

## Minutes

**Minutes of Special Meeting of the Board of Directors of Thames Water Aqua US Holdings, Inc. on Monday, November 14, 2005 in Voorhees, New Jersey, pursuant to notice given on November 11, 2005.**

### **1.0 Project Noah**

#### **Action**

The Chairman thanked the directors for assembling for the special meeting on such short notice. He noted that the meeting had been called to consider certain matters consequent on the announcement of RWE AG's divestment of American Water and certain matters relating to inter-company financing within the American Water group of companies.

**4.0 Other Matters**

4.1 Director Independence. Mr. Patrick reviewed with the Board their respective duties with respect to the proposed divestiture. He explained that the directors' duties under Delaware law?



Action



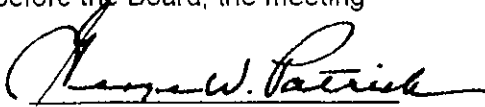
GWP

**4.2.1 Directors and Officers Liability Insurance.** The Chairman then asked that the Company provide him and his advisors with written assurances of liability insurance coverage for a period of six years following his retirement as Chairman and Director on November 16, 2005. Mr. Bigelow explained that RWE and not the Company is the carrier of the D&O liability insurance coverage. He further explained that generally, claims against directors and officers are indemnified by the Company subject to the limitation set the Company's by-laws. Claims covered by the D&O policy in effect at the time of such claim are subject to limitations within the RWE insurance policy. However, a company may purchase "run-off" directors' and officers' insurance coverage for all current and former directors and officers. This coverage covers the risk that a Company undergoing a change of control would restrict indemnification or no longer carry D&O policies in the future. Mr. Bigelow added that management was conducting discussions with RWE's insurance team to fully understand the existing RWE D&O policy and the future plans for additional coverage at the close of the proposed divestiture.

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Mr. Patrick then reminded the Board that he would be available to respond to any questions the directors may have relating to their legal obligations in connection with the contemplated transaction.

There being no further business to come before the Board, the meeting adjourned.

  
George W. Patrick

## Minutes

**Minutes of the Meeting of the Board of Directors of American Water Works Company Inc. held on Wednesday, February 15, 2006 in Voorhees, New Jersey, pursuant to notice given on February 8, 2006.**

1.2 Matters arising from prior meeting – Directors and Officers "run-off" coverage.

Mr. Bigelow reported on the research that had been done on the D&O "run-off" coverage at the request of the former chair, Bill Alexander. Mr. Bigelow noted that Werner Gottwald of RWE is currently looking into this extended coverage, and would report back to the board when the matter is finally resolved. Mr. Bigelow further observed that all current board members are covered by RWE's policy. It was noted that a thorough review of this area would be required in connection with the proposed public offering of American Water shares by RWE, and that American Water would have to obtain its own coverage on a going-forward basis. In light of the current divestiture schedule, it was suggested that a

report to the board on this subject of D&O coverage would be appropriate at the board's regularly scheduled August meeting.

### 3.0 Management's Report

Mr. MacKenzie then commented on the Sarbanes-Oxley compliance program and the steps that had been taken to get the program underway. He also described the preparation for obtaining regulatory approvals that is also underway. He noted that the executive management team had scheduled an all day meeting to review state by state the filing schedule and matters in each state relevant to RWE's divestiture objective.

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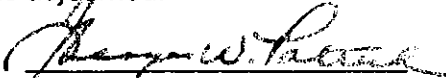
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### **13.0 Review of Business Plan**

Mr. Bigelow then reviewed with the board the 2006-2010 business plan. In light of RWE's divestiture strategy he noted that the focus of the plan is largely a regulated business with growth targets in later years rather than the earlier years. He also noted that the growth strategy emphasizes the growth within the Company's regulated footprint.

In closing the meeting the Chairman asked if any member of the Board had any issues, not yet discussed, that they wished to bring to the attention of the Board. There being no such issues raised in response the meeting was adjourned.

