

# Cedarbrook Treatment Plant

153 PROSPEROUS PLACE, SUITE 1A □ LEXINGTON, KENTUCKY 40509

859 - 263 - 5052

February 1, 2008

Beth O'Donnell  
Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort, KY 40602

RECEIVED  
FEB - 4 2008  
PUBLIC SERVICE  
COMMISSION

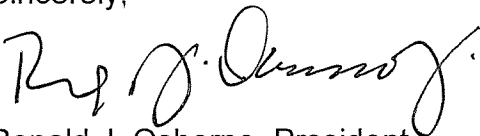
**RE:** Application for an Adjustment in Rates Pursuant to  
the Alternative Rate Filing Procedure for Small Utilities

This is an application to request Commission approval for an increase in R.A. Williams Construction Company d/b/a Cedarbrook Treatment Plant's rate pursuant to the Alternative Rate Filing Procedure for Small Utilities. Attached is the completed "ARF Application."

The Company has mailed written notice of the proposed rate change and the estimated amount of increase per customer class to each customer. A copy of the customer notification letter and affidavit from the Company's Owner verifying that the notice has been mailed to each customer is enclosed.

A copy of this application and related filings has been sent to the Office of the Attorney General, State Capitol Building, Suite 118, Frankfort, KY 40601.

Sincerely,



Ronald J. Osborne, President  
R.A. Williams Construction Company d/b/a  
Cedarbrook Treatment Plant

Enclosure

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

RECEIVED

FEB - 4 2008

PUBLIC SERVICE  
COMMISSION

**R.A. Williams Construction d/b/a Cedarbrook Treatment Plant**

Name of Utility

**153 Prosperous Place, Suite 1A**

**Lexington, KY 40509**

Business Mailing Address

Telephone Number **859 / 263 - 5052**

Area Code

Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: **Ronald J. Osborne, President**

Address: **153 Prosperous Place, Suite 1A**

**Lexington, KY 40509**

Telephone Number: **859 - 263 - 5052**

- |    |                                                                                                           |                                     |    |
|----|-----------------------------------------------------------------------------------------------------------|-------------------------------------|----|
| 1) | Do you have 500 customers or fewer?                                                                       | <input checked="" type="checkbox"/> | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less?                                                    | <input checked="" type="checkbox"/> | No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | <input checked="" type="checkbox"/> | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise?                         | <input checked="" type="checkbox"/> | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, **2006**.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

Account Titles	Test Period Actual	Pro Forma Adjustments	Ref.	Pro Forma Operations
<b>Operating Revenues:</b>				
Residential	\$ 13,813	\$ 599	(a)	\$ 14,412
Misc. Operating Revenues	411	0		411
Total Operating Revenues	<u>\$ 14,224</u>	<u>\$ 599</u>		<u>\$ 14,823</u>
<b>Operating Expenses:</b>				
Operation & Maint. Exp:				
Sludge Hauling	\$ 4,383	\$ (3,054)	(b)	\$ 1,329
Utility Service - Water	408	0		408
Testing/Analysis of Effluent	0	1,896	(c)	1,896
Electricity	2,879	0		2,879
Chemicals	1,308	(150)	(d)	1,158
Misc Sup & Exp - Treatment & Disp.	8,785	(8,785)	(e)	0
Routine Maintenance Fee	8,590	122	(f)	8,712
Maintenance	0	3,825	(g)	3,825
Office Supplies	34	0		34
Outside Services Employed - Legal	0	78	(h)	78
Outside Services Employed - MGT	13,865	(1,865)	(i)	12,000
Total Operation & Maint. Exp.	<u>\$ 40,252</u>	<u>\$ (7,933)</u>		<u>\$ 32,319</u>
Depreciation	511	(257)	(j)	254
Amortization	0	1,181	(k)	1,181
Taxes Other than Income Tax	107	0		107
Total Operating Expenses	<u>\$ 40,870</u>	<u>\$ (7,009)</u>		<u>\$ 33,861</u>
Net Operating Income	<u>\$ (26,646)</u>	<u>\$ 7,608</u>		<u>\$ (19,038)</u>
<b>Other Income:</b>				
Interest Dividend Income	130	0		130
Net Income	<u>\$ (26,516)</u>	<u>\$ 7,608</u>		<u>\$ (18,908)</u>

