COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JESSAMINE-SOUTH ELKHORN WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND FINANCE A WATERWORKS IMPROVEMENT PROJECT PURSUANT TO KRS 278.020 AND 278.300	)	**CASE NO. 2012-00470**

CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF FAYETTE)

This is to certify that I have supervised the preparation of Forest Hills Residents' Association, Inc. and William Bates' December 11, 2012 Responses to the First Set of Data Requests propounded by the Jessamine-South Elkhorn Water District in this matter and that the responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Date: 12/10/12

W. Bates

William Bates
Individually and as President of Forest Hills Residents' Association, Inc.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of December 2012.

Regina Hoover (SEAL)
Notary Public

My Commission Expires:
March 4, 2013

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: **William Bates**

1. Please provide the current Bylaws of Forest Hills. If the Bylaws have been revised or amended at any time from January 1, 2011, through the current date, please also provide a copy of the Bylaws that were amended.

Response:

See the attached by-laws.

EDP4 Oct. 2010

BYLAWS OF

FOREST HILLS RESIDENTS' ASSOCIATION, INC.

a Kentucky non-profit corporation

ARTICLE I

DEFINITIONS

Section 1.1 Declaration. "Declaration" as used herein means the (i) Declaration of Covenants, Conditions and Restrictions of Forest Hills made the 13th day of January, 2006 by Forest Hills of Kentucky, LLC, a Kentucky limited liability company, which is recorded in the Office of the Jessamine County Clerk in Nicholasville, Kentucky, in Deed Book 555, Page 119, (ii) First Amendment to Declaration of Covenants, Conditions and Restrictions of Forest Hills made the _____ day of _____, 2010 by Forest Hills of Kentucky, LLC, which is recorded in the Office of the Jessamine County Clerk in Nicholasville, Kentucky, in Deed Book _____, Page _____, and (iii) any subsequent supplements thereto and/or modifications thereof.

Section 1.2 Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they have in the "Declaration".

ARTICLE II

ASSOCIATION MEMBERSHIP

Section 2.1 Community Association. Every owner of record of a Lot in Forest Hills shall be a member of Forest Hills Residents' Association, Inc. ("Association"), formed upon execution of the Declaration and by acceptance of a deed for a Lot agrees to accept membership in and does thereby become a member of the Association. Such owner and member shall abide by the Association's Articles of Incorporation and these By-Laws. Every person or entity who is the owner of record of a fee simple or undivided interest in any Lot shall be entitled to one (1) vote for each Lot owned. If more than one person holds an interest in such Lot, the vote for such Lot shall be exercised as the persons determine among themselves and advise, in writing, the secretary of the Association prior to the Association's meeting. In the absence of such written advice, the Lot's vote shall be suspended if more than one person seeks to exercise such vote. No Lot owned by the Association shall have a vote.

Section 2.2 Duties. The duties of the Association are prescribed in the Declaration, and (except as otherwise provided in the Declaration, Articles of Incorporation, these Bylaws or by statute) the Association shall act by and through its elected Board of Directors and Officers. The Association shall have the power and authority to adopt rules

and regulations from time to time for the administration of the affairs of the Association provided, however, that no such rule or regulation shall be in conflict with provisions of applicable law, the Declaration, the Articles of Incorporation, or these Bylaws, and provided, further, that no such rule or regulation shall be adopted or so construed as to impair, in any manner, the rights of the Developer as set forth in the Declaration, or the lien of any mortgagee or holder of a note secured by a mortgage, deed of trust, or other security interest, if said rule or regulation is enacted after the execution of said mortgage, deed of trust or other security interest.

Section 2.3 Place of Meetings. Meetings of the Association shall be held at such place(s) as may be designated by the Association, or Board of Directors, or others entitled to call such a meeting. The place of each meeting of the Association shall be stated in any required notice of such meeting.

Section 2.4 Annual Meetings. The annual meeting of the Association shall be held at 7:30 P.M., prevailing local time, on the first Thursday in December of each year, beginning after the date the Association assumes the rights and duties with respect to the Maintenance Fund provided for in the Declaration, unless said day is declared a legal holiday, in which event, such meeting shall be held at the same time on the next secular day following. At such meetings one or more directors shall be elected by ballot in accordance with the requirements of these Bylaws. At the meeting, the Association may also transact such other business as may properly come before it.

Section 2.5 Notice of Annual Meetings. Written notice of the annual meeting shall be served upon or mailed to (such mailing to be considered notice served) each Owner entitled to vote at the meeting at least ten (10) days, but not more than sixty (60) days, prior to the meeting.

Section 2.6 Special Meeting. Special meetings of the Association for any purpose or purposes, unless otherwise prescribed by, statute, may be called by the President of the Association, and shall be promptly called by the President if so directed by resolution of the Board, or if requested in a written petition signed by Owners representing thirty (30%) percent or more of the total Lots subject to the Declaration, and presented to the Secretary of the Association. Such petition shall state the purpose(s) of the proposed special meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.7 Notice of Special Meeting. Except as may be otherwise required by the Declaration, Articles of Incorporation, or Bylaws, written notice of a special meeting, stating the time, place, and purpose of such meeting, and the action(s) proposed to be taken thereat, shall be served upon or mailed (such mailing to be considered notice served) to each Owner entitled to vote at the meeting at least five (5) days, but not more than thirty (30) days, before such meeting.

Section 2.8 Voting Requirements. A Lot Owner who otherwise has a vote as provided herein shall be deemed to be in "good standing" and "entitled to vote at any annual or special meeting of the Association if, and only if, said Owner shall have fully paid all assessments (regular or special) made or levied against said Owner and the Owner's Lot(s) pursuant to the provisions of the Declaration, together with all other charges, interest, costs, attorneys fees, and other expenses, if any, properly chargeable to said Owner and against the Owner's Lot(s) thereunder

Section 2.9 Proxies. At all meetings of the Association, each Owner having the right to vote shall be entitled to vote in person, or by proxy appointed by Owner in an instrument in writing subscribed by such Owner Each such proxy shall be valid only for such meeting or, subsequent adjourned meetings thereof. Proxies must be filed with the Secretary of the Association at least two (2) days before the time appointed for the meeting for which each is intended. An Owner may appoint any other Owner, officer or director of this Corporation as his proxy.

Section 2.10 Quorum. Except as may otherwise be provided herein, or in the Declaration, Articles of Incorporation or by statute, the presence at any meeting, in person or by proxy, of Owners entitled to cast ten (10%) of all votes of the membership shall constitute a quorum. If, however, a quorum shall not be present or represented at any meeting, the Owners entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 2.11 Association Action. When a quorum is present at any meeting, the vote of not less than fifty-one (51%) percent of the votes represented at that meeting, in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Declaration, Articles of Incorporation, or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such questions.

Section 2.12 Association Action Without Meeting. Unless specifically prohibited by provisions of the Declaration, Articles of Incorporation, or applicable law, any action required to be, or which may be, taken by the Association, at any regular or special meetings, may be taken without such a meeting if a consent, in writing, setting forth the action(s) so taken, or to be, taken, shall be signed and executed by all Owners, or their authorized representatives, entitled to vote with respect to the subject matter thereof, whether done before or after the action(s) so taken. Any, such written consent shall have the same effect as a unanimous vote.

