

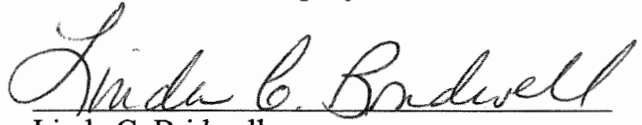
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
THE VERIFIED JOINT APPLICATION OF)
EASTERN ROCKCASTLE WATER ASSOCIATION) **CASE NO. 2017-00383**
AND KENTUCKY-AMERICAN WATER COMPANY)
FOR THE TRANSFER OF CONTROL AND ASSETS)

CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of Kentucky-American Water Company's November 10, 2017 responses to the Intervenor James E. Ballinger and Thomas P. Dupree, Jr.'s First Request for Information and that the responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Date: 11/9/17


Linda C. Bridwell
Manager Rates and Regulation
Kentucky-American Water Company


COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
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Date: NOVEMBER 8, 2017



Brent E. O'Neill
Director of Engineering
Kentucky-American Water Company

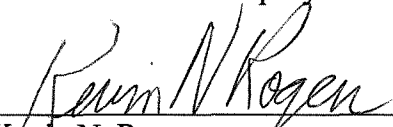
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Date: 11/8/17



Kevin N. Rogers
Vice President of Operations
Kentucky-American Water Company

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Russell W. Barron/Kevin N. Rogers

1. Please provide all written communications, including public notices, questionnaires, and surveys, issued to customers of either ERWA or Kentucky-American relating to the potential acquisition of ERWA by any other entity and identify the following:
 - a. The date on which each written communication was issued;
 - b. The method of communication (i.e., direct mail, newspaper publication, internet posting);
 - c. To whom the communication was sent; and
 - d. From whom the communication was issued.

Response:

Please refer to attached four documents which represent all of the written communications, including public notices, questionnaires, and surveys issued to customers of either ERWA or Kentucky American:

Date	Method	To	From
07/07/2017	Facebook posting	Eastern Rockcastle customers	Eastern Rockcastle
07/13/2017	Newspaper article	Eastern Rockcastle customers	Eastern Rockcastle
07/21/2017	Direct mailing ballot	Eastern Rockcastle customers	Eastern Rockcastle
07/25/2017	Facebook posting	Eastern Rockcastle customers	Eastern Rockcastle



TO: ALL ERWA CUSTOMERS

This letter is being sent to all Eastern Rockcastle Water Association customers to inform them of a proposal by ERWA.

The Board of Directors of Eastern Rockcastle Water Association has had many meetings looking for a solution to better serve our customers and after meeting with Kentucky American Water, we feel that they are an excellent company that is better equipped to serve the needs of ERWA.

Kentucky American Water is a large corporation that serves a large portion of Kentucky. They have the resources to provide better services than have been provided in the past by Eastern Rockcastle Water Association.

If ownership stays with Eastern Rockcastle Water Association there will have to be a substantial rate increase to remain in business. Kentucky American Water is proposing to keep the water rates as they are for now.

Therefore, Eastern Rockcastle Water Association is asking its members to vote for their preference: to remain with Eastern Rockcastle Water Association or to choose to be under new ownership and management of Kentucky American Water.

Please read these instructions carefully.

- Each active account is entitled to one ballot.
- Your ballot is included with this letter, along with a self-addressed envelope for its return.
- As stated on the ballot, you may select up to 1 water provider for this election. If more than 1 water provider is selected; your vote will be discarded.
- Please make your selection and return the ballot in the provided envelope to the ERWA office, by mail or in person, on or before 6:00 p.m., Monday, August 21st, 2017.

DO NOT INCLUDE PAYMENT WITH YOUR BALLOT!!!

THESE ENVELOPES WILL REMAIN SEALED AND BE PLACED IN A SEALED BALLOT BOX UNTIL THE TIME OF THE ELECTION.

If you have any questions please call the ERWA office at [606-453-0019](tel:606-453-0019).