  
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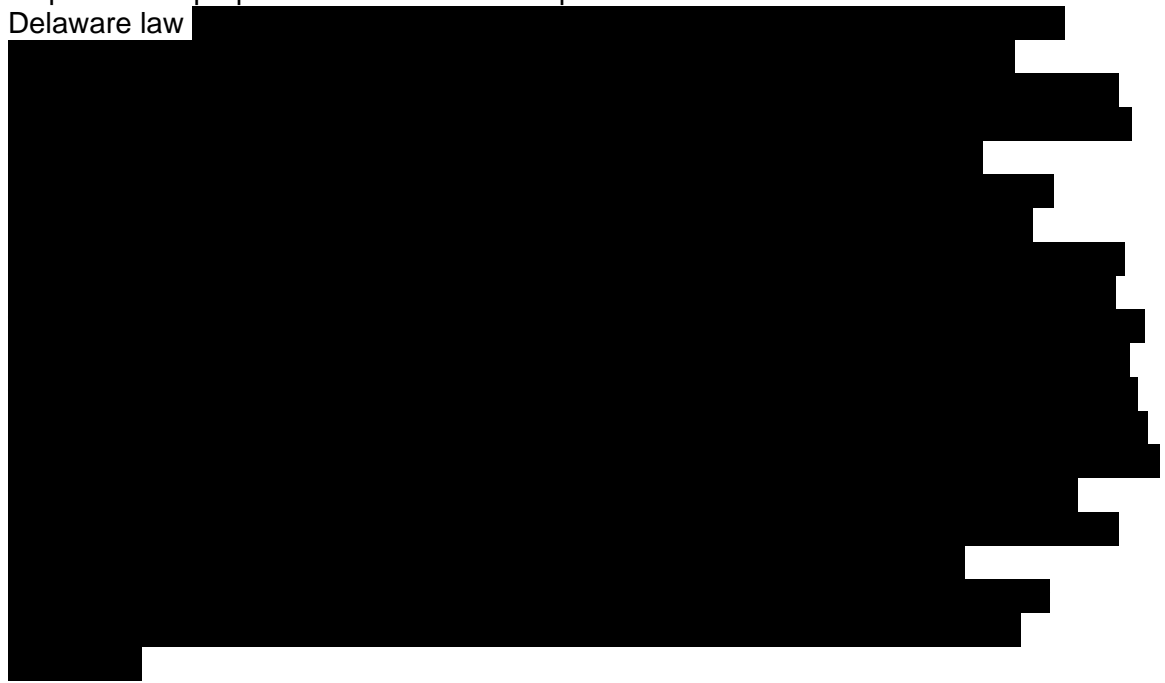
## Thames Water Aqua US Holdings, Inc.

