

**MINUTES OF THE BOARD OF DIRECTORS OF  
KENTUCKY-AMERICAN WATER COMPANY  
VIA TELECONFERENCE  
AT 9:30 A.M. ON THURSDAY, APRIL 15, 2004**

**\*\*\*DRAFT\*\*\***

Present: John R. Bigelow  
Lindsey W. Ingram, Jr.  
Chris E. Jarrett  
Daniel L. Kelleher  
Roy W. Mundy II

Constituting a majority and a quorum of the Board of Directors necessary for the transaction of business.

Also present: Robert M. Ross  
John Young  
Robert W. Freeston  
Velma A. Redmond, Esq.  
William C. Kelvington  
David B. Schultz  
Herbert A. Miller, Jr., Esq.  
Michael A. Miller  
Stephen N. Chambers, Esq.

Mr. Chris Jarrett called the meeting to order and presided as Chairman of the meeting, and Mr. Herb Miller, Secretary of the Company, acted as Secretary of the meeting.

The minutes of the meeting of the Board of Directors held on December 12, 2003, were presented to the Board by Mr. Herb Miller, and on a motion duly made, seconded and carried, the following resolution was duly adopted:

**RESOLVED**, that the minutes of the regular meeting of the Board of Directors of this Company held on December 12, 2003, be and the same hereby are approved in the form presented to this meeting.

Mr. Jarrett recommended adding Robert M. Ross as a director. As of this date, there are two vacancies. After discussion, and upon a motion duly made and seconded, the following resolution was unanimously adopted:

**RESOLVED**, that Robert M. Ross be, and hereby is, appointed as a director of the Company to fill one of the vacancies, and shall hold office until the next annual election or until his successor is elected and qualified as provided in Article II, Section 8, of the bylaws.

Mr. Jarrett called for the establishment of a Nominating Committee and the appointment of Bob Ross and Lindsey Ingram as members of this Committee.

Mr. Jarrett reviewed, with the Board, the key strategic issues of the Executive Summary Report.

Mr. Mike Miller reported that so far, \$123,000 in condemnation expenses have occurred.

Mr. Mike Miller reviewed the rate case status with the Board.

Mr. Roy Mundy reviewed the status of the condemnation case and he indicated a May 3, 2004, deadline for the filing of a Response to the Condemnation Petition and Commissioner's Report.

Mr. Mike Miller recommended that the Board declare the regular quarterly dividends on the preferred, preference and common stock of the Company. The Board then considered the Company's earnings, earned surplus available for dividends and cash position. After a discussion, and upon motion duly made, seconded and carried, the following Resolutions were unanimously adopted:

**RESOLVED**, that out of the earned surplus of the Company, a dividend of \$1.4375 per share of the 5-3/4% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending June 30, 2004, be, and hereby is, declared payable on July 1, 2004, to stockholders of record at the close of business on June 11, 2004.

**RESOLVED**, that out of the earned surplus of the Company, a dividend of \$1.375 per share of the 5-1/2% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending June 30, 2004, be, and hereby is, declared payable on July 1, 2004, to stockholders of record at the close of business on June 11, 2004.

**RESOLVED**, that out of the earned surplus of the Company, a dividend of \$1.25 per share of the 5% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending June 30, 2004, be, and hereby is, declared payable on July 1, 2004, to stockholders of record at the close of business on June 11, 2004.

**RESOLVED**, that out of the earned surplus of the Company, a dividend of \$2.1175 per share of the 8.47% Series of the Company, being the regular quarterly dividend for the period ending May 31, 2004, be, and hereby is, declared payable on June 1, 2004, to stockholders of record at the close of business on May 14, 2004.

**RESOLVED**, that out of the earned surplus of the Company, a dividend of \$0.07 per share of Common Stock of the Company, be and hereby is, declared payable on June 28, 2004, to stockholders of record at the close of business on June 4, 2004.

Mr. Herb Miller indicated there were no reported violations of the Company's Code of Ethics during 2003. There was one request by an employee for an exception; however, management denied the request.

Mr. Herb Miller recommended the appointment of PricewaterhouseCoopers, LLP, as the Company's independent accountants. The following resolution was, upon a motion duly and seconded, unanimously adopted:

**RESOLVED**, that the Board of Directors appoints Pricewaterhouse-Coopers LLP as independent accountants to audit the books and accounts of the Company at the close of the 2004 Fiscal Year.

After a general discussion of the Company and upon motion duly made, seconded and unanimously adopted, the meeting adjourned.