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

**Refer to Exhibit A for descriptions and the supporting calculations for each proposed pro forma adjustment.**

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

Existing Monthly Rate	Proposed Monthly Rate	Proposed Increase	
		Amount	%
\$ 23.55	\$ 62.00	\$ 38.45	<u>163.270%</u>

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

**During the calendar year 2004, Cedarbrook contracted with Shield Environmental to perform an I&I analysis of the system. The analysis revealed that Cedabrook's system requires a majority of its collection system to be replaced. The replacement cost is beyond the amount that the present rates can support. To date the required system replacement has not been completed.**

2) Total number of Customers  
as of the date of filing: **Residential 51**

3) Total amount of increased  
revenue requested: **\$ 23,525**

4) Please circle Yes or No:

a) Does the utility have any  
outstanding indebtedness? Yes  No

If yes, attach a copy of any documents  
such as promissory notes, bond  
resolutions, mortgage agreements, etc.

b) Were all revenues and expenses  
listed in the Annual Report for  
**2006** incurred and collected from  
January 1 to December 31 of  
that year? Yes  No

If no, list total revenues and total  
expenses incurred prior to or  
subsequent to this period and attach  
invoices or other analysis which show  
how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for **2006** and the amount shown on this schedule.

**Given that the utility plant was fully depreciated in the calendar year 2005, Cedarbrook proposes to eliminate depreciation expense from its pro forma operations. For this reason a depreciation schedule has not been included with this application.**

- 6) If utility is a sewer utility:
- a) Attach a copy of the latest State and Federal Income Tax Returns. **See Exhibit C – Deviation Request.**
  - b) How much of the utility plant was recovered through the sale of lots or other contributions 100 \$ or %? (If unknown, state the reason).

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

**The operating expenses have increased since the last rates case. For Cedarbrook to be able to provide adequate service to its ratepayers, the requested increase in rates is required.**



Step3: Next 10,000 gallons rate level  
1,830 Bills  
16,268,700 gallons used  
 $1^{\text{st}} 2,000 \text{ minimum} \times 1,830 \text{ bills} = 3,660,000 \text{ gallons} -$   
record in Column 4.  
 $\text{Next } 3,000 \text{ gallons} \times 1,830 \text{ bills} = 5,490,000 \text{ gallons} -$   
record in Column 5.  
 $\text{Next } 10,000 \text{ gallons} - \text{remainder of water over } 3,000$   
 $= 7,118,700 \text{ gallons} - \text{record in Column 6.}$

Step4: Next 25,000 gallons rate level  
650 Bills  
15,275,000 gallons used  
 $1^{\text{st}} 2,000 \text{ minimum} \times 650 \text{ bills} = 1,300,000 \text{ gallons} -$   
record in Column 4.  
 $\text{Next } 3,000 \text{ gallons} \times 650 \text{ bills} = 1,950,000 \text{ gallons} -$   
record in Column 5.  
 $\text{Next } 10,000 \text{ gallons} \times 650 \text{ bills} = 6,500,000 \text{ gallons} -$   
record in Column 6.  
 $\text{Next } 25,000 \text{ gallons} - \text{remainder of water over } 10,000$   
 $= 5,525,000 \text{ gallons} - \text{record in Column 7.}$

Step5: Over 40,000 gallons rate level  
153 Bills  
9,975,600 gallons used  
 $1^{\text{st}} 2,000 \text{ minimum} \times 153 \text{ bills} = 306,000 \text{ gallons} -$   
record in Column 4.  
 $\text{Next } 3,000 \text{ gallons} \times 153 \text{ bills} = 459,000 \text{ gallons} -$   
record in Column 5.  
 $\text{Next } 10,000 \text{ gallons} \times 153 \text{ bills} = 1,530,000 \text{ gallons} -$   
record in Column 6.  
 $\text{Next } 25,000 \text{ gallons} \times 153 \text{ bills} = 3,825,000 \text{ gallons} -$   
record in Column 7.  
 $\text{Over } 40,000 \text{ gallons} - \text{remainder of water over } 25,000$   
 $= 3,855,600 \text{ gallons} - \text{record in Column 8.}$