866 people reached

Boost Post



Eastern Rockcastle Water Association

July 7 · 🌸

ATTENTION Eastern Rockcastle Water Association Customers:
All ERWA customers are encouraged to attend the monthly board meeting on July 17th, 2017, 6 p.m. at the ERWA office. Information will be shared regarding the upcoming takeover by Kentucky American Water.

👤 953 people reached

Boost Post

EASTERN ROCKCASTLE WATER ASSOCIATION**P.O. Box 540****Mt. Vernon, KY 40456****Phone: 606-453-0019****Fax: 606-453-0020**

JULY 2017

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**THESE ENVELOPES WILL REMAIN SEALED AND BE PLACED IN A SEALED
BALLOT BOX UNTIL THE TIME OF THE ELECTION.**

If you have any questions please call the ERWA office at 606-453-0019.

Eastern Rockcastle Water Association is an equal opportunity provider and employer.

ACCOUNT NUMBER
CUSTOMER'S NAME

TO CAST YOUR VOTE:
CHOOSE A MAXIMUM OF 1 WATER PROVIDER

- EASTERN ROCKCASTLE WATER
- KENTUCKY AMERICAN WATER

a care" they received!
resident Trump's de-
sist that more such
ust be provided - at
er's expense!
d many still wonder
e took the whole na-
ike a tornado, in last
election? Well, we are
ged to note that so
politicians, doctors,
, healthcare workers,
having found them-
faced with the bloody,
ane acts, can no longer
rt a system that dis-
babies and catalogs
quivering parts for re-
urposes! And our gov-
nt has been forcing us
y for this sin via
ed Parenthood!
e can only pray and that
en't held accountable
ie millions of babies
htered since 1973. But,
November 8, 2016, we
no reasonable excuse
lowing this madness to
ue, having been
ed everything we've
d for these 44 years.
what more can He do
?

Sincerely,
Lottie C. McKinney

"T.J.'s"

(continued from A-2)

My friend found more
aling.
Well, let me tell you, the
set of decent single
is just about dry. It
es the matchmaking
awfully hard on all of
ld busybodies who
t all to have a good
. It is true about the old
e, "All the good ones
one".

Don't know what is go-
n with all of the men,
nore. It seems they are
sh and looking for a
ian not only to keep
e but keep them up.
They won't work, they

Rockcastle Community
Bulletin Board

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Bookmobile Schedule

Monday, July 17th: Brodhead and Copper Creek. Tues-
day, July 18th: Green Hill, Fairview, Lambert Road,
BrindleRidge. Wednesday, July 19th: Child Develop-
ment, Seek 'n Learn, Lisa's Little People.

**Attention: Eastern Rockcastle Water
Association Customers**

All Eastern Rockcastle County Water Association
(ERWA) customers are encouraged to attend the monthly
board meeting on Monday, July 17th at 6 p.m. at the
ERWA office in Livingston. During this meeting, infor-
mation will be shared regarding the upcoming takeover
by Kentucky American Water.

LEPC Meeting

The quarterly LEPC meeting will be Thursday, July 20,
2017 at noon at the EOC.

Free Summer Meals/Kids and Teens

Free Summer Meals for Kids and Teens are being served
Thursday afternoons through August 3rd from 2 to 4 p.m.
at the Community Outreach Center, 36 Castle Village
Drive, Brodhead. No income guidelines, registration or
enrollment required. All children 18 and under are wel-
come.

MVHS Class Reunion

The Mt. Vernon High School Annual Class Reunion will
be held Saturday, Sept. 9th at Rockcastle Middle School.
Registration will begin at 4 p.m. and the meal will be
served at 6 p.m. The Class of 1967 will be honored as the
50-year class. Everyone mark your calendar for this date
and plan on joining us for this event.

Chamber of Commerce Meetings

The Rockcastle County Chamber of Commerce meets
once a month, on the third Tuesday, at noon at Lime-
stone Grille. All members are encouraged to attend.