### Excerpt of Minutes of Special Meeting of the Board of Directors - November 14, 2005:

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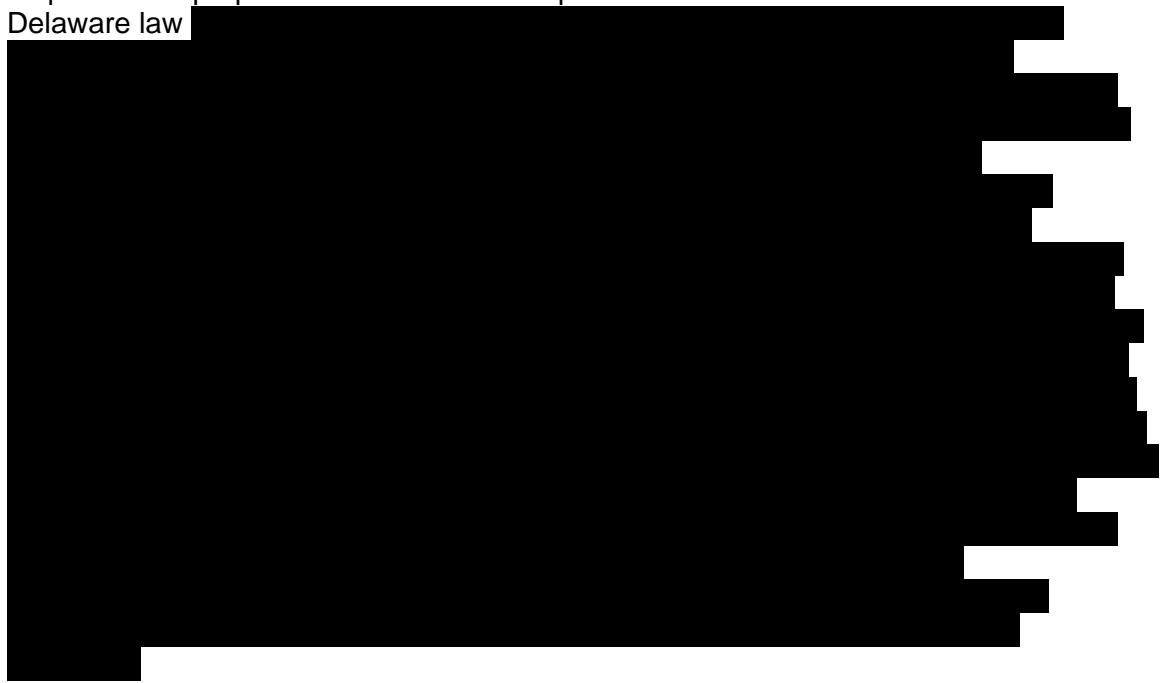
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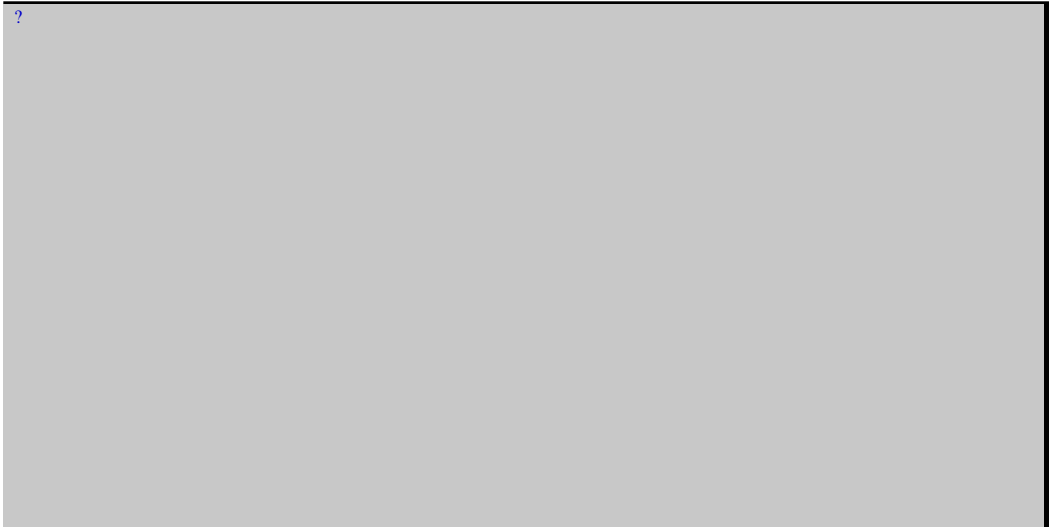
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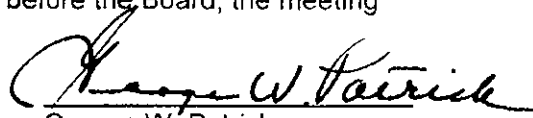
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George W. Patrick

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George W. Patrick

**MINUTES OF THE BOARD OF DIRECTORS OF  
KENTUCKY-AMERICAN WATER COMPANY  
9:00 A.M. APRIL 25, 2006**

Present: Christopher C. Buls  
Patricia A. Freibert  
Lindsey W. Ingram, Jr.  
Nick O. Rowe  
William G. Sisson  
Daniel W. Warnock  
Absent: John S. Young

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

Also present: John R. Bigelow  
Herbert A. Miller, Esq.  
Michael A. Miller  
Velma Redmond, Esq.

Mr. Nick Rowe 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.