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue



**SAMPLE**

Revenue from Present/Proposed Rates  
Test Period from 01-01-XX to 12-31-XX

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
<b>Totals</b>	<b>4,800</b>	<b>46,895,700</b>	<b>9,254,400</b>	<b>9,287,000</b>	<b>15,148,700</b>	<b>9,350,000</b>	<b>3,855,600</b>	<b>46,895,700</b>

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
<b>Totals</b>	<b>4,800</b>	<b>46,895,700</b>		<b>\$ 92,094.10 Total Revenue</b>

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

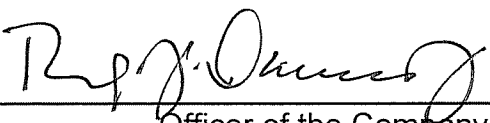
c. One Copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch  
Office of the Attorney General  
Post Office Box 2000  
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed   
Officer of the Company

Title **President**

Date 2 / 1 / 08

EXHIBIT A  
Pro Forma Adjustments

**a. Normalized Operating Revenues - Residential:**

Revenue normalization using end-of-period customer level and the current tariffed rate.

Current Tariffed Rate	\$ 23.55
Multiplied by: Residential End-of-Period	<u>51</u>
Monthly Revenue	\$ 1,201
Multiplied by: 12-Months	<u>12</u>
Normalized Annual Revenues from Rates	\$ 14,412
Less: Reported Residential Operating Revenues	<u>13,813</u>
Pro Forma Adjustment	<u>\$ 599</u>

**b. Sludge Hauling Expense:**

In the test-period, Cedarbrook expensed several items (CCTV Sewer lines, Root Cutting, and Cleaning the Creek) that are considered nonrecurring and should be removed from expenses and amortized. Also, a prior period expenditure has been removed from the test-period operations. To reflect the removal of the prior period and the non-recurring costs, sludge hauling expense has been reduced by \$4,782. The associated amortization is discussed in a following adjustment.

Invoice Date	Description	Amount
01/03/06	Cleaning Creek & Pumping Treatment Plant - 11/30/05	300.00
01/31/06	Cleaning out the creek - 1/4/06	300.00
01/31/06	Cleaning out the creek - 1/22/06	300.00
02/20/06	CCTV of Sewer Lines	1,982.00
02/20/06	Root Cutting (Flat Rate)	1,000.00
03/07/06	Cleaning out the creek - 2/2/06	300.00
03/07/06	Pump Digester & Chlorine Basin - 2/27/06	318.00
08/01/06	Pumping Treatment Plant	159.00
08/01/06	Cleaning out the creek	300.00
08/01/06	Pumping Treatment Plant	159.00
11/02/06	Cleaning out the creek	300.00
11/02/06	Pumping rear lift station	375.00
11/02/06	Pump Chlorine Basin & skim clarifier	<u>318.00</u>
Sludge Hauling Expense		\$ 6,111
Less: CCTV & Root Cutting		(2,982)
Less: Creek Cleaning		(1,500)
Less: Prior Period Expenditure		<u>(300)</u>
Test-Period Sludge Hauling Expense		\$ 1,329
Less: Reported Sludge hauling Expense		<u>4,383</u>
Pro Forma Adjustment		<u>\$ (3,054)</u>

**c. Testing/Analysis:**

Currently Cedarbrook is paying Fouser Environmental a monthly testing fee of \$158. This adjustment reflects the annual testing cost of \$1,896.

Monthly Testing/Analysis Fee	\$ 158
Multiplied by: 12-Months	<u>12</u>
Annual Testing/Analysis Expense	\$ 1,896
Less: Reported Commercial Operating Revenues	<u>0</u>
Pro Forma Adjustment	<u>\$ 1,896</u>

**d. Chemicals:**

This adjustment reflects the actual test-period chemical costs.

<u>Invoice Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
01/31/06	Brocklyn Utilities	Chlorine Test Kit	\$ 120.25
02/20/06	Farmdale Development	1 - 100LB HTH Drum	140.95
02/20/06	Brocklyn Utilities	Chlorine Tablets	148.40
03/30/06	Brocklyn Utilities	Chlorine Tablets	148.40
05/31/06	Brocklyn Utilities	Chlorine Tablets	148.40
10/20/06	Covered Bridge	Chlorine Tablets	105.00
12/02/06	Covered Bridge	1 - 100LB HTH Drum	149.40
12/02/06	Covered Bridge	Chlorine Tablets	198.75
Test-Period Chemical Expense			\$ 1,159.55
Less: Reported Chemical Expense			1,308.00
Pro Forma Adjustment			\$ (148.45)

**e. Misc Sup & Exp - Treatment & Disp.:**

Expenditures reported in this account have been transferred to the correct accounts.