Section 2.13 Order of Business. The order of business at all meetings of the Association shall be as follows:

(a) roll call and determination of presence of a quorum;
(b) proof of notice of meeting or waiver of notice, if necessary;
(c) reading of minutes of preceding meeting;
(d) reports of officers;
(e) reports of committees;
(f) election of inspectors of election, if applicable;
(g) election of members of Board of Directors, if applicable;
(h) unfinished business;
(i) new business, and,
(j) adjournment.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 Powers and Duties. The affairs and business of the Association shall be managed by a Board of Directors (sometimes hereinafter referred to as "Board"), which may exercise, such powers and perform such duties and lawful acts as are not required by provisions of the KRS Chapter 273, the Declaration, the Articles of Incorporation, or these Bylaws to be performed by the Association or others.

Section 3.2 Responsibilities of the Board. It shall be the responsibility of the Board to manage the affairs of the Association, which responsibility shall include, without limitation, the following duties:

(a) To provide for the care, upkeep, protection, maintenance and improvement of the common areas of Forest Hills Subdivision (the "Development") and other property and assets of the Association, real and/or personal; and, in connection therewith, to enter into service, employment and, other contracts incident thereto, and to employ, supervise and dismiss employees, agents, contractors, engineers, architects, accountants, attorneys and other individuals or entities required therefore;

(b) To prepare for submission to the annual meeting of the Association a budget to facilitate the establishment of the amount to be assessed for common expenses;

(c) To obtain insurance as provided in the Declaration;

(d) To enforce the provisions of the Declaration, the Articles of Incorporation, these Bylaws, and any amendments and/or supplements thereto, and such rules and regulations as the Association may adopt from time to time, which responsibility shall include the right to sue on behalf of the Association; and

(e) To establish reasonable reserve funds for emergencies and unforeseen contingencies.

Section 3.3 Professional Management. Although the affairs of the Association shall be managed by and through the Board, should the Association determine that professional management is necessary and desirable, then the Board shall employ professional management, at a compensation to be determined by the Association, to manage the affairs of the Association, and perform such specific duties as the Association shall authorize, which professional management shall be subject to the Board's directions.

Section 3.4 Number of Members of Board and Initial Selection of Board. The number of directors, who shall constitute the whole Board, shall be three (3). The initial Board shall be comprised of one (1) person appointed in the Articles of Incorporation. The members of the first elected Board shall be elected by the Association, and the same shall serve until his successors shall be elected and qualified. In the election of the first elected Board of Directors, one shall be elected to a three (3) year term, another shall be elected to a two (2) year term, and the last to a one (1) year term. Directors need not be members of the Association.

Section 3.5 Election and Term of Office. At each annual meeting of the Association one (1) member of the Board shall be elected. The term of office of the director elected at said meeting (to replace the director whose term has expired) shall be fixed at three (3) years. At the expiration of the initial term of office of each respective director, each successor, who shall have been elected at the subsequent annual meeting of the Association, shall thereupon commence and serve a three (3) year term. Directors may succeed themselves (ie. be re-elected), and shall hold office until their successors have been elected and hold their first meeting.

Section 3.6 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least four (4) such meetings shall be held during each fiscal year, one of which shall be held immediately following the annual meeting of the Association. Except for the meeting following the annual meeting of the Association, or unless a regular schedule of meetings shall be adopted by resolution of the Board, notice of regular meetings of the Board shall be given by the Secretary to each director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the date of the proposed meeting.

Section 3.7 Special Meetings. Special meetings of the Board may be called by the President, on three (3) days notice to each director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be promptly called by the President or Secretary, in like manner and with like notice, upon the request of at least two (2) members of the Board.

Section 3.8 Waiver of Notice. Before or at any meeting of the Board, any member may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof, unless such attending director shall file a written statement with the President or Secretary, at such meeting, that his attendance at such meeting is for the purpose of objecting to the holding of the meeting and/or the transaction of any business at the meeting because the meeting is not lawfully called or convened. Even though such a written statement is filed by an attending director, if such director shall cast any vote at the meeting, such director shall be conclusively deemed to have waived notice of the time, place and purpose of the meeting. If all the Board is present (without written objection) at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 3.9 Board Quorum. At all meetings of the Board, a majority of the Board shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If there be less than a quorum present at any meeting of the Board the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice, provided a quorum is present.

Section 3.10 Vacancies. Vacancies on the Board caused by any reason, other than removal of a board member by a vote of the Association (which vacancy may be filled only by vote of the Association, as hereinafter provided in Section 3.11), shall be temporarily filled by vote of the majority of the remaining directors or by the sole remaining director, and each person so elected shall be a temporary director, until a successor is elected at the next annual or special meeting of the Association to fulfill the remainder of the term of the vacancy which the Board temporarily filled.

Section 3.11 Removal of Directors. At any duly called regular or special meeting of the Association, any director may be removed with or without cause, by the affirmative vote of the members representing a majority of the votes of the Association, and a successor may then and there be elected to fill the vacancy thus created for the remainder of the term of the removed director. Any director who becomes more than sixty (60) days delinquent in payment of any assessments or other charges due to the Association shall become automatically disqualified from continuing as director, and the remaining member(s) of the Board shall appoint his successor as provided in this Article. This disqualification shall end upon full payment of the same to the Association.

Section 3.12 Compensation. Directors shall not receive compensation for services rendered as directors, unless the Association determines that their duties have become so burdensome that compensation is justified, in which event the compensation of directors shall be set by the Association.

Section 3.13 Report of the Board. The Board shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full, true, and clear statement of the business and condition of the Association.

Section 3.14 Fidelity Bonds. The Board may require that all officers, agents and employees of the Association, handling or responsible for funds, furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 3.15 Board Action Without Meeting. Unless specifically prohibited by provisions of the Declaration, the Articles of Incorporation, these Bylaws, or by applicable law, any action required to be, or which may be, taken by the Board at any regular or special meeting, may be taken without such a meeting if a consent in writing, setting forth the action(s) so taken or to be taken, shall be signed and executed by all directors entitled to vote with respect to the subject matter thereof, whether done before or after the action(s) so taken. Any such written consent shall have the same effect as a unanimous vote and may be officially reported as such.

Section 3.16 Limitation of Liability. The liability of each and every director of the Association shall be limited as provided in the Articles of Incorporation.

ARTICLE IV

OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a President, a Vice President, Secretary, and a Treasurer, all of whom shall be elected by the members of the Association. Officers may also but need not be directors, with the exception of the President who must be elected from among the members of the Board. Two or more offices may be held by the same person.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the members of the Association at its regular annual meeting, and shall hold office until their successors shall be duly elected and qualified.

Section 4.3 Removal of Officers. As in the case of directors, no Officer shall continue to hold office, if he shall become more than sixty (60) days delinquent in the payment of assessments or other charges due the Association. Otherwise, no officer may be removed except by action of the Association, which may at any time remove any officer (including officers appointed by the Board) with or without cause. If any office becomes vacant for any reason during the year, the vacancy shall be filled by majority vote of the whole Board.

Section 4.4 President. The President shall be the chief executive officer of the Association. He shall preside at meetings of the Association and the Board, and shall be an ex-officio member of all committees. He shall have general and active management of

the day to day business affairs of the Association, and shall see that all orders and resolutions of the Association and/or Board are carried into effect.

Section 4.5 Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the power of the President (including the power to preside at meetings of the Board and vote as a member thereof), and shall perform such other duties as the Board shall prescribe. If neither the President nor the Vice President is able to act, the Board shall appoint a member of the Board to do so on an interim basis.