VFW Post Item

VFW Post 5908 at Lake Linville welcomes all members
and is also looking for new and associate members. New
hours are: Wed. - Sat., 5 p.m. to ? Call 606-386-1490 for
more information.

Rockcastle County Recovery Meetings

*Celebrate Recovery-Brodhead: Located in the Com-
munity Outreach Center (next to Fairgrounds), every

1041

ERWA show respect for your members...

Dear Editor,
The ERWA Board recently met to count the votes of its members whether to have the Kentucky American Water Company assume ownership of the water system or to keep it under ERWA.

The results were clear. More than 85% (6 to 1) voted for Kentucky American Water. However, the ERWA chairman would not commit to honoring the results. When asked about it, he would only say he had to consider all proposals and then negotiate.

The ERWA chairman opened the meeting saying the ERWA had received another proposal. He said that he had been approached by the manager and board chairman of the Western Water Association with a proposal to do an "operational contract" with the ERWA, an arrangement that would keep the ERWA in control. Several ERWA members asked why Western Water Association would do this given that the ERWA owed almost \$800,000, could not afford to maintain its water lines, and struggled to pay its monthly debts. In an earlier ERWA monthly meeting it was reported that all surrounding water associations had been contacted and none was interested in taking over the ERWA because of its large indebtedness and problems with its infrastructure. Why would "Western"

saddle it users with such a burden?

Kentucky American Water representatives said they had sent ERWA a proposal in June. They wanted to know what was needed so progress could be made. They said they were willing to maintain a local office, retain current staff, keep water rates low, and payoff ERWA debts.

It is possible that we will lose our safe treated water if the ERWA squanders the offer from American Water. The approximately 1,200 adults and 2,000 children whose health and quality-of-life depend on this water want the ERWA to respect the overwhelming vote of its members.

Elmer Whitler

Thank You...

Dear Editor,
The Livingston Volunteer Fire Department would like to take this opportunity to say a special thanks to the following for donating money for this year's awesome fireworks show for Livingston Homecoming 2017.

Also, thank you to everyone who came out and supported us during the event.

Donors were: Ky. South Central Pool, Kentucky Farm Bureau, NAPA, Eliza York, Doug Bishop, Ford Brothers, Community Trust Bank, Kwik Mart, Coffey & Ford PSC, Citizens Bank, David Lovell, Mike McGuire and Stacy Faulkner.

Thank you, again
Chris Mason, Chief

'Ramblings'

(Continued from A-2)

etween 1996 and 2012, is a move that would significantly reduce the monthly checks that many retirees receive -- in some instances, by 25%. Teachers already have to work 27 years to retire but do not get full benefits unless they are so 55. In the case of one of my daughters and a granddaughter, they will, under the present system, have to work years to receive full benefits...

Except this one. I never believed that any one person is better than any other person.

Money doesn't matter, political beliefs, job status or clothing or which church a person attended has ever made a difference to me. We are all God's children and the richest man on earth is no more important to me than a hobo. They will both wind up in the same size hole.

But this one lady stood out.

In the gossip groups, she never spoke except to compliment someone in her soft, gentle voice or to help explain on the gossipee's behalf.

At the groups where there was a disagreement, she calmly lowered her head and walked away never taking a side.

She supported her husband (mom's brother who was a preacher) with her every breath and action.

A negative word never parted her smiling lips. A complaint never left her tongue. A sarcasm was never used in her words. She moved gently and considerately and made sure there was food for everyone before she would eat and a tear could be seen in her eye when the national anthem was played.

What she had, she would give a stranger if they needed it. What she didn't have, she never lusted for but was instead gloriously happy with what she did have.

She outwardly felt blessed with each day God had given her and seemed to be just as grateful that God had given those around her another day.

I never saw her display jealousy, anger, greed, lust, gluttony, laziness or pride except for her pride in her husband.