Misclassified Expenses	\$ (8,785)
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**f. Maintenance:**

In the test-period, Cedarbrook expensed several items that are considered to be capital expenditures that should be removed from expenses and depreciated. Those costs have been removed and operating expenses increased by \$3,825 to reflect test-period maintenance expense. The associated depreciation is discussed in a following adjustment.

<u>Invoice Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
01/31/06	Camden Environmental	Supplies & labor for blower motor assembly	\$ 88
Multiple Visits	Camden Environmental	Local Serviceman Extra Visit - I/I Problems	900
03/07/06	Camden Environmental	Extra Time Feb. Sludge return problems	45
06/30/06	Camden Environmental	Mow & Trim plant site 3 @ \$25	75
11/02/06	Camden Environmental	Mow & Trim plant site	350
01/17/06	Covered Bridge	Installed Used Blower	1,363
01/31/06	Covered Bridge		230
02/20/06	Covered Bridge	Installed used blower motor	633
04/13/06	Covered Bridge	Installed New Sheaves - Plant Blower	458
05/19/06	Covered Bridge	New Diffusers	1,090
09/25/06	Covered Bridge	Cleaned Building/Service Blower	549
10/20/06	Covered Bridge	Service effluent pump	334
11/02/06	Covered Bridge	Repair electrical starter on blower motor	230
12/02/06	Covered Bridge	Repaired Effluent Pump	566
Subtotal			\$ 6,911
Remove:	Used Blower		(1,363)
	Used Blower Motor		(633)
	New Diffusers		(1,090)
Test-Period Maintenance Expense			\$ 3,825

**g. Routine Maintenance:**

Currently Cedarbrook is paying Camden Environmental a monthly fee of \$726 for a licensed wastewater operator. This adjustment reflects the annual testing cost of \$8,712.

Monthly Routine Maintenance Fee	\$	726
Multiplied by: 12-Months		12
Normalized Routine Maintenance Expense	\$	8,712
Less: Reported Routine Maintenance Expense		8,590
Pro Forma Adjustment	\$	122

**h. Outside Services Employed - Legal**

Test-period operating expenses have been increased to reflect the legal fees incurred for collecting past-due accounts

11/01/06	Cecil F. Dunn	Collection of Accounts	\$	78
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**i. Outside Services Employed**

Ronald Osborne, Cedarbrook's Owner has entered into a contract with Covered Bridge Utilities to manage and operate Cedarbrook for a fee of \$1,000 per month. This adjustment reflects the annual cost of the \$1,000 management service fee.

Management/Operation Fee	\$	1,000
Plus: Discharge Analysis Fee		130
Monthly Revenue	\$	1,130
Multiplied by: 12-Months		12
Annual Management-Testing Expense	\$	13,560
Less: Reported Routine Maintenance Fee		8,590
Pro Forma Adjustment	\$	4,970

**i. Depreciation Expense:**

The original plant will be fully depreciated in 2005; therefore the associated depreciation expense has been removed. Also, the capital costs have been depreciated over their useful lives.

	Expenditure	Life	Expense
Installed Used Blower	\$ 1,362.78	10	\$ 136
Installed used blower motor	\$ 633.48	10	63
New Diffusers	\$ 1,089.91	20	54
Plant Fully Depreciated in 2005			(511)
Pro Forma Adjustment			\$ (258)

**k. Amortization Expense:**

The non-recurring costs have been amortized over their useful lives.