Section 4.6 Secretary. The Secretary shall attend all meetings of the Board and/or Association and record all votes and the minutes of all proceedings, in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give or cause to be given, the required notices of all meetings of the Association and the Board and shall perform such other duties as may be prescribed by the Association, Board, or President. The Secretary shall compile and keep up to date, at the principal office of the Association or other location approved by the Board, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at convenient hours during regular business days, which hours shall be set and announced for general knowledge. The Secretary shall also keep current, and retain custody of, the minute books of the Association, containing the minutes of all annual and special meetings of the Association and the Board, including all resolutions adopted thereat.

Section 4.7 Treasurer. The Treasurer shall have the custody of all funds and securities of the Association, and shall keep full and accurate records of receipts, disbursements, and expenditures affecting the Association and its administration. The Treasurer shall deposit all monies and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President, Association, and Board, at the regular meetings of the Board and/or Association, or whenever they may require it, an account of all of his transactions as Treasurer, and of the financial condition of the Association. All books of account and vouchers substantiating the entries made thereon shall be available for examination by all Owners, and their authorized agents, accountants and/or attorneys, at convenient hours during regular business days, which hours shall be set and announced for general knowledge.

If required by the Board, the Treasurer shall give a bond, the premium therefore to be considered a common expense, in such sum, and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control.

Section 4.8 Annual Accounting. All financial books and records shall be kept in accordance with good accounting practices and procedures, on a calendar year basis, beginning with the first day of January in each year and ending on the last day of December of such year, and the same shall be audited annually (beginning with the 1986 fiscal year) by an outside auditor to be selected by the Board. The report of such audit shall be made available to the Association, and to any Owner or holder of a first mortgage on a Lot upon written request.

ARTICLE V

NOTICE

Section 5.1 Manner of Notice. Whenever any notice is required to be given by law, or under the provisions of the Declaration, Articles of Incorporation, these Bylaws, or by law to any mortgagee, member, or Owner, it shall not be construed to require personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a post-paid sealed wrapper, addressed to such mortgagee, member, or Owner at such address as appears on the records of the Association and such notice shall be deemed to be given at the time when the same shall be thus mailed.

Section 5.2 Waiver of Notice. When any notice is required to be given by law, or under the provisions of the Declaration, Articles of Incorporation, these Bylaws, or by law a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VI

AMENDMENT OF BYLAWS

Section 6.1 Amendment of Bylaws. These Bylaws may be amended by the affirmative vote of fifty-one (51%) percent of the authorized votes of the members, at a regular meeting of the Association, or any special meeting thereof called for that purpose; provided, however, that all Owners shall be given twenty (20) days written notice of all proposed amendments; provided, however, that no amendments to these Bylaws shall be made if any such amendments shall be inconsistent with the provisions of the Declaration, Articles of Incorporation, or the laws of the Commonwealth of Kentucky.

ARTICLE VII

CONFLICT AND MISCELLANEOUS PROVISIONS

Section 7.1 Conflict. These Bylaws are subordinate and subject to all provisions of the Articles of Incorporation of the Association and the Declaration. All of the terms used herein, except where clearly repugnant to the context, shall have the same meaning as

they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control.

Section 7.2 Severability. If any provisions of these Bylaws or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby, and to this end the provisions hereof are declared to be severable.

Section 7.3 Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure(s) to enforce the same.

Section 7.4 Examination of Books. Each Owner shall be permitted to examine the books of account of the Association at reasonable times, on business days, but no more often than once a month.

Section 7.5 Captions. The captions contained in these Bylaws are for convenience only and are not part of these Bylaws, and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

Section 7.6 Gender etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and, the use of any gender shall be deemed to include all genders.

W D Bates

PRESIDENT

Adopted by the Board of Directors on the _____ day of _____, 2010.

jst\forest hills\association2\association bylaws

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: William Bates

2. Forest Hills and Bates ("Intervenors") state in their Motion to Intervene that there are 29 one acres lots and two five acre lots in Forest Hills Subdivision ("Subdivision"). In Intervenors' Complaint, in Case No. 2011-00138/, they stated that as of April 15, 2011, "[f]ifteen lots within the subdivision have occupied residences constructed on them." Please state whether there are still fifteen occupied residence in the subdivision. If that number has increased or decreased, please provide the current number of occupied residences in the Subdivision. Please also provide how many of the occupied residences are occupied by owners, and how many are occupied by renters. Further, please provide the following:

   a. A Subdivision map that legibly notes which lots in the Subdivision were occupied as residences in May of 2011, and which lots are currently occupied by residences;

   b. Please state whether any lots in the Subdivision are owned by banks or mortgage companies or in the process of foreclosure. If any such exist, please indicate whether any bank-owned properties are currently occupied;

   c. Please state how many property owners in the Subdivision are members of the Residents' Association, and whether such membership is voluntary or mandatory. If any property owner owns more than one property, please so indicate;

   d. A copy of any resolution, motion or other authorization for either the prior Complaint action or the Motion to Intervene in the instant proceeding that was enacted by the Residents' Association;

   e. Please state how many property owners in the Subdivision authorized either the Complaint action or this Motion to Intervene, and provide any documentation of this approval;

   f. The names and positions of the current officers of the Residents' Association and their terms of service;

   g. A copy of any written materials or electronic communications to Subdivision property owners or other residents that in any way reference the prior Complaint action or this Application proceeding;

h. A copy of all of the minutes of the membership and the board of directors of the Residents' Association; and

Response:

Currently, 23 lots are occupied by owners; two lots have construction in process. No lots are occupied by renters.

a. See the attached map. Lot Nos. 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 14, 16, 17, 18, 21, 25, 26, 27 and 31 had residences on them in May of 2011. Lot Nos. 12, 13, 20 and 23 have had residences built on them since May of 2011.

b. Two empty lots in the subdivision are owned by banks; one lot with a residence on it is owned by a bank.

c. All property owners in the subdivision are members of the homeowners association. Membership is mandatory.