I know. This sounds like I am blinded by family love or that I am just boasting about her. But the truth is I

10/1

Office opening to help those affected by drugs

By: Mike French
Though constant attacks on the drug culture from legislators and local police agencies alike are helping slow the growth of the drug problem in Kentucky, they have been unable to reverse the growth of drug abuse. In

fact, according to law enforcement agencies across the state including the Kentucky State Police, Rockcastle County Sheriff's Office and the Mount Vernon Police Department, the

(See "Drugs" on A7)

Detailed negotiations to begin between ERWA and other companies

By: Mike French
The ballots were counted Monday evening, during a meeting held in Livingston, to determine the possible future of the Eastern Rockcastle Water Association.

same, retain employes and pay off the debt of nearly \$770,000 all while greatly improving service to the 600-plus customers.

The American Water Association, a much larger company, had made an offer to take over operations of the association and, according to officials, had promised to keep rates the

In order for the takeover to occur, a majority of the association members would have to vote "yes" and ballots had been mailed and returned for last night's meeting.

(See "ERWA" on A7)



Jamboree

Rocket football kicks off 7:30 p.m. Jamboree Bowl will take place after the shown above, front row from left: Jordyn Pe left: Rebekah Lake, Sara

Of Special Note Inside

Contact us
Deadline

- Viewpoints Pg. A2
- Church News Pg. A5
- Classifieds Pgs. B4&5
- Court
- Obitu
- Sport

noon this Saturday and the entire community is invited to attend. There will be free food and music.

The fiscal court asks everyone to bring the family and enjoy the afternoon.

“ERWA”

(Continued from front)

Officials say the vote was 231 “yes” votes to 41 “no” votes. However, officials today are saying the wording of the ballot simply gave officials at ERWA approval to begin further negotiations and did not approve the actual takeover by American Water Association.

Officials say more discussion is required that will include much finer details before such a takeover occurs. In fact, other companies who may wish to make an offer to take over operations of ERWA are not yet completely eliminated until such details are worked out and final negotiations are approved.

200 EAST MAIN ST., MT. VERNON, KY.
Rockcastle County Public Library,
60 Ford Drive; Mt. Vernon, KY,
Rockcastle County Solid Waste Office,
2528 South Wilderness Rd.; Mt. Vernon, KY.

Additional information about this plan is available from James Renner, Rockcastle County Solid Waste Coordinator, at 606-256-1902. Anyone unable to review the plan at the above locations may call and request that a copy be delivered or mailed to them.

Any person wishing to comment on the plan may do so by providing comments no later than close of business on September 22nd, 2017 to the Rockcastle County Fiscal Court at 205 East Main St. #14; Mt. Vernon, Kentucky 40456. Any person wishing to be heard at a public hearing must make a request via telephone, fax, email, or written communication, to the governing body identified above, no later than close of business (COB) on the 30th day.

A public hearing is scheduled on September 25th, 2017 at 10 am to receive public comments on the plan. The hearing will be held at the Rockcastle County Judge Executives Office at the Rockcastle County Courthouse. However, if no request for a public hearing has been received by close of business on September 22nd, 2017, the hearing may not be held.

The governing body will respond to written public comments within 15 days of the close of the public comment period, and will consider the plan for passage at a called fiscal court meeting near the end of September. The plan, if approved, will be submitted to the Kentucky Energy and Environment Cabinet for review and approval.

non **al**
16*5 *****GARRTLOT 0001A**8005
ERWA
PO BOX 540
MOUNT VERNON KY 40456-0540
1007

1 • Number 29 .50 per copy Thursday, July 27, 2017

ERWA holding vote for possible takeover by Ky. American Water

By: Mike French

The 600-plus customers of the Eastern Rockcastle Water Association are about to reportedly see much better service, thanks to the efforts of ERWA President Russell Barron and Rockcastle County Judge/Excutive Doug Bishop and the Rockcastle County Fiscal Court.

"takeover" of ERWA by the Kentucky American Water Association.