\*\*\*DRAFT\*\*\*

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Herbert A. Miller, Jr.  
Secretary

**Kentucky-American Water Company**

**Shareholders Unanimous Consent**

**(Without a Meeting)**

The undersigned, being the holder of all outstanding shares of Common Stock of Kentucky-American Water Company, the only shares entitled to notice and to vote thereon, hereby consents in writing to the adoption of the following resolutions and agrees that such resolutions shall have the same force and effect as though duly adopted at a meeting of such shareholders duly called and held:

RESOLVED, that the holding of the annual meeting of the shareholders of the Company for the year 2004 is hereby waived;

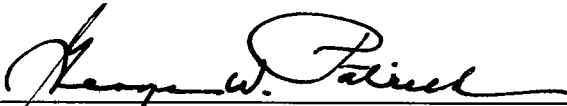
RESOLVED, that the following persons are hereby elected to serve as Directors of the Company for the ensuing year and until their successors are elected and shall have qualified:

John Bigelow  
Patricia W. Freibert  
Lindsey W. Ingram, Jr.  
Chris E. Jarrett  
Daniel L. Kelleher  
Roy W. Mundy II  
Robert M. Ross  
William G. Sisson

RESOLVED, that the firm of PricewaterhouseCoopers, L.L.P. is hereby elected as independent accountants to audit the books of the Company at the close of the current fiscal year.

This informal action of the shareholders is taken pursuant to the authority of Chapter 271B, Subtitle 7, Section 040, of the Kentucky Revised Statutes, and shall be effective this 6<sup>th</sup> day of May, 2004.

AMERICAN WATER WORKS COMPANY, INC.

By: 

Title: Vice President

Date: May 6, 2004

**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the aforesaid Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

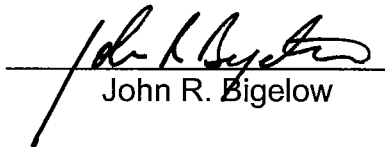
RESOLVED, that Article II, Section 1, of the bylaws of the Company is hereby amended to have eight members as its Board of Directors to conduct and manage the business and property of the Company.

RESOLVED, that William G. Sisson and Patricia W. Freibert be, and hereby are, appointed as directors of the Company, and shall hold office until the next annual election or until his or her successor is elected and qualified as provided in Article II, Section 8, of the bylaws.

RESOLVED, that Robert M. Ross is named to the Executive Committee of the Board of Directors.

All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

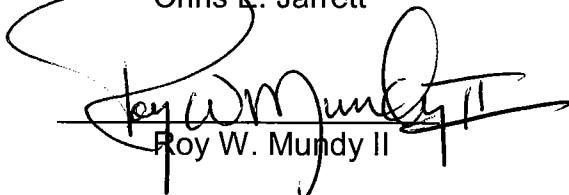
This action of the Directors shall be effective as of April 23, 2004.

  
\_\_\_\_\_  
John R. Bigelow

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Lindsey W. Ingram

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Chris E. Jarrett

\_\_\_\_\_  
Daniel L. Kelleher

  
\_\_\_\_\_  
Roy W. Mundy II

\_\_\_\_\_  
Robert M. Ross

**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the aforesaid Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

RESOLVED, that Article II, Section 1, of the bylaws of the Company is hereby amended to have eight members as its Board of Directors to conduct and manage the business and property of the Company.


RESOLVED, that William G. Sisson and Patricia W. Freibert be, and hereby are, appointed as directors of the Company, and shall hold office until the next annual election or until his or her successor is elected and qualified as provided in Article II, Section 8, of the bylaws.

RESOLVED, that Robert M. Ross is named to the Executive Committee of the Board of Directors.

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This action of the Directors shall be effective as of April 23, 2004.

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**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

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RESOLVED, that Article II, Section 1, of the bylaws of the Company is hereby amended to have eight members as its Board of Directors to conduct and manage the business and property of the Company.

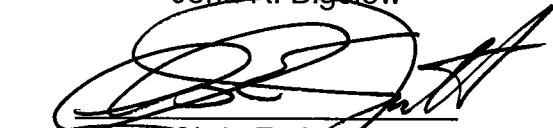
RESOLVED, that William G. Sisson and Patricia W. Freibert be, and hereby are, appointed as directors of the Company, and shall hold office until the next annual election or until his or her successor is elected and qualified as provided in Article II, Section 8, of the bylaws.

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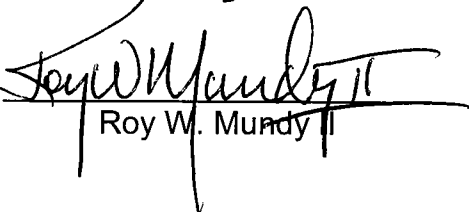
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This action of the Directors shall be effective as of April 23, 2004.