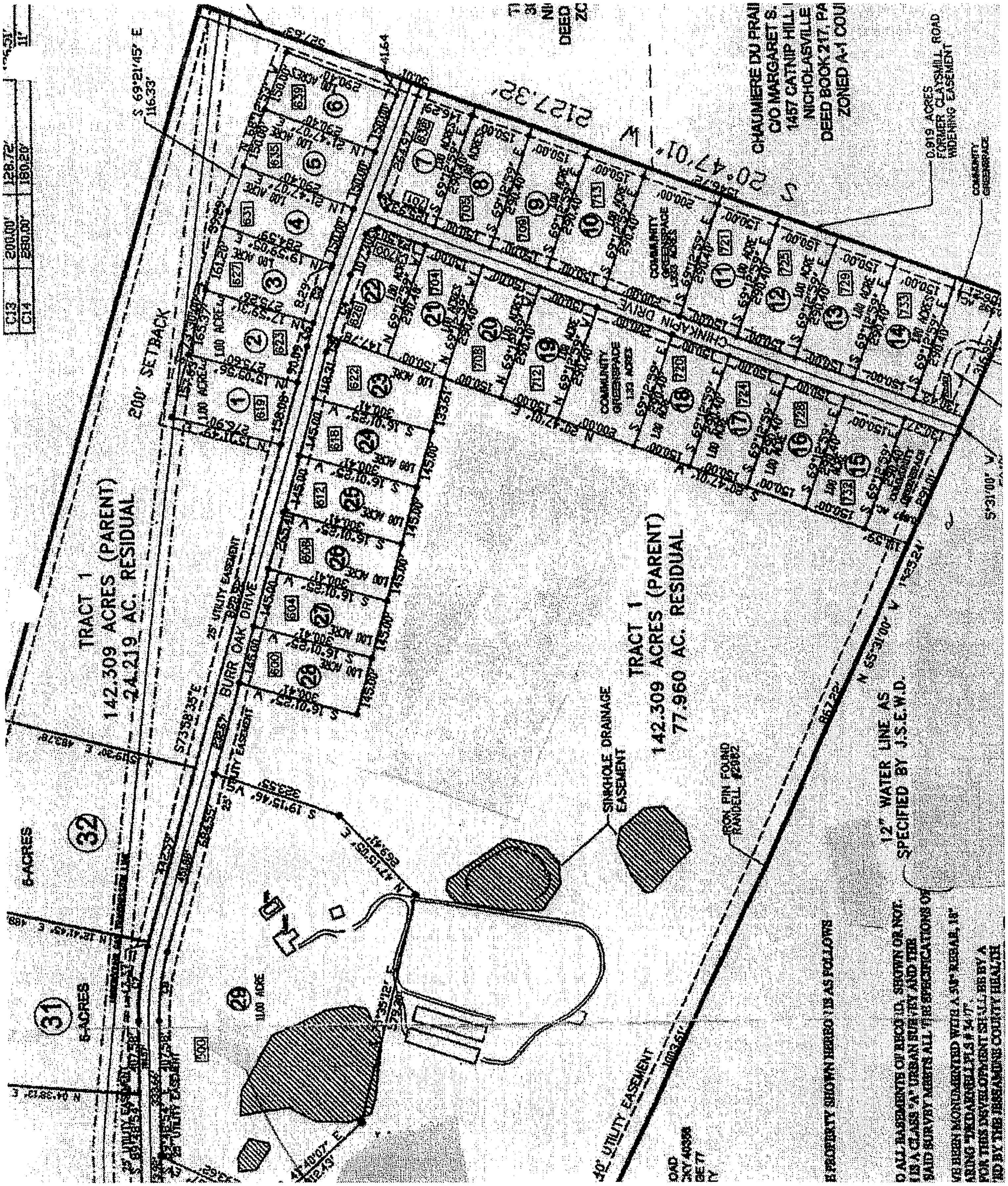
d. No such document exists.

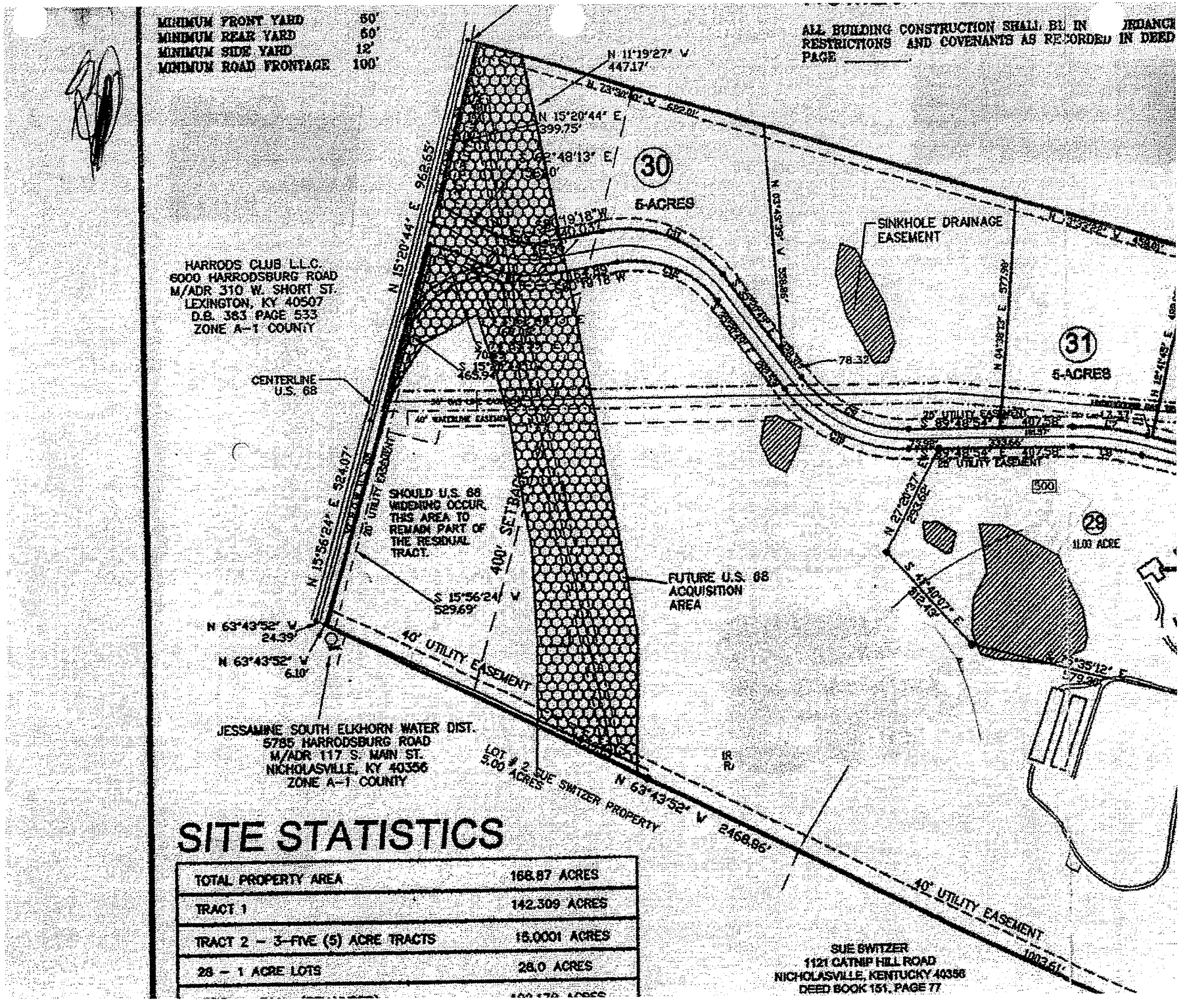
e. Legal action was authorized by a unanimous vote of the homeowners present at a meeting of the Residents' Association on March 9, 2011.

f. William Bates, President; Don Douglas, Vice President; James L. Elliott, Secretary-Treasurer; Logan Davis, Lisa Tomasonni and James L. Elliott, Directors.

g. See attached.

h. See attached.


TRACT 1
142.309 ACRES (PARENT)
24.219 AC. RESIDUAL
TRACT 1
142.309 ACRES (PARENT)
77.960 AC. RESIDUAL
200' SETBACK
BURR OAK DRIVE
CHINKAPIN DRIVE
25' UTILITY EASEMENT
SINKHOLE DRAINAGE EASEMENT
12" WATER LINE AS SPECIFIED BY J.S.E.W.D.
40' UTILITY EASEMENT
5-ACRES
5-ACRES
COMMUNITY GREENSPACE
0.919 ACRES FORMER CLAYSMILL ROAD WIDENING EASEMENT
CHAUMIERE DU PRAI
C/O MARGARET S.
1457 CATNIP HILL
NICHOLASVILLE
DEED BOOK 217, PA
ZONED A-1 COU
S 20°47'01" W 2127.32'
S 69°21'45" E 116.33'
S73°58'35"E



SITE STATISTICS

TOTAL PROPERTY AREA	168.87 ACRES
TRACT 1	142.309 ACRES
TRACT 2 – 3-FIVE (5) ACRE TRACTS	15.0001 ACRES
28 – 1 ACRE LOTS	28.0 ACRES

FOREST HILLS OWNERS ASSOCIATION

October 9, 2011

To: Forest Hills Owners

From: FH Board

The Board recently engaged the services of the Rob, Jessamine County Extension Service and Professor William Fountain, UK Department of Horticulture, to help us with our dreadful trees.

