

**MINUTES OF THE MEETING HELD JULY 13, 2000, BETWEEN ~~ELK~~ ELK LAKE  
PROPERTY OWNERS ASSOCIATION, DBA/ ELK LAKE WATER COMPANY,  
AND KENTUCKY-AMERICAN WATER COMPANY.**

**Item of Discussion: Asset Purchase Agreement.**

**Representing ELPOA: Tom McHugh, Vice President**

**Robert Kanerva, Chairman Elk Lake Water Committee**

**Bill Bettner, ELPOA Director**

**Jack Dempwolf, Water Company Committee**

**Ron Volkmann, Water Company Committee**

**Carl Stich, Water Company Committee/Administrator ELPOA**

**Mark Cobb, Attorney representing ELPOA**

**Representing Ky-American Water Co: Roy W. Mundy II, President**

**Herbert A. Miller, Jr., Corporate Counsel**

**David K. Baker, Director Business Development**

In the absence of the ELPOA President, Vice President Tom McHugh conducted the meeting. The meeting was opened by the vice president at 2:05PM. The pledge was led by Tom McHugh, prayer by Bill Bettner.

After explaining that the business to be discussed was the Asset Purchase Agreement, Tom McHugh turned the meeting over to David Baker.

Mr. Baker led the body through each paragraph of the agreement. The first question was on Exhibit No. 1 regarding the question of tools. It was agreed the only tools in question would be those keys used for the operation of the meter stop and distribution system cut-offs.

There was some discussion on Exhibit No. 2, Sentence 4, as it related to the real estate rights on the two 4" distribution lines crossing the lake (submerged). It was decided some more research would be necessary on this item.

The next item discussed was on Paragraph 3 (Q), pertaining to hazardous or toxic substances. The members of the Elk Lake Water Committee agreed, that with the exception of the exterior paint on the water storage standpipe, we did not have knowledge of anything of issue. The tower was last repainted around 1990 or 1991, and we do not know what type paint was used. The report provided to Ky-American on the tank inspection would cover the interior surface.

The rest of the paragraphs were covered with little discussion and a few minor changes to be made.

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On Paragraph 17, it was explained that due to the need to flush out the existing line entering Elk Lake from Highway 330, it would be necessary for Ky-American to operate the Elk Lake plant for a short period of time before the final shutdown.

This brought up a question from Ron Volkmann as to the *engineering study* on the water pressure and volume being delivered to our distribution lines. David Baker said their engineer had determined there would be no problem with pressure and possibly a pressure reducing valve might be necessary. He said he would obtain this study and provide it for our review.

David Baker said he would rewrite the agreement making the changes, fax a copy to Mark Cobb and have copies available to be picked up in Lexington on Friday afternoon. The amended document would then be presented to the ELPOA Board at the July meeting on Saturday, July 15th.

The meeting closed at about 3:20PM.

Respectfully submitted,

Carl J. Stich, Sr.  
Administrator