\_\_\_\_\_  
John R. Bigelow



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Chris E. Jarrett



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Roy W. Mundy II

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**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the aforesaid Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

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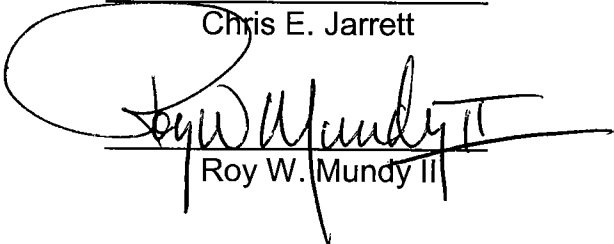
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Robert M. Ross



**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the aforesaid Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

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Roy W. Mundy II

  
\_\_\_\_\_  
Robert M. Ross

**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

3/1/04

The undersigned, constituting all of the members of the Kentucky-American Water Company (hereinafter "Company"), pursuant to Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

RESOLVED, that DEUTSCHE BANK TRUST COMPANY AMERICAS, New York, N.Y. (the "Bank"), is designated a depository of this corporation for each account of this corporation now or hereafter opened and maintained at the Bank (whether one or more, the "Account"); and

FURTHER RESOLVED, that until otherwise ordered by the Board of Directors of this Company, all drafts, checks and other written instruments or orders for the payment of money drawn (i) against the Account or (ii) to or otherwise made payable to this corporation shall be signed or indorsed (for transfer or encashment) by any one of the following:

President  
Any Vice President  
Treasurer  
Secretary  
Comptroller  
Any Assistant Treasurer  
Any Assistant Secretary  
Any Assistant Comptroller (except Robin N. Quinn);

and, in addition, such individuals who from time to time may be designated as hereinafter provided; and

FURTHER RESOLVED, that the Bank is hereby requested, authorized and directed to honor all orders for the payment of money by wire or other electronic means made or issued in this corporation's name on the Account; (i) when transmitted and delivered to the Bank by telex, cable, facsimile or other mechanical

or electronic transmission; letter or other written communication; or telephonic or other oral communication; and (ii) when separately authorized in writing by any one of the officer(s) designated in the preceding "RESOLVED" clause and the Bank shall be entitled to honor and charge the Account for all such orders which it believes in good faith to be genuine regardless of by whom or by what means such orders may have been issued. The authorization provided in this clause shall include, without limitation, the right to enter into any agreement(s) with the Bank, from time to time, containing such indemnities in favor of the Bank as it may require and such other provisions in order to effectuate the purpose hereof; and

FURTHER RESOLVED, that the Bank is authorized to place to the credit of the Account, funds, drafts, checks, credits or other property by whomever delivered or transmitted to the Bank for deposit for account of this corporation, indorsed with the name and/or Account number of this corporation or other agreed upon symbol or identifying mark by rubber stamp, facsimile, mechanical, manual or other signature (and any such indorsement by whomever affixed shall be the indorsement of this corporation), or otherwise indorsed, or unindorsed, provided that if any such item shall bear, or be accompanied by, directions (by whomever made) for deposit to a specific Account; then such deposit shall be to the credit of such specific Account; the Bank may at any time refuse any such deposit or credit to the Account and/or may return by mail or otherwise the whole or any part of a deposit to this corporation; and

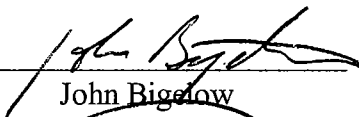
FURTHER RESOLVED, that the Bank is hereby directed to accept, and/or apply any draft, check, or other instrument or order for the payment of money, or any proceeds thereof, including any order for the transfer thereof by wire or other electronic means, drawn, made or issued on such Account or drawn to or otherwise made payable to this corporation (each such payment order herein an "Order") when signed or indorsed, made or issued as required by these resolutions without limit as to amount, without inquiry, and without regard to the disposition of any such item or any proceeds thereof, and the Bank shall not be liable in connection therewith notwithstanding that such Order; (i) may be payable or indorsed to the order of a person whose signature appears thereon or who otherwise made or issued such Order or of any other officer(s) or agent(s) of this corporation, or (ii) or any proceeds thereof may be used or disposed of for the personal credit or account of any such person(s), officer(s), or agent(s) with the Bank or otherwise or in payment of the individual obligation of any such person(s), officer(s), or agent(s) to the Bank or otherwise, or (iii) may cause or increase an overdraft on the Account; and


FURTHER RESOLVED, that the Account and all transactions related thereto, the authorities, specifications, agreements and services herein provided shall also be subject to all other agreements, rules, regulations and conditions set forth in any signature card, deposit ticket, passbook, instrument, receipt, statement of Account, and all state and federal laws, rules and regulations applicable to the subject matter hereof; and

FURTHER RESOLVED, that the Secretary or any Assistant Secretary of this Company be, and hereby is, authorized and empowered to certify under the seal of this Company and to deliver to the Bank a copy of these resolutions as evidence of its authority hereunder, and to deliver to the Bank, from time to time, similarly certified, the names of the officers and other individuals authorized to sign and indorse all drafts, checks, and other written instruments and orders for the payment of money, together with their specimen signatures.