	Expenditure	Life	Expense
CCTV & Root Cutting	\$ 2,982	20	\$ 149
Cleaning the Creek	\$ 1,500	5	300
Legal Fees	\$ 4,391	6	732
Pro Forma Adjustment			\$ 1,181

**EXHIBIT B**  
**Determination of Operating Ratio, Revenue Requirement, and Rates**

**Operating Ratio Determination**

	2006 Annual Report	
	Actual	Pro Forma
Operating Revenues	\$ 14,224	\$ 14,823
Divided by: Operating Expenses	÷ 40,870	÷ 33,861
 Operating Ratio	 34.803%	 43.776%

**Revenue Requirement Determination**

Operating Expenses	\$ 33,861
Divided by: Operating Ratio	÷ 88%
Requested Revenue Requirement	\$ 38,478
Less: Interest Income	- 130
Requested Revenue Requirement - Operations	\$ 38,348
Less: Misc. Operating Revenues	- 411
Revenue Requirement - Sewer Rates	\$ 37,937
Less: Normalized Operating Revenue	- 14,412
Requested Increase in Revenue from Rates	\$ 23,525

**Rate Determination**

Requested Revenue Requirement	\$ 37,937
Divided by: 12-Months	÷ 12
Monthly Requested Revenue Requirement	\$ 3,161.40
Divided by: End-of-Period Customer Level	÷ 51.0
Monthly Rate per Customer	\$ 62.00

Exhibit C  
Deviation Request

Cedarbrook is a C-Corporation that files a consolidated income tax return. In this proceeding, Cedarbrook is not requesting recovery of its income tax expense. Furthermore, Cedarbrook is a small portion of the overall return of a corporation that is not publicly traded. Providing a copy of the return in this proceeding will place the other operations at a competitive disadvantage. For these reasons, Cedarbrook requests and moves for a deviation, pursuant to 807 KAR 5:076, Section 7, from this requirement of the application.



## Affidavit

The attached notice was sent to all current customers of the Cedarbrook Treatment plant on February 1, 2008.

A handwritten signature in cursive script, appearing to read 'Ronald J. Osborne, Jr.', written over a horizontal line.

Ronald J. Osborne, President  
R.A. Williams Construction Co., Inc  
d/b/a Cedarbrook Treatment Plant

A handwritten date '2/1/08' written in cursive script over a horizontal line.

Date

State of Kentucky

County of Fayette

The foregoing instrument was acknowledged before me this 1st day of Feb. 2008 by Ronald J. Osborne, Jr., President of R.A. Williams Construction Co., Inc., a Kentucky corporation, on behalf of the corporation.

Notary

A handwritten signature in cursive script, appearing to read 'Susan Hughes', written over a horizontal line.

Commission Expires

A handwritten date '5/16/09' written in cursive script over a horizontal line.

Date

A handwritten date 'Feb 1, 2008' written in cursive script over a horizontal line.



# Cedarbrook Treatment Plant

153 PROSPEROUS PLACE, SUITE 1A ♦ LEXINGTON, KENTUCKY 40509

859 - 263 - 5052

## Notice

This is to inform you that the R.A. Williams Construction Company d/b/a Cedarbrook Treatment Plant is requesting an increase in the sewer rates as follows:

	<u>Existing</u>	<u>Proposed</u>	<u>Percentage Increase</u>
Flat Monthly Residential	\$ 23.55	\$ 62.00	163.27%

The rates contained in this notice are the rates proposed by R.A. Williams Construction Company d/b/a Cedarbrook Treatment Plant. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant.

Copies of the application may be obtained at no charge from R.A. Williams Construction Company d/b/a Cedarbrook Treatment Plant at 153 Prosperous Place, Suite 1A, Lexington, Kentucky 40509. Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents

R.A. Williams Construction Company d/b/a Cedarbrook Treatment Plant

0055906.09

Pcraine  
PAOA

**AMENDMENT OF  
ARTICLES OF INCORPORATION OF  
R.A. WILLIAMS COMPANY, INC.**

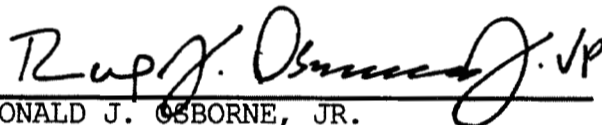
John Y. Brown III  
Secretary of State  
Received and Filed  
05/14/2003 12:14:01 PM  
Fee Receipt: \$40.00

The undersigned, acting as Vice-President of R.A. Williams Company, Inc., under the Kentucky Corporations Act, KRS Chapter 271, adopts the following amendment to the Articles of Incorporation for such corporation:

(1) The name R.A. Williams Company, Inc., shall be amended to be R.A. Williams Construction Company, Inc..(hereinafter sometimes referred to as "the Corporation").

