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October 2, 2015

Jeff DeRouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: City of Augusta
Case No. 2015-00039

Dear Mr. DeRouen:

In Bracken County Water Districts's ("BCWD") Response to Conference Memorandum that was filed on September 30, 2015, the Water District states that the City has not responded to a settlement proposal. This statement fails to present the whole picture. Since BCWD presented its settlement offer, counsel for the parties have discussed settlement and areas of possible compromise. More recently, on the afternoon of September 15, 2015, the City of Augusta's Water Treatment Plant Operations manager Doug Padgett and BCWD Chairman Anthony Habermehl had discussions about potential settlement. Msrs. Padgett and Habermehl planned on more detailed discussions, but have been unable to meet due to illness and a family emergency of the BCWD Chairman. The City will continue to pursue discussions with BCWD to determine whether settlement can be negotiated.

Sincerely,
STURGILL, TURNER, BARKER & MOLONEY, PLLC

A handwritten signature in black ink, appearing to read 'M. Todd Osterloh'. The signature is stylized and somewhat cursive.

M. Todd Osterloh