The verdict is not good. In a nut shell, Professor Fountain said the trees were probably of poor grade when purchased and then were not planted properly. The tree ball was planted with the wire and burlap in place, along with no excavation of the soil around the ball. The cracking and peeling bark was not caused by lawnmower or weed eating equipment. The peeling has a cause, but is a little complicated to go into.

If you have wondered what the orange and green ribbons are for, here is the explanation.

- Orange ribbons-means the tree has very little chance of living.
- Green ribbons-means the tree have a chance of living, if some care is given soon.
- No ribbon, the tree should live, but needs some care.

Trees the HOA is responsible for:

- Orange: 33
- Green: 11
- Missing: 25

Trees Homeowners are responsible for:

- Orange: 36
- Green: 7
- Missing: 10

The board will be getting bids to replace at least the missing HOA trees this year. If anyone knows a good source, let someone on the board know. Good quality trees and proper planting standards will be required.

As you know, all lot owners are required to care for or replace the trees on their lot, if you want to get in on a group price, let the board know. Those of you who have missing trees should replace them soon. If you have trees with the orange ribbon you may want to take advantage of a group buy to replace them.

A note regarding the water tower issue. It has now been 17 months since we filed our complaint with the Public Utilities Commission and there has been no activity on our case. Our attorney checks the PSC webb site on a regular basis and he has nothing to report.

NOTE: There will be a owners general meeting on October 27, 2012. Location will be at Jim and Suzanne Elliot's home, 631 Burr Oak at 9:00 am. Trees, projects and things in general will be on the agenda. Please attend and hopefully meet some of our new owners.

2/7/10 6:30 PM FH HOA Annual Meeting
at 704 Chinkapin DR.

Sonny Bates

Liz Bates

J. Elliott

Suzanne Elliott

Robert Doyle

Donald R. Boyles

Shelly Iggi

12/7/10

HOA Trees

Living 65
Replace 18
Total 83

ATTENDED:

1. Sonny Bates
2. # & Suzanne Elliott
3. Jim Crabbe
3. Robert Doyle (a)
4. Don Douglas
5. Logan Davis
6. Wesly Gyori & Tracy
7. Jeremy Stanley

VOTED IN:

1. Clarify and amend rules regarding responsibility to care for and replace community landscape trees.
2. Approved 2011 budget.
3. Increase owners dues to $800 for 2 to 3 year period.
4. Access all lot owners an equal share for the purchase of a 1 ac. tract for the purpose of having the new water Tower moved.

Forest Hills Owners Association

The 2010 annual meeting was held at 704 Chinkapin Dr, Nicholasville, Ky. on December 7, 2010. The purpose of the meeting was to inform all owners of the status, current issues and future goals of the Association.

In attendance were: Sonny Bates, Jim & Suzanne Elliott, Tim Crabbe, Robert Doyle (2 votes), Don Douglas, Logan Davis, Wesly & Tracy Gyori, and Jeremy Stanley.

Agenda

- Current Association funding requirements
- Community landscaping trees
- Capital Project
- New Association
- Future projects

New Association-Forest Hills Owners Association, Inc.

The original Association, established by our estates developer Barry Mangold, has not maintained its legal requirements and thus, is in default with the state. After seeking counsel with the Associations legal representative, John Talbott, is was determined to be in our best interest to form a new legal entity for 2010 and go forward. Mr Mangold has signed over all legal rights to the *new* Association. This will put all community property and development rights under the control of the Association.

This was the purpose of the authorization form that was mailed to all Lot owners. We need 75% of the owners to sign, notarize and return it to the Board. To date we lack 3 owner signatures to complete the process. I expect this to be completed within the next week.

Association Funding

Currently the owner make up is: private owners 22, banks 5, builders 2, and developer (past) 2. In 2010 the are 4 lots that have not paid their assessment. This year the banks have taken over several of the non-paying lots and several builder homes have been sold. The banks have been good about paying the assessments and I expect this to continue. Some of the past due 2010 assessments may still be collected this year. Past due 2009 assessments have been pretty much lost due to bankruptcy proceedings. When the new association filing is complete, we will place liens, including legal fees, on past due Lots.

Snow removal, community trees (178) maintenance, legal fees and nonpaying owners have placed *us* financially in the red for 2010.

Now that the county has adapted our 2 streets into the county, they will be responsible for snow removal. Hopefully, they will do a decent job for us.

A motion to raise the Lot owners association assessment from $600 a year to $800 starting 2011 was made. The motion was approved by 100% of the owners present.

Community Trees

We found out this year that there are approximately 178 trees in Forest Hill Estates.

A motion was made for the association to be responsible for entrance and roadway trees, excluding roadway trees on Lot owners property. The motion was approved by 100% of the owners present.

The association and each Lot owner will be required to water, fertilize, prune and, if needed, replace, with like size, their Red Maple trees. The original planting design, number and type of tree, on each Lot is to be maintained. There are approximately 20 dead trees and there may be more next year due to the 2010 drought. It will probably take a couple years to replace the trees. Mike Haley is trying to organize a bulk purchase that will be a huge savings over individual purchase and planting costs.

Capital Project

Hopefully most everyone knows by now that the West Jessamine Co. Water District has plans to construct a million gallon water tower next to Forest Hills, at the end of Chinkapin Dr. The Board learned about the water tower back in April of 2010. Presently, bidding for the tower will go out in mid January, with construction to begin by approximately March 2011.

There is little doubt that this is not in the best interest of the owners in Forest Hills. This is a huge tower (1 million gallons). The Boards' mission was not to just complain, but to find a solution. It is a very long story on the road to a solution, so I won't try to put it into writing. The end result is as follows: The farm owner, Ron Brown, has agreed to sell us a 1 acre lot located next to the existing water tower, across Hwy. 68. The Board voted to enter negotiations with Mr Brown for the purchase of the lot by Forest Hills. The Water Board has agreed to move the tower to the new location and swap the present lot at the end of Chinkapin for the new location.

The cost of the lot and some expense requirements from the Water Board will cost approximately $80,000. The cost divided among Forest Hills owners will be approximately $2,500 each.

A motion was made to make a special assessment to complete the land purchase and related cost to fulfill the Water Board requirements and assess each Lot owner an equal share. The motion passed by 100% of the owners present.

There is a lot of background on how and why we got to this point. If you have input or questions, the best people to contact are Sonny Bates or Logan Davis.

Future Projects

1. Entrance water/sprinkler
2. Entrance landscaping low power lighting
3. Entrance stone/sign redesign

These projects have been discussed previously and will only be looked at in detail as funds become available. Projects that will enhance our Estates is of value to all owners. Ideas are welcome.

Past Business

There have been several covenant issues mailed to owners in 2010 and to date there has been no movement to correct them. Please address these issues soon, as the board is required to enforce our covenants.

PROJECT Forest Hills HOA Board DATE

March 6, 2011 SAT @ Cracker Barrell

NOTES

1. Sonny Bates
2. Jim Elliott
3. [illegible] Login
4. Lisa Tomassone
5. [illegible] 401.1227 mmhelm14@gmail.com
6. [illegible]

> All agreed to pursue the move to m McMillion property.
> neighborhood meeting

Login – bank
Sonny – Lloyd – #, plus Don – TIME LINE (Harrods Ridge)
Jim – public svc, Arvin – letters (legal)

PREPARED BY

PAGE (OVER)

Notes for meeting 5/9/11

A. McMillan Prop.
> Money 260 K (MAYBE % MORE for unknowns)
> Negotiation w/ LLOYD
> Property Swap
> Tower change may trigger higher estimate?