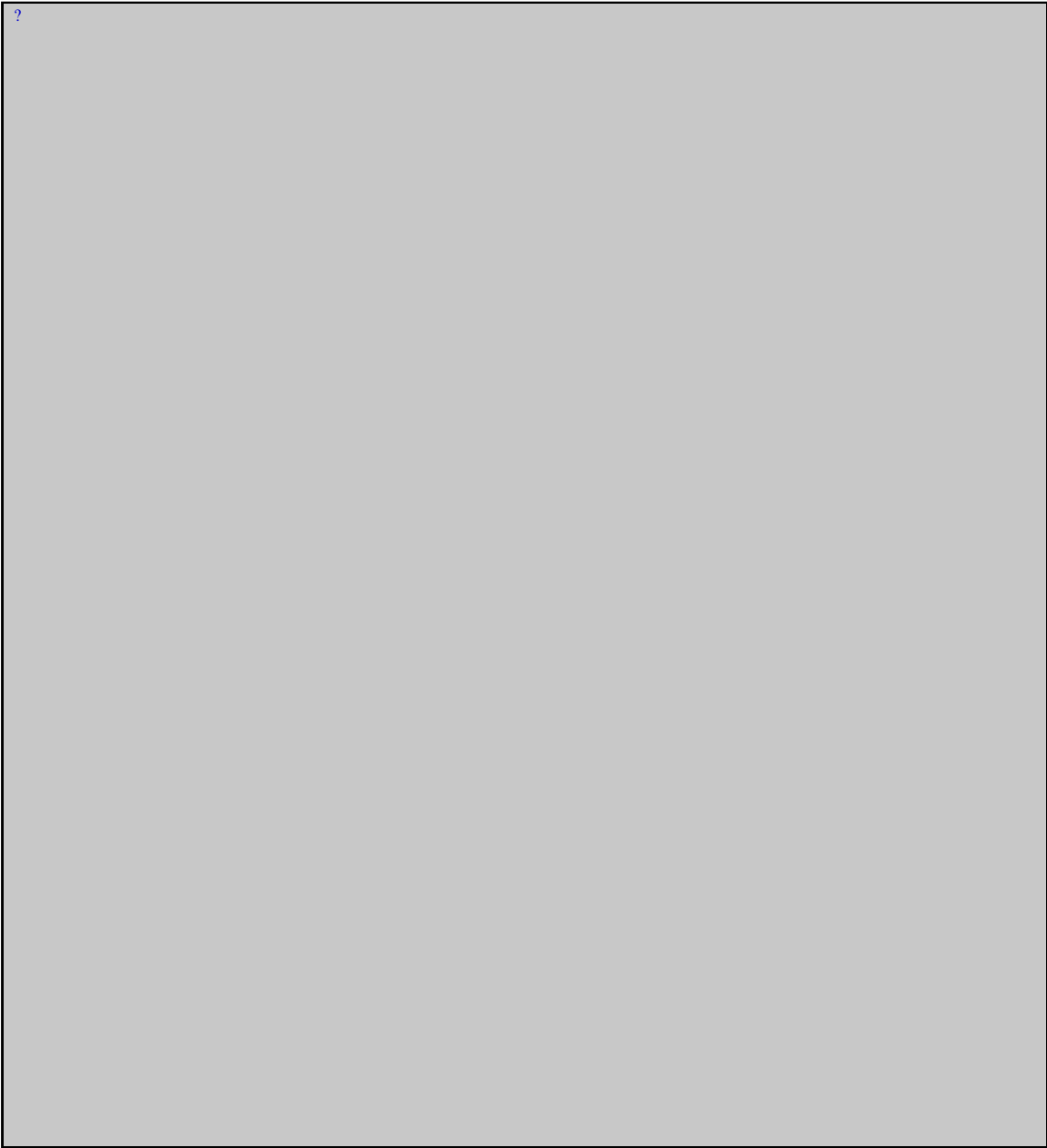
The minutes of the meeting of the Board of Directors held on January 25, 2006, were presented to the Board and, on a motion duly made, seconded and carried, the following resolution was duly adopted:

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Mr. Dan Warnock presented his Regional President's Report to the Board, which included: (1) the status of the regulatory filings associated with the change-in-control related to the American Water IPO, ?

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With no further business, and upon motion duly made, seconded and unanimously adopted, the meeting adjourned.

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Herbert A. Miller, Jr.  
Secretary