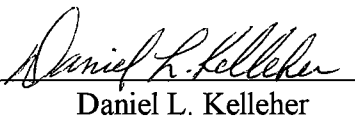
All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

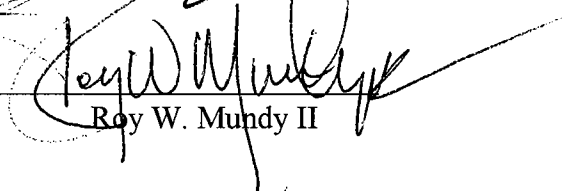
This action of the Directors shall be effective as of this 1<sup>st</sup> day of March, 2004.

  
John Bigelow

  
Lindsy Ingram, Jr.

  
Chris E. Jarrett

  
Daniel L. Kelleher

  
Roy W. Mundy II

## CERTIFIED RESOLUTIONS

I, Stephen N. Chambers, Assistant Secretary of Kentucky-American Water Company, a corporation duly organized and existing under the laws of Kentucky described herein as "this corporation," hereby certify that the following is a true copy of resolutions adopted by the Board of Directors of this corporation by unanimous written consent dated as of March 1, 2004 and that such resolutions are now in full force and effect:

RESOLVED, that DEUTSCHE BANK TRUST COMPANY AMERICAS, New York, N.Y. (the "Bank"), is designated a depository of this corporation for each account of this corporation now or hereafter opened and maintained at the Bank (whether one or more, the "Account"); and

FURTHER RESOLVED, that until otherwise ordered by the Board of Directors of this Company, all drafts, checks and other written instruments or orders for the payment of money drawn (i) against the Account or (ii) to or otherwise made payable to this corporation shall be signed or indorsed (for transfer or encashment) by any one of the following:

President  
Any Vice President  
Treasurer  
Secretary  
Comptroller  
Any Assistant Treasurer  
Any Assistant Secretary  
Any Assistant Comptroller (except Robin N. Quinn);

and, in addition, such individuals who from time to time may be designated as hereinafter provided; and

FURTHER RESOLVED, that the Bank is hereby requested, authorized and directed to honor all orders for the payment of money by wire or other electronic means made or issued in this corporation's name on the Account; (i) when transmitted and delivered to the Bank by telex, cable, facsimile or other mechanical or electronic transmission; letter or other written communication; or telephonic or other oral communication; and (ii) when separately authorized in writing by any one of the officer(s) designated in the preceding "RESOLVED" clause and the Bank shall be entitled to honor and charge the Account for all such orders which it believes in good faith to be genuine regardless of by whom or by what means such orders may have been issued. The authorization provided in this clause shall include, without limitation, the right to enter into any agreement(s)

with the Bank, from time to time, containing such indemnities in favor of the Bank as it may require and such other provisions in order to effectuate the purpose hereof; and

FURTHER RESOLVED, that the Bank is authorized to place to the credit of the Account, funds, drafts, checks, credits or other property by whomever delivered or transmitted to the Bank for deposit for account of this corporation, indorsed with the name and/or Account number of this corporation or other agreed upon symbol or identifying mark by rubber stamp, facsimile, mechanical, manual or other signature (and any such indorsement by whomever affixed shall be the indorsement of this corporation), or otherwise indorsed, or unendorsed, provided that if any such item shall bear, or be accompanied by, directions (by whomever made) for deposit to a specific Account; then such deposit shall be to the credit of such specific Account; the Bank may at any time refuse any such deposit or credit to the Account and/or may return by mail or otherwise the whole or any part of a deposit to this corporation; and

FURTHER RESOLVED, that the Bank is hereby directed to accept, and/or apply any draft, check, or other instrument or order for the payment of money, or any proceeds thereof, including any order for the transfer thereof by wire or other electronic means, drawn, made or issued on such Account or drawn to or otherwise made payable to this corporation (each such payment order herein an "Order") when signed or indorsed, made or issued as required by these resolutions without limit as to amount, without inquiry, and without regard to the disposition of any such item or any proceeds thereof, and the Bank shall not be liable in connection therewith notwithstanding that such Order; (i) may be payable or indorsed to the order of a person whose signature appears thereon or who otherwise made or issued such Order or of any other officer(s) or agent(s) of this corporation, or (ii) or any proceeds thereof may be used or disposed of for the personal credit or account of any such person(s), officer(s), or agent(s) with the Bank or otherwise or in payment of the individual obligation of any such person(s), officer(s), or agent(s) to the Bank or otherwise, or (iii) may cause or increase an overdraft on the Account; and