"We have a tremendous debt and we have to make that payment every month. But we haven't had rate increases. We just can't keep up with the debt without placing a hardship on our customers by raising rates. This company has

"This will be a wonderful thing for our customers and service will be so much better for everyone involved."
— Russell Barron

"My goal here is to better serve the people and that is what we will be doing," said Barron concerning the

agreed to pay off that debt, keep the same employees,

(See "Water" on A5)

August 9 will be first day of school

Open Houses planned

By: Mike French

The time has come for students to begin planning to go back to school. The first day of school in Rockcastle County will be Wednesday, August 9 and students will attend all day.

Brodhead Elementary will hold its Back to School

from 4 to 7 p.m. There will be a kindergarten parent meeting at 6 p.m. at the school.

At MVES, all kindergarten students and parents should report to the gym at 4:30 and all third grade students and parents should be



f activities available. Those skills, met first responders Rockcastle Health Department, teaching how to identify out a door prize.



ive and helped throughout the process.

Judge Bishop said the takeover will solve many problems with the current company and he and Congressman Hal Rogers worked very hard to make this takeover happen. "The company still owes \$770,000 in debt service and, serving a little over 600 customers, it's too hard to dissolve that debt."

Bishop said he and the fiscal court have been searching for a solution for a very long time and he is excited about the takeover. "We offered the company to many other companies but no one was interested. We had to do something. Eastern doesn't have the resources they need. It was just last Christmas that many customers went 17 days without water and that is simply unacceptable. Kentucky American Water is a much bigger company and has operations in many other states as well. They have been in business for 125 years and will greatly improve the service and quality of water to the people of Eastern Rockcastle County."

According to Barron, the takeover should be completed before winter but the board must vote to approve the deal before it is official. Ballots have been mailed to all board members and all it takes is a simple majority to approve the sale.

"I feel very confident that once everyone under-

stand rated hospital. Forty-five percent of hospitals in the state received four stars, while another forty-five percent received three stars. Eight percent of hospitals received a two-star rating and there were no facilities rated one star.

Of the 3,436 hospitals included in the rating nationally, only five percent received a five-star rating. About a third of hospitals received a four-star rating. Forty-three percent received a three-star rating, while 16 percent received two stars, and two percent received one star.

Rockcastle Regional Hospital and Respiratory Care Center is a not-for-profit community healthcare system that operates an emergency department, a 20-bed acute care hospital, outpatient services, a 127-bed long-term care program for residents dependent upon mechanical ventilation and three rural health clinics.

Rockcastle Regional Hospital was established in 1956 and is accredited by the Joint Commission. The organization is an eight-time Kentucky Hospital Association Quality Award Winner, a U.S. News & World Report Best Nursing Home for 2013 and 2014, a winner of the Women's Choice Award for America's 100 Best Hospitals for Patient Experience each year 2013-2017, named a Women's Choice Award for one of America's Best Hospitals for Emer-

US 25, four bags from ... Street, two bags from Reafro Valley, one bag from Comp Care Road, and from the wooded area behind Snack Shack, workers found old clothes, some trash and a used needle.

Club workers also removed two yard sale signs and picked up two more bags around the MVES ditch line.

Bullock informed the council that yard sale signs are "a mess again." Though it has not been discussed by councilmembers as a subject on the agenda, a penalty

For the 2017-2018 sch students under the Na and breakfast at no ch

Brodhead Elementary
Mt. Vernon Elementar
Roundstone Elementar
Rockcastle County Mid
Rockcastle County High

For additional informa Service Director, 245 R jamie.saylor@rockcast

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3 of 3

“Water”

(Continued from front)

not raise the rates on our customers and use their huge resources for our customers.”

Barron said the company has paid on the debt for building the water system for 20 years and is unable to maintain operations unless something is changed. “We had tried to sell to several other water companies but no one was interested until American Water came along. This will be a wonderful thing for our customers and service will be so much better for everyone involved. If we have a line break, or some other problem with service, we just have one man who has to take care of everything and it’s impossible for one man to keep up with the issues that arise at such a company. I take my truck and go help when ever I can. But it’s just two of us searching for a leak and attempting to repair it with no equipment and we simply can’t keep up.”