B. Hwy 68 Prop.
> Money 90K
> Property SWAP
> Harrods Ridge objection
> time to clear PEZ
> Settle issues w/ Brown and [redacted]/Kondor

C. LEGAL
> action against WB for prop. damages
> " " " " to allow time for PEZ to clear Hwy 68 location

PROJECT Forest Hills HOA DATE

3/9/11

PLEASE PRINT

NOTES

1. Sonny Bates
2. Marlene Iklm
3. Kandy Klee Crabbe
4. Logan Davis
5. [illegible signature]
6. Donald [illegible]
7. [illegible signature]
8. [illegible signature]
9. Bob D'Loorazell
10. [illegible signature]
11. Adel Sfar
12. Robert Doyle
13. Shellie Haley
14. Kat von [illegible] Kotumng
15.

PREPARED BY

PAGE

FHNA Spring Meeting

March 9, 2011

The spring 2011 meeting of the Forest Hills Neighborhood Association (FHNA) was held on Wednesday, March 9, 2011 at the home of Pat and Sonny Bates 704 Chinkapin Drive.

The meeting was called to order by President Sonny Bates at 7:10 p.m.

All members present introduced themselves. A list of attendees was captured on a sign-in sheet.

President Bates provided an overview of the one million gallon water tower proposed for construction within the FH community. A map showing the various locations of property, easements, community green space and the proposed as well as potential water tower sites was available for perusal.

The overview included the following:

- The decision to construct the water tower at the proposed site (at the end of Chinkapin) was made years earlier before Forest Hills was fully developed).
- Barry Mangold, the developer of Forest Hills was aware years earlier of the location for the proposed water tower.
- The South Elkhorn Water Board has funding available to construct the water tower that must be expended by April 2012.
- Their is agreement that the water tower is needed as currently water is turning over too quickly.
- Several meetings of the water board have been attended by FHNA reps. These representatives have made numerous contacts, had a multitude of conversations with key individuals and proposed several options regarding the water tower placement.
- Bob Douglass contacted the Public Service Commission (PSC)-the PSC is not placing pressure on South Elkhorn to complete this project.
- Logan Davis reported on the most recent water board meeting where it appeared all previously discussed options were no longer under consideration and the discussion seemed to suggest South Elkhorn intended to move aead with the original plan.
- Lloyd McMillan on whose property the water tower is proposed is willing to offer a different parcel for a price and some future development considerations (access to Chinkapin).
- Ron Brown, the owner of the farm within FH is willing to sell 1 acre for $65K.
- Attempts have been made to discuss issue with Sue Switzer-further attempts needed.

Extensive discussion followed the overview with the following possible and agreed {A} to actions:

- FH should acquire legal representation. {A}
- Bobby Watts of Stoll, Keenon who has extensive utility law experience should be contacted to represent FH. {A} JE
- A letter from Bill Arvin was also recommended as he knows Mrs. Switzer {A} LD
- Continue to urge South Elkhorn to consider US 68 and the McMillan property as options for the tower construction.
- Have a letter written on behalf of FHNA to the South Elkhorn Water Board regarding FHNA's concern regarding the water tower placement. {A} JE
- Contact the Harrods Ridge NA to stress the negative aesthetic the tower will have for all neighborhoods in the vicinity. {A} SB
- Contact the Keene Manor NA as above {A} LT
- Contact Hunter Daughtery Circuit Court Judge to perhaps solicit his support. BD
- Contact Ben Campbell to determine the impact of the tower on home values (it was noted that due to the downturn in the real estate market comps for new and refinanced loans are being taken from outside the immediate residential communities i.e for Forest Hills comps from Harrods Ridge and Keene Manor are being used).
- A follow-up meeting will be called within the next several weeks to hear updates and determine next best steps.

It was generally agreed that a one million gallon water tower built within Forest Hills was undesirable and that all else failing, litigation while not the preference, was an option all agreed the FHNA would pursue.

The special called meeting of the FHNA adjourned at 8:52 p.m.

Respectfully Submitted,

Marlene Helm

Secretary

Forest Hill HOA 7/13/11

Meeting

Sonny Bates
Lisa Tomassoni
Suzanne + Jim Elliott
Bob D'Lorenzo
Donald Killough
Vivek Ranganekar
Vidya Ranganekar
Von Umphrey
Logan Davis

SB made a motion to bill out the attorney fees as a special assessment, 2nd'd by Logan?, all present voted Yes.

Forest Hills Residents Association

July 13, 2011

A general meeting of the owners was scheduled and held on this date, at the home of Jim and Suzanne Elliott, 631 Burr Oak Dr., Nicholasville, Ky. Thank you Jim and Suzanne for hosting the meeting.

In attendance were: Sonny Bates, Jim & Suzanne Elliott, Don Douglas, Logan Davis, Lisa Tommessoni, Bob O'Connell, Vivek & Vidya Rangnekar, and Kot Von Unrug.

Agenda

- Water tower legal update
- General business

Water Tower Update

As previously decided from the March general meeting, the board hired the law firm of Stoll-Kennon-Ogden to represent us pursue a legal position against the Jessamine South Elkhorn Water District regarding the building of a water tower at the end of Chinkapin Dr.

Sonny Bates, Logan Davis and Jim Elliott met with attorney Bob Watt and presented our position against the water tower being built. REDACTED - PRIVILEGED

A petition was filed requesting the hearing with the PSC and we are awaiting that decision. Several motions have been filed by the water board seeking to dismiss our petition and have been answered by Mr Watt. The PSC is apparently busy with several large utility hearings, so we have not heard back from them as of this date.

It was voted to send out the attorney expenses to all owners. The fees totaled $10, 608.60 as of 7/1/11, which have been paid out of our operating funds. An additional bill totaling $4,837.40 has been received making our total YTD attorney fees $15,446. As discussed at the meeting, the brunt of the legal fees have been incurred at this point until we get the hearing. Each lot owner(31) will be assessed $498.26.

General Business

The banks, having taken over the remaining developer lots, have paid the HOA fees for 2011 and the delinquent 2010 fees for dues, as well as grass cutting charges. So we we are finally up to date going into 2011. At the meeting it was reported that there were four owners delinquent on their 2011 HOA fees, one has since paid. Notices have been sent out.

It was again brought up the subject of covenant violations that have been discussed in past meetings. Notices have been sent out several times and on several occasions verbal notices were made as well. There has been no movement to correct the violations by those owners. The board was charged with moving forward to get the violations corrected.

The front entrance will be cleaned up, mulched, etc. This had not been done due the legal fees depleting our operating funds.

There are several lots with "severe" weeds issues. These were builder lots that the banks have taken over and will be cleaned up and the banks billed.

Parkway trees and lot trees were discussed, but was tabled for a early fall topic.

Enhancement projects, as previously discussed, are on hold until the water tower issued is resolved.

Best regards,

FH HOA Board

Forest Hills Board 9/27/16

1) Sonny BATES
2) Lisa Bonasson
3) Logan Davis
4) Donald K Douglas
5) Jim Elliott

1. Selected Jim Elliott as a temporary director until general owners meeting this year.
2. Discussed water tower status - No new info available, no movement by the PSC Board.
3. Discussed the parkway tree situation - Decided we would like to keep the same trees for a uniform look. Waiting on bids to decide on how many to replace this year.
4. Discussed ways to finance projects to enhance the entry.

