinewood Subdivision, Inc. the Wastewater Treatment Plant, collection system, easements and appurtenances associated with the sewage treatment plant currently owned by Pinewood Subdivision in Mason County, Kentucky, which currently serves approximately 72 customers in or near Pinewood Subdivision. The consideration to be paid by Pinewood Subdivision, Inc. to WMSD is \$35,000.00.

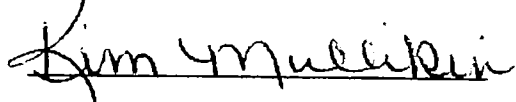
The transfer will take place as soon as is practicable after approval of the transfer by the Kentucky Public Service Commission and Kentucky Division of Water as applicable.

We, the Board Members of WMSD hereby authorize Kevin Cornette, General Manager, to execute any documents necessary to effectuate this transfer pursuant to the terms listed above as well as to appear in any hearing required by the PSC or to otherwise communicate with any party to the extent necessary to carry out the terms of this Resolution.

SO RESOLVED this 22nd day of September, 2015.



Chairman, Western Mason Sanitation District



Attested by Secretary, Kim Mulliken

Date: 9-22-2015

Corporate Resolution 15-01

Of Pinewood Subdivision, Incorporated

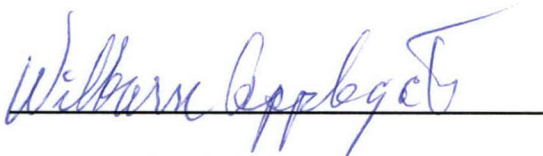
Resolution to Transfer Wastewater Treatment Plant Assets to

Western Mason Sanitation District

Be it resolved by the directors of Pinewood Subdivision Incorporated to transfer to Western Mason Sanitation District the wastewater treatment plant, collection system, easements and appurtenances associated with the sewage treatment plant of Pinewood Subdivision located in Mason County, Kentucky. The consideration to be paid by Pinewood Subdivision Incorporated to WMSD is \$35,000.00. Transfer is to take place as soon as practicable after approval of the transfer by the Kentucky Public Service Commission and Kentucky Division of Water as applicable.

We, the officers and directors of Pinewood Subdivision Incorporated, do hereby authorize Andrew Wood to execute any documents necessary to effectuate this transfer pursuant to the terms listed above as well as to appear in any hearing required by the PSC or to otherwise communicate with any party to the extent necessary to carry out the terms of this resolution

SO RESOLVED this 29th day of September, 2015.

A handwritten signature in blue ink, appearing to read "Wilbur Applegate", is written over a horizontal line.

Pinewood Subdivision Incorporated

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

NOV 23 2015

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF PINWOOD)
SUBDIVISION, INC AND WESTERN)
MASON SANITATION DISTRICT FOR)
APPROVAL OF TRANSFER OF THE)
PINWOOD SUBDIVISION SEWER TO)
WESTERN MASON SANITATION)
DISTRICT)

Case No. 2015-_____

APPLICATION FOR APPROVAL OF TRANSFER

Pursuant to KRS 278.020(5), Pinewood Subdivision, Inc., (“Pinewood”) and Western Mason Sanitation District (“Western Mason”) hereby submit to the Public Service Commission of Kentucky (“Commission”) this application for the transfer from Pinewood to Western Mason of the Pinewood Subdivision sewage treatment plant and collection system and appurtenances (“WWTP”) serving the Pinewood Subdivision in Mason County, Kentucky. The consideration for the transfer of the assets to Western Mason is \$35,000.00 which would be paid by the Transferor to the Transferee. In support of their application, Pinewood and Western Mason state as follows:

1. Pinewood, the proposed Transferor under the agreement, is a Kentucky Corporation in good standing with its principal place of business at 33 West Second Street, 3rd Floor U.S. Bank Building, Maysville, Kentucky. Applicant, Pinewood Subdivision Inc, and its attorney, Andrew W. Wood, can be contacted via e-mail through

its attorney, Andrew W. Wood at awood@maysvilleky.net. His telephone number is 606 564 9959. His fax number is 606 564 9976. A copy of the Articles of Incorporation of Pinewood is attached hereto as Exhibit A. Pinewood is subject to Commission jurisdiction under KRS 278.010(3)(f)). Wilburn Applegate is an owner and officer of Pinewood and has been duly authorized to execute this Application on behalf of the corporation. Western Mason, the proposed transferee under the agreement, is a public body corporate created and organized pursuant to KRS Chapter 76 of the Kentucky Revised Statutes, and its address is P.O. Box 126 Germantown, Kentucky 41044.

2. Western Mason's statutory responsibilities include the providing of sewage and drainage facilities to the public, the regulation of public and private sewers and drains and the discharge of waste and waters into the sewer system.

3. In order to carry out these responsibilities Western Mason provides sanitary sewer and drainage services to approximately 313 customers in Mason County, Kentucky, and approximately 102 customers in Bracken County, Kentucky. Western Mason operates a sewage collection system in which sewage is collected and pumped to the City of Maysville for treatment.

4. Pursuant to KRS 76.070 and KRS 76.110, Western Mason has the legal authority to acquire land and existing facilities.

5. Western Mason operates as a Sanitation District as defined by KRS chapter 220.
6. Western Mason has been in existence since June 1, 2003. Western Mason is governed by a Board that consists of 5 members who are appointed by the Mason County Judge Executive. Per ordinance, the approval of Mason County Fiscal Court is required before Western Mason may implement a change in its rates for service above 7%, for any rate increase. Below 7%, Western Mason must provide notice to the Mason County Fiscal Court.
7. Kevin Cornette, as General Manager of Western Mason, is duly authorized to execute this joint application on behalf of Western Mason.
8. As of July 1, 2015, Western Mason contracts with two (2) persons and one of those is a certified waste water treatment plant operator. Western-Mason's operator is Chad Clark who also operates Pinewood's sewage treatment plant which is the subject of this action. For the year ending June 30, 2014, Western Mason had total operating revenues of \$226,940.00 and total operating expenses of \$261,845.00.
9. The WWTP and collection system owned by Pinewood serves approximately 72 residential customers in or near Pinewood Subdivision in Mason County, Kentucky.

10. Under the Agreement, Pinewood will transfer to Western Mason the WWTP and Collection System, appurtenances and easements currently servicing the Pinewood service area located in or near Pinewood Subdivision in Mason County, Kentucky. There are no other assets to be transferred. The conveyance under the Agreement will occur within sixty (60) days after receipt of the approval of this Application for Transfer by the Commission.

11. Pursuant to the Assets Purchase Agreement, Pinewood is conveying the Pinewood WWTP and collection system to Western Mason. Pinewood will continue to operate and be responsible for the operation of the treatment plant and collection system until approval of the transfer is obtained by the Applicants.

12. Western Mason has sufficient financial integrity to ensure the continuity of utility services to the customers of Pinewood. Western Mason has the financial, technical, and managerial abilities to provide reasonable service to Pinewood's present customers. Therefore, Western Mason's acquisition of Pinewood's collection system is in accordance with law and for a proper purpose. Western Mason is not a utility subject to Commission regulation.

13. The proposed transfer of the assets of the Pinewood Collection System to Western Mason will be accomplished in accordance with law, is for a proper purpose and is consistent with the public interest: (a) On or before closing, Western Mason will have all necessary permits for the operation of the Pinewood Collection System; (b) The public

interest would be served by the transfer of the WWTP and the associated Collection System to Western Mason, as it has the technical expertise to operate the system in accordance with the requirements of the Kentucky Division of Water. As stated in Paragraphs 2 through 8, Western Mason has the requisite managerial ability to provide adequate sewer services to the customers of the Pinewood service area in Mason County, Kentucky consistent with the public interest.