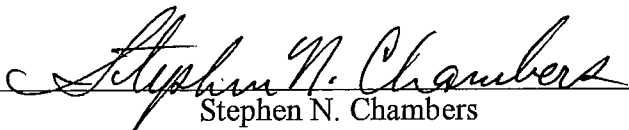
FURTHER RESOLVED, that the Account and all transactions related thereto, the authorities, specifications, agreements and services herein provided shall also be subject to all other agreements, rules, regulations and conditions set forth in any signature card, deposit ticket, passbook, instrument, receipt, statement of Account, and all state and federal laws, rules and regulations applicable to the subject matter hereof; and

FURTHER RESOLVED, that the Secretary or any Assistant Secretary of this Company be, and hereby is, authorized and empowered to certify under the seal of this Company and to deliver to the Bank a copy of these resolutions as evidence of its authority hereunder, and to deliver to the Bank, from time to time, similarly certified, the names of the officers and other individuals authorized to sign and indorse all drafts, checks, and other written instruments and orders for the payment of money, together with their specimen signatures.

I further certify that the following persons hold in this corporation the positions indicated below:

TITLE	NAME
President	Roy W. Mundy II
Vice President	Nick O. Rowe
Vice President Finance, Treasurer and Comptroller	Michael A. Miller
Vice President and Secretary	Herbert A. Miller, Jr.
Vice President	David B. Schultz
Assistant Treasurer and Assistant Secretary	Nancy M. Strickland
Assistant Treasurer	Roy L. Ferrell, Sr.
Assistant Treasurer	James R. Hamilton
Assistant Secretary	Stephen N. Chambers
Assistant Comptroller	Thomas R. Bailey
Assistant Comptroller	Rachel S. Cole
Assistant Comptroller	Jonathan G. Easlick
Assistant Comptroller	Doneen S. Hobbs
Assistant Comptroller	Robin N. Quinn
Assistant Comptroller	John R. Reynolds
Assistant Comptroller	Thomas C. Spitz
Assistant Comptroller	Benjamin J. Tartaglia, Jr.

IN WITNESS WHEREOF, I have hereunto affixed my signature and the seal of the Company as of this 1st day of March, 2004.

  
 Stephen N. Chambers  
 Assistant Secretary

(CORPORATE SEAL)

  
 Confirmed: Vice President

1/26/04

**KENTUCKY-AMERICAN WATER COMP/**

**Directors Unanimous Consent**

**(Without a Meeting)**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

**I. Approval of Preferred Stock Dividends**

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.4375 per share of the 5-3/4% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending March 31, 2004, be, and hereby is, declared payable on April 1, 2004, to stockholders of record at the close of business on March 12, 2004.

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.375 per share of the 5-1/2% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending March 31, 2004, be, and hereby is, declared payable on April 1, 2004, to stockholders of record at the close of business on March 12, 2004.

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.25 per share of the 5% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending March 31, 2004, be, and hereby is, declared payable on April 1, 2004, to stockholders of record at the close of business on March 12, 2004.



## **II. Approval of Common Stock Dividend**

RESOLVED, that out of the earned surplus of the Company, a dividend of \$0.51 per share of Common Stock of the Company, be, and hereby is, declared payable on March 29, 2004, to stockholders of record at the close of business on March 12, 2004.

## **III. Approval of VEBA Contribution**

RESOLVED, that this Company be, and hereby is, authorized to pay to the voluntary employee beneficiary association trusts established by American Water Works Company, Inc. for the payment of health and life insurance plan benefits the sum of \$765,896, its allocated share of the cost of these benefits for calendar year 2003.

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized and directed to take all actions as any one of such officers may deem necessary or desirable to effectuate the full intent and purpose of the foregoing resolution.

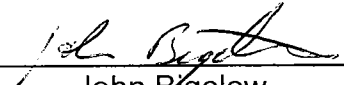
## **IV. Approval of Pension Fund Contribution**

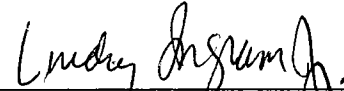
RESOLVED, that this Company be, and hereby is, authorized to pay to the trust established by American Water Works Company, Inc. for the payment of pension benefits the sum of \$409,711, its allocated share of the contribution to the trust for the Plan Year 2003.

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized and directed to take all actions as any one of such officers may deem necessary or desirable to effectuate the full intent and purpose of the foregoing resolution.