(2) The amendment to the Articles of Incorporation was approved by said Board of Directors on May 8, 2003, and said amendment was adopted by a majority of the Directors in Office.

IN WITNESS WHEREOF, the undersigned has signed and acknowledged to be bound by the contents of the original and amended Articles of Incorporation and this Amended Articles of Incorporation, this 8th day of May, 2003.

  
RONALD J. OSBORNE, JR.


**Mail / Return to:  
Cecil F. Dunn Law Office  
175 East Main Street  
Suite 300  
Lexington, Kentucky 40507**

STATE OF KENTUCKY  
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me this 8TH  
day of May, 2003, by Ronald J. Osborne, Jr., Vice-President, R.A.  
Williams Company, Inc., a Kentucky corporation.

My Commission expires: July 27, 2006

Lori A. Harris  
NOTARY PUBLIC, STATE AT LARGE, KY.



This instrument prepared by  
Cecil F. Dunn, Attorney  
175 East Main Street, Suite 300  
Lexington, Kentucky 40507

Cecil F. Dunn  
diane\docs\cfd\corpor\A.A. Williams Amd Articles

I, Donald W Blevins, County Court Clerk  
of Fayette County, Kentucky, hereby  
certify that the foregoing instrument  
has been duly recorded in my office.

Donald W Blevins

By: Marcia DERR, dc

200305190250

May 19, 2003 12:58:57 PM

Fees	\$9.00	Tax	\$0.00
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Total Paid	\$9.00
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3 Pages

208 - 210

STATE OF KENTUCKY SCT.

COUNTY OF FAYETTE

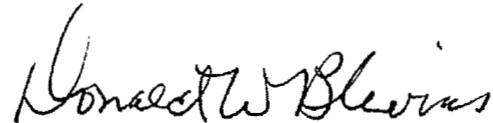
CERTIFICATION OF RECORDED DOCUMENT

I, DONALD W. BLEVINS, Clerk of the County Court in and for said County and State, and as such the custodian of the seal and all records of, or appertaining to said Court, do hereby certify the foregoing to be a true and accurate copy of

A Document Filed in CORP. RECORD BOOK # 283, PAGE # 0208

as the same appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, this 01st day of February, 2008.



\_\_\_\_\_  
Clerk, Fayette County Court

By  \_\_\_\_\_  
Deputy Clerk

RECEIVED & FILED

at 4:40

BOOK 0167 PAGE 089

ARTICLES OF AMENDMENT ~~NO 16~~ 8 13 AM '91  
ARTICLES OF INCORPORATION OF  
R. A. WILLIAMS DEVELOPMENT COMPANY, INC.

SECRETARY OF STATE  
COM. OF KENTUCKY  
BY *Blunden Perry*

KNOW ALL MEN BY THESE PRESENTS:

That at a duly called meeting of the Board of Directors of R. A. Williams Development Company, Inc. on JANUARY 4, 1991, at the hour of 4:00 p.m. at the Company's main office in Lexington, Kentucky, the following amendment to Article I of the company's Articles of Incorporation was authorized unanimously by the Board of Directors, as shareholder action was not required. Article I shall be amended as follows:

Article I

The name of the corporation shall be the R. A. Williams Company, Inc.

Each and every provision of the Articles of Incorporation and any amendments previously filed shall remain unchanged.

IN WITNESS WHEREOF, R. A. Williams Development Company, Inc., by and through its duly authorized officers, has hereunto subscribed its name as of the day and year first above written.

R. A. Williams Development Company, Inc.

By: *R. Williams*  
R. A. Williams, President

ATTEST:

*Ronald J. Osborne Jr.*  
Ronald J. Osborne, Secretary

910122243

STATE OF KENTUCKY

COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of January, 1991, by R. A. Williams, President, and Ronald J. Osborne, Secretary, of R. A. Williams Development Company, Inc., a Kentucky Corporation, on behalf of said corporation.

Sally Sweet Patton  
NOTARY PUBLIC - STATE AT LARGE

MY COMMISSION EXPIRES: NOV 15, 1994

PREPARED BY:

Cecil F. Dunn

CECIL F. DUNN  
LANDRUM & SHOUSE  
106 WEST VINE STREET  
P.O. BOX 951  
LEXINGTON, KY 40588-0951

STATE OF KENTUCKY  
COUNTY OF FAYETTE SCT.