Barron said Eastern Water is a non-profit company but Kentucky American Water is a for profit organization. “I don’t know how they are going to make any money but they have offered to do this and it will be a big help to our customers.”

Barron said the new company has the equipment and manpower to find a water leak and repair it much faster as well as bring the current system up to date and improve the existing infrastructure to better serve all customers.

Part of the deal with the new company is to retain the current employees. “We have really dedicated people here whose goal is nothing more than serving people.”

Barron said the fiscal court has been very supportive and helped throughout the process.

Judge Richon said the

stands how Kentucky American Water can help our customers and resolve our debt, the board members will vote to approve the deal,” said Barron.

The current board will dissolve and operations will be handled by the Kentucky American Water Association.

“I’m a customer too,” said Barron. “If we had not made this move, there would have to be a significant rate increase and we just can’t do that to our customers.”

Bishop agreed that the move was inevitable. “We needed upgrades that Kentucky American Water can do that and they have agreed that rates will not go up and could possibly go down a little. Once this is done, customers will see a greatly improved water service and that’s what we all want.”

“Hospital”

(Continued from front)

based on information from surveys taken between July 2015 and June 2016. The survey, known as the Hospital Consumer Assessment of Healthcare Providers and Systems Survey (HCAHPS), collects feedback from patients after their stay in the hospital.

“We have been using feedback from the HCAHPS surveys since 2006,” said Tammy Brock, RN, MSN, CPHRM, director of quality and patient safety at Rockcastle Regional. “This information helps us identify areas where we excel so we can further enhance that high level of service. If it reflects an aspect of care that needs development, we implement a change process to improve it.”

In Kentucky, Rockcastle Regional is the only five-star rated hospital. Forty-five percent of hospitals in the state

agency Care in 2015 and 2016, and a recipient of the 2013 Jackson Healthcare Charitable Services Award. For more information, please visit www.rockcastle.org.

“Garden”

(Continued from front)

currently underway in the city hall building. It was agreed that the police department administrative offices will be located in the renovated structure as well as a chamber for council meetings and other business.

David Bales, Chief of the Mount Vernon Fire Department informed the council that the department made 24 runs in June using 4,100 gallons of water.

The runs included two structure fires, three vehicle fires, one vegetation fire, three controlled burns, nine vehicle accidents one rescue and four service calls.

The department also performed mutual aid calls.

Chief of Police Brian Carter informed the council that the department made 458 calls for service in the month of June.

Among the calls were 30 for non-injury accidents and seven for injury accidents. There were 49 total arrests in the city in June with 15 drug charges and 26 traffic violations. The department served 40 warrants and four grand jury indictments.

The All American Club, headed by councilman Wayne Bullock, reported picking up 35 large trash bags filled with trash from around the city.

Eighteen of those bags came from trash around MVES after some recent flooding.

Two bags were from Davis Street, five bags from Spring Hill, one bag from US 25, four bags from Paul Street, two bags from Renfro Valley and one from

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Counsel

3. Please identify all individuals and entities with whom ERWA directors and officers discussed the potential acquisition of the water association, excluding Kentucky-American.

Response:

Joint Applicants object to this question on the ground that it is irrelevant. Information concerning the individuals and entities with which ERWA discussed the potential acquisition has nothing to do with the statutory standard or the Commission's inquiry in this matter which, as the Commission has held, must remain focused "upon the qualifications of the acquiring party and the potential effects of the transfer actually before us."¹

¹ *In the Joint Petition of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Atkiensgesellschaft, Thames Water Aqua US Holdings, Inc., Apollo Acquisition Company and American Water Works Company, Inc. for Approval of a Change of Control of Kentucky-American Water Company* (Case No. 2002-00317) (Ky. PSC Dec. 20, 2002), at 12.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Counsel

4. Please state whether ERWA received any other offers to purchase its assets or system. If so, please identify the details of all offers of purchase and explain why those offers were not accepted.