FOREST HILLS OWNERS ASSOCIATION

October 27, 2012

Agenda:

1. Welcome new home owners(2112)
2. Finances
3. Water tower update.
4. Tree replacement.
5. Capital improvements.
6. Finance options to accelerate capital improvements.
7. Board member replacement.

Sonny Bates, President 608.2525, 704 Chinkapin
Don Douglas, Vice President 312.5751, 733 Chinkapin
Logan Davis, Director 396.4060, 724 Chinkapin
Lisa Tomassoni, Director 621.7959, 604 Burr Oak

Forest Hills HOA Owners Meeting

Oct. 27, 2012

Location: Jim Elliott's home, 631 Burr Oak

***Attendees:* Sonny Bates, Don Douglas, Login Davis, Linda & Eric Frankl, Jim Elliott, Mike McBeath, Fred & Lori Rutherford, and Dave Rohde.**

- **Welcome new owners: Rutherford's, Frankl's, and Rohde's.**
- **Bob Watt, attorney, notified Jim that the Water Board has filed for a permit with the PSC to build the water tower at the end of Chinkapin will be meeting with Bob on how to proceed.**
- **Discussions on tree replacement and capitol improvements as discussed and approved in the past.**
- **All voted to replace the dead HOA street trees and to proceed with the capitol improvements. Owners can get in on the bulk purchase of trees for their dead trees. 1. Complete entrance lighting 2. Sprinklers at entrance 3. Relocate FH sign and column to the front of the entrance to open up the gate house and better visibility of the FH sign.**
- **Authorized the board to ask owners for volunteer loans, with a premium interest rate, to the HOA for completion of all improvements, if needed.**
- **Voted to replace board member Marlene Helm with Jim Elliott for the reminder of her term.**

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: Counsel / William Bates

3. Please state on behalf of each property owner or resident of the Subdivision whether they made any inquiry into the ownership or intended use for any adjoining or adjacent property prior to agreeing to purchase a lot or lots in the Subdivision. "Inquiry" includes, but is not limited to, reviewing property maps, plats or other recorded documents, any inquiry to the subdivision developer or realtor, or other property owners in the Subdivision concerning the ownership and potential use of adjoining or adjacent properties.

   a. If such inquiries were made, please state for each inquiry when, to whom and how such an inquiry was made, and the results of such inquiry;

   b. Please state if any lots in the Subdivision are currently owned or retained by the developer of the Subdivision or any of his successors, assigns, or heirs. If so, please designate which lots are so owned;

   c. Please state whether any other lot or reserved area in the Subdivision is "adjacent" to the property owned by JSEWD, other than the lot designated as 733 Chinkapin Drive and referenced in Intervenors' Motion to Intervene at page 2, paragraph 4. If any other lot or designated area is "adjacent" to the property owned by JSEWD, please mark same on a map of the Subdivision and identify any such lot that is currently occupied as a residence;

   d. Please define "adjacent" as applied to the location of the lot at 733 Chinkapin Drive relative to the property proposed as the tank site that is owned by JSEWD; if any other property for any other use is located between 733 Chinkapin lot and the JSEWD property, please describe any such property and note same on the Subdivision plat requested above; and

   e. Please state whether the property owners in the Subdivision have any duty to investigate public records concerning the ownership or potential use of adjacent or adjoining properties prior to purchasing a property in the Subdivision. If so, state in full said property owners' duties. If not, is it the Intervenors' position that a property owner may institute an action to prevent a lawful use of an adjacent or adjoining property when such potential use is a matter of public record merely because the use is adjacent or adjoining that owner's property? Please provide any legal authority that Intervenors have reviewed that supports this position.

Response:

Mr. Bates did not make any inquiry into the ownership or intended use for any adjoining or adjacent property prior to agreeing to purchase his lot in the subdivision. He cannot speak for other property owners.

a. Not applicable.

b. No.

c. See the map produced in response to Request No. 2(a). Lot Nos. 14 and 15 are separated from the Water District's lot by two lots designated as "community greenspace." Given the existence of the "community greenspace," counsel for the Intervenors was mistaken when he characterized the lot designated as 733 Chinkapin Drive as "adjacent" to the Water District's lot.

d. See the Response to Request No. 3(c) above.

e. Counsel for Intervenors is not aware of any duty of purchasers of property to examine public records concerning the ownership of property not being purchased by such persons. Intervenors have no position on the hypothetical concerning the institution of actions set forth in Request No. 3(e).

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: Counsel / William Bates

4. Please provide the rationale, basis and support, including any existing study, investigation or other inquiry that the Intervenors have conducted, commissioned, or reviewed, for any or all of the Intervenors' allegations that:

   a. The proposed water tank is not needed;

   b. The proposed water tank is excessive in size to meet current and future needs of the JSEWD system;

   c. The proposed site for the water tank is inappropriate other than that it is adjacent or adjoining the Subdivision;

   d. The proposed water tank is wastefully duplicative;

   e. A superior alternative exists to the proposed tank that is technically superior, less costly, and more efficient than the proposed water tank;

   f. System operation characteristics on the JSEWD system have changed so significantly since 2003 such that the proposed site is no longer unreasonable;

   g. If no such study, investigation or inquiry exists, please so state.

Response:

Objection. The production of studies, investigations, or other inquiries that Intervenors have conducted, commissioned or reviewed necessarily requires Intervenors to reveal the contents of materials prepared in anticipation of or as a result of this proceeding, which is protected from disclosure by the work product doctrine. Without waiving the foregoing objection, Intervenors state that their investigation, through their counsel, is ongoing and requires information requested in the Intervenors' data requests for completion. Subject to the foregoing, Intervenors respond with the information not protected by the work product doctrine as follows:

a. 807 KAR 5:066, Section 4(4) requires the Water District to have storage equal to average daily consumption. According to the Water District, average daily consumption is 709,200 gallons and it currently has 550,000 gallons of storage capacity. Application, Exhibit A, second unnumbered page. Thus, the proposed water tank is not needed to comply with the regulation.

b. See the response to Request No. 4(a) above.

c. The proposed site is clearly inappropriate because of its proximity to the Forest Hills Estates subdivision. There may be other reasons the site is inappropriate which will be revealed in the Intervenors' investigation.

d. The proposed water tank is wastefully duplicative because it is not needed.

e. Intervenors' investigation may reveal superior alternatives.

f. Intervenors assume this question contains a typographical error. Intervenors believe that circumstances have changed since 2003, specifically Forest Hills Estates subdivision has been developed adjacent to the lot proposed for the water tank so that the proposed site for the water tank is now unreasonable. Intervenors' investigation may reveal "system operation characteristics" that have changed since 2003.

g. Intervenors' investigation is ongoing.

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: William Bates

5. Please state each and every alternative to the proposed water tank that Intervenors are prepared to offer or propose, with a full and complete statement of the rationale, basis and support for such an alternative as superior either technically or financially to the proposed water tank and proposed site the location of the proposed site and the owner of the proposed site.

Response:

Intervenors, through their counsel, are in the process of investigating the Water District's proposed construction, including the existence of alternative sites. That investigation is not complete and cannot be completed until after the receipt of information requested by Intervenors and the Commission Staff in their data requests.

Witness: Counsel / William Bates

6. Please state whether the Intervenors have contacted, discussed or otherwise sought advice from any other person or entity with respect to this proposed project. If so, please identify the person or entity; whether such person or entity has been engaged as a consultant; or whether such individual or entity has an interest in this proceeding that has not heretofore been disclosed.