I, DONALD W. BLEVINS, CLERK OF SAID COUNTY COURT HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT HAS BEEN DULY RECORDED IN CORPORATE RECORD BOOK 167 PAGE 89 IN MY SAID OFFICE.

DONALD W. BLEVINS, CLERK  
BY A. J. Deemo D.C.

ORDERED TO RECORD  
PAID \$ 5.50 REC. TAX  
JAN 22 3 43 PM 1991  
DUNN, CECIL F. BLEVINS  
FAYETTE COUNTY CLERK  
BY A. J. Deemo

STATE OF KENTUCKY SCT.

COUNTY OF FAYETTE

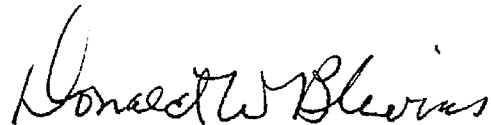
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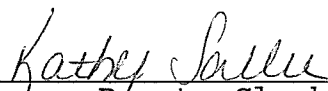
A Document Filed in CORP. RECORD BOOK # 167, PAGE # 0089

as the same appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, this 01st day of February, 2008.



\_\_\_\_\_  
Clerk, Fayette County Court

By   
\_\_\_\_\_  
Deputy Clerk



## ARTICLES OF INCORPORATION

OF

R. A. WILLIAMS DEVELOPMENT COMPANY, INC.

\* \* \* \* \*

KNOW ALL MEN BY THESE PRESENTS:

THAT, I, R. A. Williams, of Fayette County, Kentucky, do hereby form a corporation under the laws of the State of Kentucky.

ARTICLE I

The name of the corporation is: R. A. WILLIAMS DEVELOPMENT COMPANY, INC. and by said name it may contract and be contracted with, sue and be sued, adopt a corporation seal and conduct and operate its business and affairs.

ARTICLE II

The registered office in this state is 1733 Cameron Court, Lexington, Kentucky, but the corporation may establish such other business offices as the Board of Directors deems advisable. R. A. Williams, 1733 Cameron Court, Lexington, Kentucky is hereby designated as process agent upon whom legal process against the corporation may be served.

ARTICLE III

The purposes of the corporation and the nature of its business shall be as follows:

(a) To acquire, hold, rent, sell, convey, manage, lease, trade, subdivide and otherwise handle and deal in real estate; to engage in building and general contracting.

(b) To develop housing and housing projects both single and multi family for ultimate buyers who can qualify for loans, subsidized or unsubsidized, insured through either the Farmers Home Administration and/or the Federal Housing Administration in either urban or rural areas.

(c) To construct housing units for said project, and others, either in the field or through the utilization of existing

modular or prefabrication manufacturing facilities and/or to develop facilities of its own of this nature of these purposes.

(d) To lend and borrow money on real estate and other kinds of property and to buy, sell, own, keep or deal with in any manner each and every type of personal property, goods, wares, merchandise, intangibles and chattels of every class and description, including, but not by way of limitation, residential subdivisions, shopping centers and related community developments; and the corporation is given the power to hold any real estate it may acquire for an indefinite period or for such period as the corporation may deem advisable;

(e) To enter into, make and perform or assume contracts of every kind and description, including franchise agreements, with any person, firm, association, corporation, municipality, county, state, body politic or government or colony or dependency thereof;

(f) To borrow or raise moneys for any of the purposes of the corporation, and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereof by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the company, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the company for its corporation purposes.

(g) To form additional corporations or companies or enterprises of any type or description calculated to advance the interests of the corporation and to engage in any type of joint enterprise or mutual undertaking with any other person or firm which may serve the interest of the company; and,

(h) Generally to do and perform any and all acts, deeds

and/or things connected with, necessary, incidental, convenient or relating to any or all of the aforesaid objects or purposes.

ARTICLE IV

The duration of the corporation shall be perpetual, unless dissolved pursuant to the laws of the Commonwealth of Kentucky.

ARTICLE V

The total authorized number of shares of stock in said corporation shall be Two Thousand (2,000) and they shall have no par value; the corporation will not authorize any stock with par value; and each such share shall entitle the holder thereof to one (1) vote.