Response:

Joint Applicants object to this question on the ground that it is irrelevant. Information regarding other offers has nothing to do with the statutory standard or the Commission's inquiry in this matter which, as the Commission has held, must remain focused "upon the qualifications of the acquiring party and the potential effects of the transfer actually before us."¹

¹ *In the Joint Petition of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Atkiensgesellschaft, Thames Water Aqua US Holdings, Inc., Apollo Acquisition Company and American Water Works Company, Inc. for Approval of a Change of Control of Kentucky-American Water Company* (Case No. 2002-00317) (Ky. PSC Dec. 20, 2002), at 12.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Russell W. Barron

5. Provide a copy of all ERWA corporate documents authorizing the President of ERWA to enter into the Asset Purchase Agreement.

Response:

Please refer to the attached By-Laws for Eastern Rockcastle Water Association. Also, the ballot results indicated a majority of the membership endorsed signing the Asset Purchase Agreement.

EASTERN ROCKCASTLE WATER ASSOCIATION

PO BOX 540

MT VERNON, KY 40456

BY-LAWS

RESTATED AND AMENDED

NOVEMBER 2016

RESTATED AND AMENDED BY-LAWS
OF
EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

ARTICLE I

OFFICE

The registered office of the Association is 9246 Main Street, Livingston, Kentucky 40445. The mailing address is Post Office Box 540, Mt. Vernon, Kentucky 40456. The registered agent for service of process shall be Jessica Maupin, ERWA clerk, and may be changed from time to time by the Board of Directors. The principle office of the Association shall be as designated by the Board of Directors.

ARTICLE II

MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of members shall be held on the first Wednesday of September in each year, beginning with the year 2009, at a time and place to be fixed by the Board of Directors. Directors shall be elected at the annual meeting and the members shall conduct other business as is necessary. Cumulative voting *shall not* be used in the election of the directors.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by the Board of Directors, by the president or on petition of twenty percent of the members.

SECTION 3. NOTICE OF MEETING. Written notice stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than thirty days before the date of the meeting, either personally or by mail, by or at the direction of the president, secretary, or the persons calling the meeting. The meeting shall be

conducted in Rockcastle County at a reasonable place selected by the person or persons calling the meeting.

SECTION 4. QUORUM. A majority of the members presented, in person, shall constitute a quorum at a meeting of members. Once a quorum is present, the members may continue to transact business until adjournment.

SECTION 5. VOTING METHOD. The plurality method of voting will be used for elections.

1. Public Notice to be made to the customers.
 - a. An ad is to be placed in the community section of the Mt Vernon Signal reflecting the following information for the three weeks prior to the board meeting scheduled for May:
 - i. The date, time and location of the meeting where nominations will be accepted.
 - ii. Candidates wishing to be added to the ballot will have make that request in person at the predetermined meeting.
 - iii. The date, time and location of the annual election meeting.
 - b. Notification to be sent to the all active customers reflecting the following information at least two weeks prior to the board meeting scheduled for May:
 - i. The date, time and location of the meeting where nominations will be accepted.
 - ii. Request must be made in person.
 - c. Notice to be posted in a conspicuous place in the office reflecting the following information:
 - i. The date, time and location of the meeting where nominations will be accepted.
 - ii. Candidates wishing to be added to the ballot will have make that request in person at the predetermined meeting.
 - iii. The date, time and location of the annual election meeting.
2. Ballots and instructions letters to reflect the following:
 - a. The customer will cast their vote by marking a selection box to the left of the candidates name.
 - b. The candidates will be placed on the ballot by utilizing a random lottery drawing.
 - c. The return envelope for the customer to use when return their ballot would have the word "BALLOT" pre-stamped on the face to alleviate any confusion as to the contents of the envelope.
 - d. The instruction letter and ballot will be mailed to the customer 60 days before the election.