14. Western Mason tenders this application in conjunction with Pinewood only in order to facilitate a transfer of ownership of the assets to Western Mason as Western Mason is exempt from Commission oversight under KRS 278.040(2), the statutory exemption afforded special districts.

15. By affixing our signatures to this Application, we affirm that the information contained therein is true and accurate to the best of our knowledge.

WHEREFORE, the undersigned Applicant respectfully requests the Public Service Commission to issue an Order finding that Western Mason has the financial, technical, and managerial abilities to provide reasonable service to the wastewater customers of Pinewood; that the proposed transaction is in accordance with law, is for a proper purpose, and is consistent with the public interest; and that the proposed transfer of the Pinewood Wastewater Treatment Plant and Collection System by Pinewood Subdivision, Inc. to Western Mason Sanitation District is authorized and approved.

Respectfully submitted,

Pinewood Subdivision, Inc.

Wilburn Applegate
Wilburn Applegate, Owner and Authorized Agent

Date: 11-2-15

STATE OF KENTUCKY)
)
COUNTY OF MASON)

Signed and sworn to before me by Wilburn Applegate., this the 3 day
of ~~October~~ ^{November} 2015

Charles W. W. W.
Notary Public, State of KY at Large
My commission expires: 7-16-18

Have Seen and Agreed:

[Signature]
Kevin Cornette, Western Mason Sanitation District
Its General Manager

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NOV 23 2015

PUBLIC SERVICE
COMMISSION

SECRETARY OF STATE

RECEIVED

MAR 24 1977

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

cf \$25.00
MAR 24 1977

Trms
David R. Davis
SECRETARY OF STATE

Commonwealth of Kentucky

ARTICLES OF INCORPORATION
OF PINWOOD SUBDIVISION, INC.

51863

KNOW ALL MEN BY THESE PRESENT: That we, the under-
signed, Charles H. McEuen, Jr., Woodson T. Wood, Donald L. Wood
and Wilburn Applegate, being of lawful age and citizens and resi-
dents of the Commonwealth of Kentucky, do hereby associate
ourselves together for the purpose of forming a corporation under
the laws of Kentucky, as follows:

ARTICLE I

The name of the corporation shall be Pinewood Subdivision,
Incorporated.

ARTICLE II

The objects and purposes for which this corporation is
formed, and the nature of the business proposed to be transacted
and carried on by it is to develop and operate a subdivision,
including the purchasing, taking, leasing or other acquisition
or ownership of real estate, the division and sale of lots there-
from, and any interest or right therein, the operation of sewage
disposal facilities including the right to charge for said
operation, and to engage generally in the operation of a subdivision
as principal, agent, broker, or otherwise, and the doing of all
things necessary for the management and operation of said sub-
division and any facility connected therewith, with the right to
do all things that might be necessary in connection with the
business to be carried on by said corporation.

ARTICLE III

The duration of this corporation shall be perpetual.

ARTICLE IV

The registered office of the corporation shall be at the offices of 119 W. Second Street, Maysville, Kentucky, and the resident agent shall be Charles H. McLuen, Jr., 119 W. Second Street, Maysville, Kentucky.

ARTICLE V

The total number of shares of stock authorized by the corporation shall be one hundred shares of common stock without par value, all of which are subscribed and will be immediately issued by the corporation. The holder of each share of stock shall be entitled to one vote.

ARTICLE VI

The corporation shall commence business with a paid in capital of one thousand (\$1,000.00) dollars.

ARTICLE VII

The names and addresses of each of the incorporators, together with the number of shares subscribed by each, is as follows:

| <u>NAME</u> | <u>ADDRESS</u> | <u>NO. OF SHA</u> |
|------------------------|--|-------------------|
| Charles H. McLuen, Jr. | 119 W. 2nd Street, Maysville, Kentucky | 25 |
| Woodson T. Wood | State National Bank Bldg. Maysville, Kentucky | 25 |
| Donald L. Wood | State National Bank Bldg. Maysville, Kentucky | |
| Wilburn Applegate | R. 1, Tollesboro, Kentucky | |

ARTICLE VIII

There shall be four directors elected at the meeting of the shareholders to be held as soon as practicable after the issuance of the Certificate of Incorporation. The directors need not necessarily be a stockholder, but must be among the stockholders.