Response:

Objection. Revealing the names of the persons or entities that Intervenors have engaged as a consultant in this proceeding necessarily requires Intervenors to reveal the contents of information prepared in anticipation of or as a result of this proceeding, which is protected from disclosure by the work product doctrine. If any person or entity that Intervenors have engaged as a consultant will be called as a witness to testify in this matter, Intervenors will supplement this response. Subject to the foregoing objection, the Intervenors contacted or discussed the proposed project with the following persons (other than representatives of the Water District): their counsel, Lloyd McMillon, Robert Damron, Mayor Russell Meyer, County Judge Wm. Neal Cassity, Property Valuation Administrator Brad Freeman, William Miles Arvin, Sue Switzer, Daniel Mongiardo, Jeff Derouen, Ron Brown, Terry Mecksroth.

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: **Counsel**

7. Please provide a citation to any statute, regulation, policy or order known to the Intervenors that would support a contention that the PSC has the authority to order the relocation of a proposed facility at the expense of all ratepayers to meet the siting concerns of an intervening person or entity. Such citation should include prior PSC Orders or other decisions or policies, and any relevant court orders, including without limitation where a proposed facility has been relocated in the absence of any physical encroachment on, under or over any adjoining adjacent property as a result of the proposed project.

Response:

The Intervenors do not agree with the premise of this request. First, the Intervenors are not requesting that a facility be "relocated." Second, the inquiry into whether a certificate of public convenience and necessity should be granted is not dependent upon whether the proposed construction physically encroaches on adjoining or adjacent property.

The Application does not demonstrate that the Jessamine-South Elkhorn Water District has sufficiently considered alternative locations for the proposed water tank. The Commission has repeatedly denied applications for certificates of public convenience of necessity when the utility has not demonstrated it sufficiently considered alternative locations for its proposed construction. Examples include: *In the Matter of: The Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct a 138KV Transmission Line in Rowan County, Kentucky* (Case No. 2005-00089) Order, August 19, 2005; *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky* (Case No. 2005-00142) Order, September 8, 2005; *In the Matter of: Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Anderson, Franklin and Woodford Counties, Kentucky* (Case No. 2005-00154) Order, September 8, 2005.

In addition to the numerous Commission orders, also see *Kentucky Utilities Company v. Public Service Commission*, 252 S.W.2d 885 (Ky. 1952).

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: **Counsel**

8. Please provide the full rationale, basis and support for the Intervenors' allegation "that the Application in this case is facially insufficient to demonstrate that public convenience and necessity requires the construction of the water tank at the chosen location." In particular, specify and state in detail each and every element of the Application that is alleged to be "facially insufficient", and provide any authority (whether prior PSC order, statute, regulation, policy or court order) that supports each and every allegation that the Application, or any part thereof, is "facially insufficient" to support the granting of a certificate of convenience.

Response:

See Response to Request No. 4(a). The only discussion of "public necessity" is set forth in the first two pages of Exhibit A to the Application and the facts recited therein do not demonstrate a need for the proposed water tank. There is no mention of public convenience in the Application other than in the caption on the first page of Application. Thus, the Application is facially insufficient to demonstrate that public convenience and necessity require the construction of the proposed water tank at the chosen location as required by KRS 278.020(1).

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: **William Bates**

9. Please provide in detail the rationale, basis and support for the Intervenors' allegation that they "Believe that the construction of a 1,000,000 gallon above-ground water storage tank in a lot that buts their Subdivision would damage them significantly." In particular:

   a. Provide rationale, basis and support for the allegation that the Intervenors will suffer significant damage if this project is completed, including specifying each alleged injury the Intervenors believe might occur;

   b. Provide any evidence that the presence of JSEWD property adjoining or adjacent to the Subdivision has not previously been factored in to lot prices by the Subdivision developer;

   c. State all authority known to the Intervenors that the PSC has the authority, or should as a wise assertion of public policy attempt to exert the authority, to make granting a certificate of public convenience and necessity contingent upon showing that no conceivable economic injury could be asserted by any adjoining or abutting land owner; and

Response:

a. Intervenors believe that the presence of a 1,000,000 gallon water tank on a lot that is, for all practical purposes, adjacent to their subdivision will cause the value of their land to be less after construction of the tank than it is currently.

b. Intervenors are unaware of the methodology utilized by the subdivision developer in pricing the lots.

c. See the Response to Request No. 7. KRS 278.020(1).

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: William Bates

10. Assuming *arguendo* for the purposes of this question that the proposed water tank is necessary, please state whether the Intervenors allege that the chosen site for this project is inappropriate for any reason other than the Intervenors' concern about the site being near their properties. If so:

    a. State with specificity all objections to the suitability of the selected site, and any studies or evidence that the Intervenors claim support such objection(s); and

    b. If the Intervenors do not object to the site other than due to its proximity to the Subdivision, please so state.

Response:

a. Intervenors, through counsel, are in the process of investigating the suitability of the selected site, which investigation cannot be completed until after receipt of the Water District's responses to the data requests of the Intervenors and the Commission Staff.

b. See the Response to Request No. 10(a).

Witness: William Bates

11. Please state whether the Intervenors agree that the availability of a $1,000,000 grant to fund approximately 40% of this project is a significant benefit to both JSEWD and its customers, including those owning lots in the Subdivision.

Response:

Intervenors cannot state whether they agree that the grant provides any benefit until after completion of the investigation described in the Responses to Request Nos. 4, 5 and 10. If the water tank is not needed, then the grant provides no benefit, particularly if it is utilized to build an unnecessary water tank on a site that is inappropriate.

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: **William Bates**

12. Please state whether Intervenors agree with the history and background of this project as set forth in JSEWD's Answer to the Complaint filed by Forest Hills in Case No. 2011-00138, which was further set forth as an attachment to JSEWD's Response to the Intervenors' Motion for Hearing in the instant case, Case No. 2012-00470:

    a. If the Intervenors accept the history and background as set forth therein as correct, please so state; and

    b. If the Intervenors allege that the history and background is inaccurate in any respect, please state with specificity any statement that the Intervenors allege is inaccurate, and provide a complete statement of any correction that the Intervenors believe should be made to correct any such inaccuracy, with a rationale, basis and support for any such recommended correction.

Response:

a. – b. Intervenors do not know if the history and background of the project described in the Water District's Answer in Case No. 2011-00138 is accurate. It is the obligation of the Water District, not the Intervenors, to demonstrate the accuracy of its statements and allegations. Further, the information requested by the Intervenors and the Commission Staff in their data requests should enable both the Commission and the Intervenors to determine the accuracy of the Water District's statements and allegations in the above-described Answer.

JESSAMINE-SOUTH ELKHORN WATER DISTRICT
CASE NO. 2012-00470
FOREST HILLS RESIDENTS' ASSOCIATION, INC.'S AND WILLIAM BATES' RESPONSE TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S FIRST REQUEST FOR INFORMATION

Witness: William Bates

13. Please state whether or not the officers and/or directors of the Residents' Association, including but not limited to William Bates, have currently or in the past notified or advised prospective or actual purchasers of lots in the Subdivision of the proposed construction of the water tank by JSEWD on the subject site.

Response:

Mr. Bates has not notified or advised prospective purchasers of lots of the proposed construction of the water tank. Mr. Bates is not aware that other officers and directors of the Residents' Association notified or advised prospective purchasers of lots of the proposed construction of the water tank. Mr. Bates has responded to inquiries from realtors concerning the proposed construction of the water tank. Officers and directors of the Residents' Association have had communications with actual owners of lots in the subdivision regarding the proposed construction of the water tank.