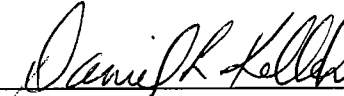
All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

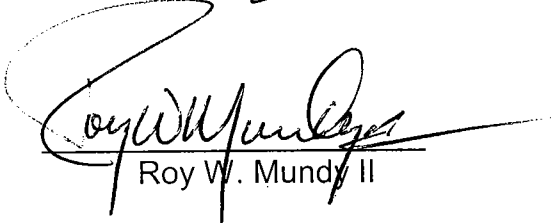
This action of the Directors shall be effective as of January 26, 2004.

  
\_\_\_\_\_  
John Bigelow

  
\_\_\_\_\_  
Lindsey Ingram, Jr.

  
\_\_\_\_\_  
Chris E. Jarrett

  
\_\_\_\_\_  
Daniel L. Kelleher

  
\_\_\_\_\_  
Roy W. Mundy II

**KENTUCKY-AMERICAN WATER COMPANY**

**Directors Unanimous Consent**

**(Without a Meeting)**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the aforesaid Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

RESOLVED, that Article II, Section 1, of the bylaws of the Company were amended on March 3, 2003, to have seven members as its Board of Directors to conduct and manage the business and property of the Company. As of this date, there are three vacancies.

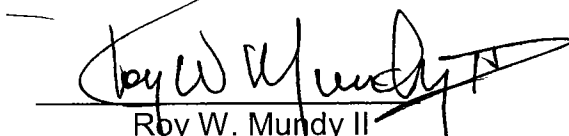
RESOLVED, that John R. Bigelow be, and hereby is, appointed as a director of the Company to fill one of these vacancies, and shall hold office until the next annual election or until his successor is elected and qualified as provided in Article II, Section 8, of the bylaws.

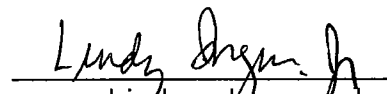
All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

This action of the Directors shall be effective as of January 7, 2004.

  
Chris E. Jarrett

  
Daniel L. Kelleher

  
Roy W. Mundy II

  
Lindsey Ingram, Jr.

**MINUTES OF THE BOARD OF DIRECTORS OF  
KENTUCKY-AMERICAN WATER COMPANY HELD  
IN LEXINGTON, KENTUCKY  
AT 1:00 P.M. ON FRIDAY, DECEMBER 12, 2003**

Present: Lindsey W. Ingram, Jr.  
Chris E. Jarrett  
Daniel L. Kelleher  
Roy W. Mundy II

Constituting a majority and a quorum of the Board of Directors necessary for the transaction of business.

Also present: Herbert A. Miller, Jr., Vice President & Secretary  
Michael A. Miller, Vice President Finance, Treasurer and Comptroller  
David B. Schultz, Vice President  
Stephen N. Chambers, Assistant Secretary

Mr. R. W. Mundy II, President of the Company, called the meeting to order and presided as Chairman of the meeting, and H. A. Miller, Jr., Secretary of the Company, acted as Secretary of the meeting.

The minutes of the meeting of the Board of Directors held on October 24, 2003, were presented to the Board. On a motion duly made, seconded and carried, the following resolution was duly adopted:

**RESOLVED**, that the minutes of the meeting of the Board of Directors of the Company held on October 24, 2003, be and the same hereby are approved in the form presented to this meeting.

President Roy Mundy reviewed the Executive Report with the Board. Mr. Mike Miller reviewed the status of the Company's financial condition, including issues regarding deferrals.

Mr. Ingram reported on the court ruling that consolidated the challenge to the \$750,000 loan into the condemnation case in Judge Raikes' court.

Mr. Mike Miller recommended that the Board declare the regular quarterly dividends on the preference stock of the Company. The Board then considered the Company's earnings, earned surplus available for dividends and cash position. After a discussion, and upon motion duly made, seconded and carried, the following Resolutions were unanimously adopted:

**RESOLVED**, that out of the earned surplus of the Company, a dividend of \$2.1175 per share of the 8.47% Preference Stock of the Company being the regular quarterly dividend for the period ending February 28, 2004, be and hereby is payable on March 1, 2004, to stockholders of record at the close of business on February 6, 2004.

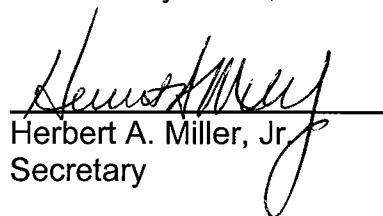
The Chairman then stated that the annual meeting of the shareholders of this Company is to be held on Friday, May 28, 2004, at 2:00 p.m. and that the Board of Directors may fix in advance a date not less than ten (10) days prior to the date of the meeting, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting, and recommended that the Board fix the close of business on May 7, 2004, as the record date.