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| Woodson T. Wood | State National Bank Bldg. Maysville, Kentucky | 2 |
| Donald L. Wood | State National Bank Bldg. Maysville, Kentucky | |
| Wilburn Applegate | R. 1, Tollesboro, Kentucky | |

ARTICLE VIII

There shall be four directors elected at the meeting of the shareholders to be held as soon as practicable after the issuance of the Certificate of Incorporation. The directors need not necessarily be a stockholder, but must be among the stockholders.

ARTICLE IX

The names and addresses of the persons who shall serve as directors until the first meeting of shareholders and until their successors are elected and installed are as follows:

| <u>NAME</u> | <u>ADDRESS</u> |
|------------------------|--|
| Charles H. McEuen, Jr. | 119 W. 2nd Street Maysville, Kentucky |
| Woodson T. Wood | State National Bank Bldg. Maysville, Kentucky |
| Donald L. Wood | State National Bank Bldg. Maysville, Kentucky |
| Wilburn Applegate | P. 1, Tollesboro, Kentucky |

ARTICLE X

The Board of Directors may make By-Laws for the corporation and they may alter same from time to time, subject always to the powers of the shareholders to change or repeal such By-Laws.

ARTICLE XI

The private property of the shareholders shall not be subject to the payment of the debts of the corporation.

ARTICLE XII

Any and all of the stockholders of this corporation may from time to time enter into such agreements as may seem expedient to them, relating to the shares of the stock held by them, and limiting the transferability thereof, and thereafter any transfer of said shares shall be made in accordance with the terms of said agreement, provided that before the actual transfer of said shares in the books of the corporation, written notice of such agreements shall be given to this corporation by filing a copy thereof with the Secretary of the corporation, and a reference to such agreement shall be stamped, written, or printed upon the certificate representing said shares, and the

By-Laws of this corporation shall likewise include proper provisions for the making of such agreements as aforesaid.

ARTICLE XIII

This corporation shall be subject to the provisions of Section 12-14 of the Internal Revenue Code of 1954.

ARTICLE XIV

Nothing herein contained shall be construed as giving the corporation any rights, powers or privileges not permitted to it by law, but the occurrence within any of the foregoing clauses of any purpose, power or object prohibited by the laws of the Commonwealth of Kentucky, or of any state in which the corporation may carry on business, shall not invalidate any other purposes, power or object not so prohibited, by reason of its apparent association therewith. The foregoing enumeration of purposes, objects and businesses of the corporation is made in furtherance, and not in limitation, of the powers conferred upon the corporation by law, and especially by the provisions of Chapter 271, Kentucky Revised Statutes, and all other applicable statutes, and is not intended, by the mention of any particular purpose, object or business, to limit or restrict in any manner the generality of any other purpose, object or business mentioned, or to limit or restrict any of the powers of the corporation.

WITNESS the signature of the incorporators herein at Maysville, Mason County, Kentucky, this 10th day of March, 1977.

T. McEwen
William K. Kippel
Donald J. Smith
John D. Smith

STATE OF KENTUCKY

COUNTY OF MASON...SCT.

I, Jo Ann Silva, a notary public, do hereby certify that on this 22nd day of March, 1977, personally appeared before me C. H. McLuen, Jr., Wilburn K. Applegate, Donald L. Wood and Woodson T. Wood, who, being by me first duly sworn, declared that they are the sharsholders in Pinewood Subdivision, Inc., that they signed the foregoing document as incorporators of the corporation, and that the statements therein contained are true.


Notary Public, State of Ky. at Large

My Commission Expires October 11, 1980.