

RECEIVED

NOV 03 2017

Mercer County Sanitation District

PUBLIC SERVICE
COMMISSION

801 Pleasant Hill Drive
P.O. Box 303
Burgin, Kentucky 40310
(859) 748-9654

November 2, 2017

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602

Re: Red Barn Waste Management, LLC
Case No. 2017-00165

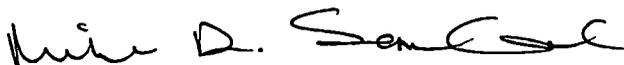
To Whom It May Concern:

The Mercer County Sanitation District began operating the wastewater collection system and package treatment plant on March 13, 2017. An Agreement for Transfer of Assets and an Operation & Management Agreement was executed with between the two bodies on March 13, 2017. The District operated the system and provided service to the existing customers under the Commission approved tariff for Red Barn Waste Management until May 31, 2017 when the Commission approved the transfer application. Upon approval, the collection system and service to the customer base were governed by the Mercer County Sanitation District Sewer Use Ordinance, adopted in 2008.

At this time, the package plant and collection system are in compliance with the Division of Water and the bid advertisement was released on October 19, 2017 to replace the existing package plant with a new plant.

The Operation & Management Agreement and the Agreement for Transfer of Assets are attached. If further information is necessary pertaining to the close of the transaction with Red Barn Waste Management, LLC, please let me know and the information will be forwarded immediately.

Sincerely,



Mike D. Sanford, MPA
Executive Director
Mercer County Sanitation District

COPY

OPERATION AND MANAGEMENT AGREEMENT

This **OPERATION AND MANAGEMENT AGREEMENT** (the "**AGREEMENT**") dated March 13, 2017, is entered into between **RED BARN WASTE MANAGEMENT, LLC**, a Kentucky Limited Liability Company, hereinafter referred to as **FIRST PARTY**, and **MERCER COUNTY SANITATION DISTRICT**, hereinafter referred to as **SECOND PARTY**. **FIRST PARTY** is the owner of **ASSETS** located at 220 Chimney Rock Road, Harrodsburg, KY 40330, and **FIRST PARTY** wishes to enter into the **AGREEMENT** with **SECOND PARTY** to operate and manage said **ASSETS**. Both parties mutually agree to the following terms and conditions.

TERMS AND CONDITIONS:

- (1) WHEREAS **SECOND PARTY** will become the responsible party for KPDES No. KY0092631 as described in the Agreed Order for Energy and Environment Cabinet, Division of Enforcement, Case No. 160092, effective April 1, 2017.
- (2) WHEREAS **SECOND PARTY** agrees to maintain sanitary sewer service to 18 existing customers located on Chimney Rock Road, Arthur Court, Klein Court and Ragona Court, effective April 1, 2017.
- (3) WHEREAS **SECOND PARTY** agrees to operate the wastewater facilities under the provisions of the Public Service Commission approved Red Barn Waste Management, LLC Rate & Charges and Rules & Regulations issued on October 16, 2006, until which time that the Transfer Application is approved by the Public Service Commission.
- (4) WHEREAS **FIRST PARTY** agrees that **SECOND PARTY** will collect all sewer user fees for the existing customers effective April 1, 2017.
- (5) WHEREAS **SECOND PARTY** agrees to assume all operational expenses effective April 1, 2017.
- (6) This agreement is construed under the laws of the Commonwealth of Kentucky. Any cause of action resulting from this agreement between First Party and Second Party shall be resolved in the Mercer Circuit Court, Harrodsburg, Kentucky.

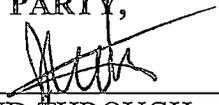
RECEIVED

NOV 03 2017

**PUBLIC SERVICE
COMMISSION**

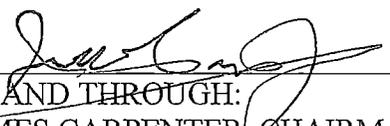
THIS BINDING AGREEMENT IS HEREBY ACCEPTED BY THE UNDERSIGNED PARTIES:

REDBARN WASTE MANAGEMENT, LLC,
A KENTUCKY LIMITED LIABILITY COMPANY,
FIRST PARTY,



BY AND THROUGH:
JEFFREY C. RUTTENBURG,

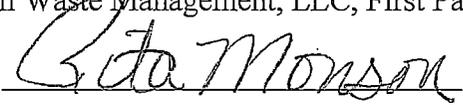
MERCER COUNTY SANITATION DISTRICT
SECOND PARTY,



BY AND THROUGH:
JAMES CARPENTER, CHAIRMAN

STATE OF KENTUCKY
COUNTY OF BOYLE

Subscribed, sworn, and attested to before me by Jeffrey C. Ruttenburg, Manager of Redbarn Waste Management, LLC, First Party, this 13th day of March, 2017.



NOTARY PUBLIC,
KENTUCKY STATE AT LARGE

MY COMMISSION EXPIRES: 7-30-2020

ID NO: 560273

STATE OF KENTUCKY
COUNTY OF BOYLE

Subscribed, sworn, and attested to before me by James Carpenter, Chairman of Mercer
County Sanitation District, Second Party, this 9 day of March, 2017.