The following resolutions were then introduced and on motion duly made, seconded and carried, unanimously adopted:

**RESOLVED**, that the close of business on Friday, May 7, 2004, be and hereby is fixed as the record date for the determination of the shareholders entitled to notice of and to vote at the annual meeting of the shareholders of this Company to be held on Friday, May 28, 2004, at 2:00 p.m. at the office of the Company in Lexington, Kentucky.

**RESOLVED**, that the Secretary of this Company is authorized and directed to issue notice of the annual meeting of the shareholders of this Company, and that such notice be mailed with reasonable promptness and in any event not later than ten (10) days before the date of such annual meeting at such address as appears on the books of the Company.

After a general discussion of the Company and upon motion duly made, seconded and unanimously adopted, the meeting adjourned.

  
Herbert A. Miller, Jr.  
Secretary

**UNANIMOUS CONSENT OF THE DIRECTORS  
OF KENTUCKY-AMERICAN WATER COMPANY**


The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

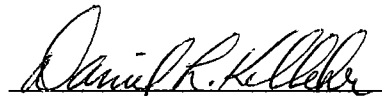
RESOLVED, that the resolution heretofore adopted by the Board at a meeting held on October 24, 2003, declaring a common stock dividend in the amount of \$0.79 per share to be payable on December 15, 2003 to shareholders of record on November 21, 2003, be, and hereby is, rescinded.

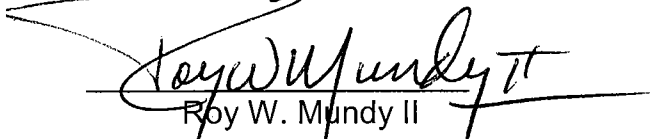
RESOLVED, that out of the earned surplus of the Company a dividend of \$0.79 per share on the Common Stock of the Company be, and hereby is, declared payable on December 8, 2003, to stockholders of record at the close of business on November 14, 2003.

These actions without a meeting of the Board of Directors is taken pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, and shall be effective as of October 24, 2003.

All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

  
Chris E. Jarrett

  
Daniel L. Kelleher

  
Roy W. Mundy II

  
Lindsey Ingram, Jr.

Chris E. Jarrett

Kentucky-American, Maryland-American, Tennessee-American, Virginia-American, West Virginia-American

**KENTUCKY-AMERICAN WATER COMPANY**

Seven (7) Directors\*

Chris E. Jarrett  
Lindsey W. Ingram, Jr.  
Daniel L. Kelleher  
Roy W. Mundy, II  
Independent local director  
Independent local director  
Independent local director

Accept Resignations

John M. Quain  
William L. Rouse, Jr.  
Edward H. Salmon  
Ellen C. Wolf

\*At least 40% of directors must reside in service area and not be employed by the RWE Group.

**MARYLAND-AMERICAN WATER COMPANY**

Three (3) Directors

Chris E. Jarrett  
Michael Carmedy  
Daniel L. Kelleher

Accept Resignations

John M. Quain  
Edward H. Salmon  
Ellen C. Wolf

**TENNESSEE-AMERICAN WATER COMPANY**

Seven (7) Directors

Chris E. Jarrett  
Michael Carmedy  
John F. Germ  
Daniel L. Kelleher  
William F. L'Ecuyer  
David B. Schultz  
William P. Sudderth

Accept Resignations

John M. Quain  
Edward H. Salmon  
Ellen C. Wolf

**VIRGINIA-AMERICAN WATER COMPANY**

Four (4) Directors

Chris E. Jarrett  
Michael Carmedy  
Daniel L. Kelleher  
John S. Young

Accept Resignations

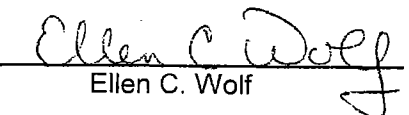
John M. Quain  
Edward H. Salmon  
Ellen C. Wolf

LETTER OF RESIGNATION

November 18, 2003

To the Chairman of the Board of Directors  
of Thames Water Aqua US Holdings, Inc.

I, Ellen C. Wolf, hereby resign as a director and officer of Thames Water Aqua US Holdings, Inc. and each of its subsidiaries, including all board and management committees, effective November 21, 2003.

  
Ellen C. Wolf



**UNANIMOUS CONSENT OF THE DIRECTORS  
OF KENTUCKY-AMERICAN WATER COMPANY**

The undersigned, constituting all of the members of the Board of Directors of Kentucky-American Water Company (hereinafter "Company"), do hereby take the following corporate action by this unanimous written consent, which action shall have the same validity and effect as if taken at a meeting of the Board of Directors, duly called and held, at which all members of the Board attended and voted therefor:

**I. Approval of Preferred and Preference Stock Dividends**

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.4375 per share of the 5-3/4% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending March 31, 2003, be, and hereby is, declared payable on April 1, 2003, to stockholders of record at the close of business on March 7, 2003.