ARTICLE VI

The shares of stock are not to be classified or divided into classes; and the incorporator does not desire to insert any provision limiting or denying to shareholders the pre-emptive right to acquire additional shares of the corporation.

ARTICLE VII

The amount of capital with which the corporation will begin business is one thousand dollars (\$1,000.00).

ARTICLE VIII

The name, address and number of shares subscribed by the incorporator is as follows:

E. A. Williams, 1733 Cameron Court, Lexington, Kentucky, one hundred (100) shares.

ARTICLE IX

The business of the corporation shall be conducted by a board of not less than three (3) directors or more than fourteen (14) directors, the exact number of directors shall be fixed each year by a majority vote of the shareholders of common stock voting by shares at the annual shareholders' meeting, and the first board of directors shall be elected by the shareholders as soon as these articles are filed and approved, and shall serve until their successors

are elected and qualify. Thereafter the Board of Directors shall be elected at the annual meeting of shareholders which shall be held at the office of the corporation on the first Monday in January of each year beginning in 1973.

ARTICLE X

The Board of Directors shall meet each year following its election and shall elect from among its members a chairman and secretary of the board, who will also serve as president and secretary of the corporation respectively. The treasurer shall also be elected as a corporate officer at this same meeting. However, the secretary may also hold the office of the treasurer. Other corporate officers may be elected as from time to time in the exercise of discretion as to the needs of the management of the business the Board of Directors may deem it advisable to designate or require. Such additional officers including the treasurer need not be shareholders or directors. The directors need not be shareholders.

ARTICLE XI

All the officers of this corporation shall have the power and shall perform the duties as are generally attached to the office which they hold.

ARTICLE XII

The Board of Directors shall have power to take all such measures and rules as may be necessary to regulate the business of the corporation provided that such shall not be inconsistent with the provisions of these articles of incorporation or the Constitution of Kentucky.

ARTICLE XIII

Any vacancy in the Board of Directors may be filled by a majority vote of the remaining directors. The person so elected shall serve only until the next annual meeting of the shareholders.

J

There shall be three initial directors of the corporation whose names and addresses are as follows: R. A. Williams, 1755 Cameron Court, Lexington, Kentucky; R. B. Williams, Post Office Box 470, Barbourville, Kentucky; and Doyle A. Williams, 1755 Cameron Court, Lexington, Kentucky.

IN TESTIMONY WHEREOF, witness my signature this 19th day of September, 1972.

*R. A. Williams*  
R. A. WILLIAMS

STATE OF KENTUCKY  
COUNTY OF BOURBON

I, a Notary Public in and for the County and State aforesaid, do hereby certify that the foregoing Articles of Incorporation of R. A. Williams Development Company, Inc., were this day produced to me by R. A. Williams and acknowledged and delivered by him to be his free act and deed, all done in the aforesaid County and State and in my presence.

My Commission Expires: April 2, 1974.

WITNESS my hand and notarial seal this 19th day of September, 1972.

*W. C. ...*  
Notary Public, State of Kentucky

PREPARED BY:  
BRADLEY, BLASTON & ...  
Attorneys at Law  
127 Main Street  
Paris, Kentucky 40361

ORIGINAL COPY  
FILED  
OFFICE OF THE CLERK OF COURTS  
BOURBON COUNTY, KENTUCKY

*W. C. ...*  
*W. C. ...*

*W. C. ...*  
Notary Public

*W. C. ...*  
*W. C. ...*

FILED IN ...  
COUNTY OF BOURBON  
BY ...  
CLERK OF COURTS  
RECORDED ...  
PAGE ...  
BY ...  
CLERK OF COURTS  
D.C.

STATE OF KENTUCKY SCT.

COUNTY OF FAYETTE

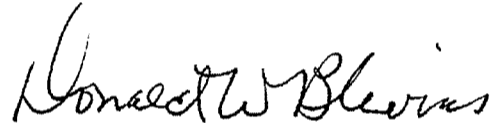
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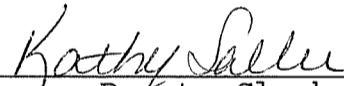
A Document Filed in CORPORATE BOOK # 77, PAGE # 448

as the same appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, this 01st day of February, 2008.



\_\_\_\_\_  
Clerk, Fayette County Court

By  \_\_\_\_\_  
Deputy Clerk