Gita Monson

NOTARY PUBLIC,
KENTUCKY STATE AT LARGE

MY COMMISSION EXPIRES: 7-30-2020

ID NO: 560273

DOCUMENT PREPARED BY:

Christopher K. Herron

CHRISTOPHER K. HERRON
CHRISTOPHER K. HERRON, PLLC
P.O. BOX 459
DANVILLE, KY 40423
(859) 236-3777

RECEIVED

NOV 03 2017

PUBLIC SERVICE
COMMISSION

**AGREEMENT FOR TRANSFER OF
ASSETS**

This **AGREEMENT FOR THE TRANSFER OF ASSETS** (the "**AGREEMENT**") dated March 13, 2017, is entered into between **RED BARN WASTE MANAGEMENT, LLC**, a Kentucky Limited Liability Company, hereinafter referred to as **SELLER**, and **MERCER COUNTY SANITATION DISTRICT**, hereinafter referred to as **PURCHASER**. **SELLER** is the owner of certain **ASSETS** located in **MERCER COUNTY, KENTUCKY**, and **SELLER** wishes to convey the certain **ASSETS** to **PURCHASER**, and **PURCHASER** wishes to acquire same from **SELLER**. Both parties mutually agree to the following terms and conditions.

DESCRIPTION OF ASSETS

PURCHASER agrees to buy and **SELLER** agrees to sell certain tangible and intangible business assets and services of **SELLER**, as further provided herein, (the "**ASSETS**") related to **SELLER'S** business (the "**BUSINESS**"), free and clear of any liens, claims or other encumbrances. This transaction shall be herein referred to as the "**TRANSFER**". The **ASSETS** which will be sold are as follows:

I. Building, Inventory, and Miscellaneous Items:

- Building and all of its contents located at the following described location in Mercer County, Kentucky:

BEING a 30 feet by 53 foot tract of land encompassing an existing sanitary sewer treatment plant as shown on exhibit attached to the deed of easement recorded in Deed Book 167, Page 239, in Mercer County Clerk's Office, and also a 10 foot wide strip surrounding said plant, and being located near the west shoreline of Herrington Lake approximately 700 feet north of the Chimney Rock Marina and more particularly described as follows:

BEGINNING at a point located 35.4 feet on a bearing of north 10 degrees 20 minutes west from an iron pin with identification cap (LS 3096) located at the northeast corner

of the Klein property; thence 10 feet west of the parallel of the west edge of the existing treatment plant north 02 degrees 04 minutes west 53.0 feet to a point; thence 10 feet north of and parallel to the north edge of the existing treatment plant north 87 degrees 56 minutes east 30.0 feet to a point; thence 10 feet east of and parallel to the east edge of the existing treatment plant south 02 degrees 04 minutes east 30.0 feet to a point; thence 10 feet south of and parallel to the south edge of the existing treatment plant south 87 degrees 56 minutes west 30.0 feet to the point of beginning and containing 1590 square feet, and

BEING the same easement conveyed by Deed of Correction to Red Barn Waste Management, LLC, a Kentucky limited liability company, from Red Barn Waste Management, LLC, a Kentucky limited liability company, dated November 6, 2009 and of record in Deed Book 321, Page 709, all records Mercer County Clerk's office. (See also Deed Book 319, Page 323 and Deed Book 309, Page 279, and DB 167, 239, in the Mercer County Clerk's office.)

- All chemicals and other treatment material.
- All instructional material.
- All customer lists and contact information.
- All documents necessary for compliance purposes including historical documentation.

II: Assignment of Easement:

No transfer of real estate shall be a part of this agreement. Seller agrees to assign the current easement it possesses regarding the operation of the current wastewater package plant and collection system located on the real property owned by Kentucky Utilities which is described above. **The agreement is contingent upon the receipt of Environmental Clearance from the Department for Local Government for the Kennedy Bridge Road Sewer Project.**

PRICE AND TERMS

The price of the **ASSETS** purchased is **ONE DOLLAR AND 00/100 (\$1.00) DOLLAR.**

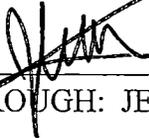
ADDITIONAL TERMS AND CONDITIONS

1. Buyer will become the responsible party for KPDES No. KY0092631 as described in the Agreed Order for Energy and Environment Cabinet Division of Enforcement Case No. 160092.
2. Buyer agrees to maintain sanitary sewer service to 18 existing customers located on Chimney Rock Road, Arthur Court, Klein Court and Ragona Court.

3. Seller agrees to transfer to the Buyer all assets and infrastructure related to the wastewater package plant and collection system as described in KPDES No. KY0092631
4. Buyer will not be liable for debts or other obligations incurred by Seller prior to the transfer of ownership.
5. The electric and water service will be transferred to the Buyer at the time of the ownership transfer.

The undersigned agree to the terms of this agreement.

SELLER: RED BARN WASTE MANAGEMENT, LLC



BY AND THROUGH: JEFFREY C. RUTTENBERG,
MANAGER

3/13/17
Date

BUYER: MERCER SANITATION DISTRICT



BY AND THROUGH: JIM CARPENTER, CHAIRMAN

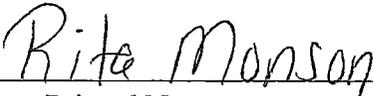
3-9-17
Date

Witness:



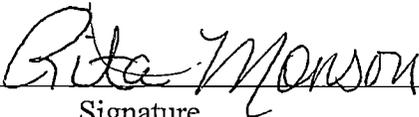
Signature

3-13-17
Date



Printed Name

Witness:



Signature

3-9-17
Date



Printed Name