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.375 per share of the 5-1/2% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending March 31, 2003, be, and hereby is, declared payable on April 1, 2003, to stockholders of record at the close of business on March 7, 2003.

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.25 per share of the 5% Cumulative Preferred Stock of the Company, being the regular quarterly dividend for the period ending March 31, 2003, be, and hereby is, declared payable on April 1, 2003, to stockholders of record at the close of business on March 7, 2003.

RESOLVED, that out of the earned surplus of the Company, a dividend of \$1.975 per share of the 7.9% Preference Stock, of the Company being the regular quarterly dividend for the period ending March 31, 2003, be, and hereby is, declared payable on April 1, 2003, to stockholders of record at the close of business on March 7, 2003.

RESOLVED, that out of the earned surplus of the Company, a dividend of \$2.1175 per share of the 8.47% Series Preference Stock of the Company, being the regular quarterly dividend for the period ending February 28, 2003, be, and hereby is, declared payable on March 1, 2003, to stockholders of record at the close of business on February 19, 2003.

## **II. Approval of Common Stock Dividend**

RESOLVED, that out of the earned surplus of the Company, a dividend of \$0.61 per share of Common Stock of the Company, be, and hereby is, declared payable on March 28, 2003, to stockholders of record at the close of business on March 7, 2003.

## **III. Approval of VEBA Contribution**

RESOLVED, that this Company be, and hereby is, authorized to pay to the voluntary employee beneficiary association trusts established by American Water Works Company, Inc. for the payment of health and life insurance plan benefits the sum of \$538,025, its allocated share of the cost of these benefits for calendar year 2002.

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized and directed to take all actions as any one of such officers may deem necessary or desirable to effectuate the full intent and purpose of the foregoing resolution.

## **IV. Approval of Pension Fund Contribution**

RESOLVED, that this Company be, and hereby is, authorized to pay to the trust established by American Water Works Company, Inc. for the payment of pension benefits the sum of \$216,016, its allocated share of the contribution to the trust for the Plan Year 2002.

RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized and directed to take all actions as any one of such officers may deem necessary or desirable to effectuate the full intent and purpose of the foregoing resolution.

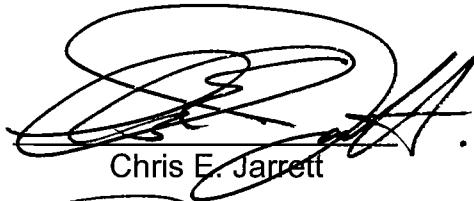
## **V. Establish Record Date for the 2003 Annual Shareholders Meeting**

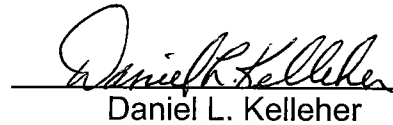
RESOLVED, that the close of business on Friday, May 2, 2003, be and hereby is fixed as the record date for the determination of the shareholders entitled to notice of and to vote at the annual meeting of the shareholders of this Company to be held on Friday, May 23, 2003, at 2:00 p.m. at the office of the Company in Lexington, Kentucky.

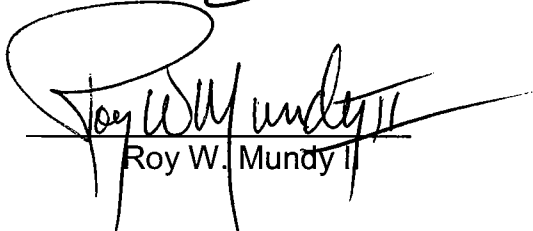
RESOLVED, that the Secretary of this Company is authorized and directed to issue notice of the annual meeting of the shareholders of this Company, and that such notice be mailed with reasonable promptness and in any event not later than ten (10) days before the date of such annual meeting at such address as appears on the books of the Company.

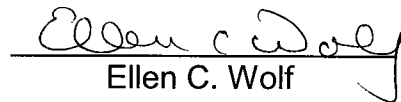
These actions without a meeting of the Board of Directors is taken pursuant to the authority of Chapter 271B, Subtitle 8, Section 210, of the Kentucky Revised Statutes, and shall be effective as of February 13, 2003.

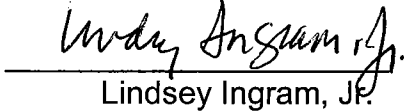
All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

  
Chris E. Jarrett

  
Daniel L. Kelleher

  
Roy W. Mundy II

  
Ellen C. Wolf

  
Lindsey Ingram, Jr.

**No SE Region Board Meeting  
In December 2002**