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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ESTILL COUNTY WATER DISTRICT NO. 1 )  
 AND ITS INDIVIDUAL COMMISSIONERS, )  
 GREG WRIGHT, WILLIAM BEARD, AND )  
 JERRY ARNOLD )  
 \_\_\_\_\_ ) **CASE NO. 2017-00467**  
 )  
 ALLEGED FAILURE TO COMPLY WITH )  
 KRS 278.300 )

OFFER OF SETTLEMENT

Estill County Water District No. 1 (“Estill District”), Commissioner Greg Wright, Commissioner William Beard, and Commissioner Jerry Arnold (“Respondent Commissioners”) (collectively “Respondents”) submit the following Offer of Settlement to resolve this matter.

The Respondents proposed that this matter be resolved in the following manner:

1. Within 90 days of the issuance of an order from the Public Service Commission accepting this Offer of Settlement, each of the Respondent Commissioners will resign from Estill District’s Board of Commissioners.
2. The Respondent Commissioners will not accept any future appointment to Estill District’s Board of Commissioners.
3. No fine or penalty shall be assessed against Estill District for the alleged violations of KRS 278.300 set forth in the Public Service Commission’s Order of January 11, 2018.
4. No fine or penalty shall be assessed against any of the Respondent Commissioners for his conduct related to the alleged violations of KRS 278.300 set forth in the Public Service Commission’s Order of January 11, 2018, including any allegation that the

Respondent Commissioners collectively or individually aided or abetted any willful violation of KRS 278.300 by Estill District.

5. If this Offer of Settlement is accepted, Respondents individually and jointly waive their right to a hearing in this matter and will not petition the Public Service Commission for rehearing or bring an action for review of any order accepting this Offer of Settlement.

6. Should the Public Service Commission issue an Order accepting this Offer of Settlement and any Respondent fail to comply with the terms of this Offer of Settlement, such Respondent's failure shall be deemed a failure to comply with a lawful order of the Public Service Commission and such Respondent may be subject to the penalties of KRS 278.990(1).

In making this Offer of Settlement, the Respondents do not admit or acknowledge that Estill District has willfully violated KRS 278.300 or that the Respondent Commissioners aided or abetted any willful violation of KRS 278.300. Respondents incorporate by reference into this Offer of Settlement the statements contained in their respective responses to the Public Service Commission's Order of January 11, 2018.

The Respondents respectfully urge the Public Service Commission to find that this Offer of Settlement is reasonable and in the public interest and to accept it without delay. It is in the best interests of Estill District and its ratepayers that this matter be resolved quickly and without incurring further expense. An expedited resolution of this matter will enable Estill District and its employees to devote their full and undivided attention to solving Estill District's serious operational and financial problems and to improving the quality and reliability of service to Estill District's customers.

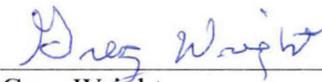
Dated: February 27, 2018

Respectfully submitted,



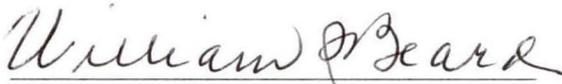
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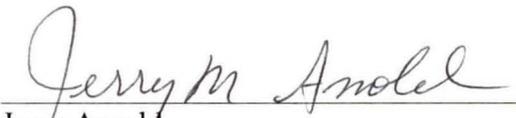
Greg Wright  
Estill County Water District No. 1  
76 Cedar Grove Road  
Irvine, Kentucky 40336

*Chair, Estill County Water District No. 1*



William Beard  
Estill County Water District No. 1  
76 Cedar Grove Road  
Irvine, Kentucky 40336

*Treasurer, Estill County Water District No. 1*



Jerry Arnold  
Estill County Water District No. 1  
76 Cedar Grove Road  
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*Secretary, Estill County Water District No. 1*