- e. Ballots to be placed in a locked and sealed ballot box until the scheduled start time of the annual meeting.
3. Tabulating the votes will be done by a neutral third party.
 - a. Votes to be tabulating using a spreadsheet that will assure one ballot per active account.
 - b. Any ballot with more candidates selected than instructed on the face of the ballot will be disallowed.
 4. Declaring winners will be done using a plurality voting system.
 - a. The candidate with the most votes will win the available seat.
 - b. It is not necessary for the candidate to have a majority vote.
 - c. Ties will be decided by a manner best satisfying both candidates. EX. coin flip, Board decision, or the electoral vote allotted to the President of the Association.

SECTION 6. ANTI-NEPOTISM. No one can be on the Board of Directors or employed by ERWA if a family member already holds a position with ERWA. "Family member" is defined as the following: father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, niece, nephew, grandfather, grandmother, grandson, granddaughter, less than fourth generation cousin, or any in-laws of those previously mentioned.

ARTICLE III

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the corporation shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors shall consist of no more than seventeen (17) and no less than five (5) members. The Board of Directors shall have the power to change the number of directors. The term of each director shall be three (3) years and each shall serve until his successor is elected. Effective March 18, 2013, the number of directors shall consist of five (5).

Members of the Board of Directors shall:

- a. Have a functional ERWA water meter in his or her name;

- b. Must be a customer in good standing, and a resident in the area served by ERWA;
- c. Have no delinquent debts to the ERWA;
- d. Not violate the Article II, Section 6. Anti-nepotism policy of ERWA;
- e. Not have a final judgment entered against him or her involving civil fraud, an ethical violation, discrimination and/or acts of harassment while a Director or prior to becoming a Director;
- f. Not have entered a plea of guilty to, or no contest to, or been convicted of a felony;
- g. Must be a high school graduate or have passed the General Educational Development (GED) test;
- h. Not use his or her position on the Board for personal or political gain;
- i. Not violate confidences or engage in illegal activity under the color of authority as a Director; and
- j. Consent to a background check upon election to the Board, or nomination to be on the ballot for election to the Board, at the discretion of the Board of Directors.

Effective February 22, 2016, election of the directors shall be changed from the 1-1-3 year model to the 2-2-1 year, model to better maintain continuity and stability of the organization. The current directors and their terms are as follows:

Name	Term Expires
Russell Barron	2017
Louie Northern	2019
Carolyn Hinton	2017
Bentley Cromer	2018
Dwight Mink	2019

SECTION 3. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly or at such frequency as the Board deems advisable and at a place chosen by the Board.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the president or a majority of directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place.

SECTION 5. NOTICE. Notice of any special meeting shall be given to the directors at least two days prior to the proposed meeting by written notice. The notice must state the purpose of the meeting.

SECTION 6. QUORUM. A majority of the Board of Directors fixed in accordance with Section 2 of this Article shall constitute a quorum for the transaction of business.

SECTION 7. VACANCIES. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of majority of the remaining directors though less than a quorum of the Board of Directors. A director appointed to fill a vacancy shall serve until the next annual meeting and his successor shall serve until the expiration of the term of the member whose vacancy is being filled.

SECTION 8. COMPENSATION. Directors may be paid for their services as directors, or shall be reimbursed for their out of pocket expenses.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER. The officers of the Association shall be a president, a vice-president, a secretary and a treasurer, who shall be appointed by the Board of Directors.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members.

SECTION 3. REMOVAL. Any officer or agent may be removed by the Board of Directors at its discretion.

SECTION 4. VACANCIES. A vacancy in any office shall be filled by the Board of Directors.

SECTION 5. PRESIDENT. The president shall be the principal executive officer of the Association and subject to the control of the Board of directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the Board of Directors. He may sign, with the secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, checks, or other instruments which the Board of Directors has authorized to be executed, and in general shall perform all duties incident to the

office of president and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. VICE-PRESIDENT. In the absence of the president or in the event of his death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president.

SECTION 7. SECRETARY The secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Association records and of the seal of the corporation; (d) keep a list of the members and their addresses; (e) sign with the president, or a vice-president, documents authorized by the Board of Directors; (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors;

SECTION 8. TREASURER. The secretary/treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article V of the By-Laws; (c) sign with the president, or a vice-president, documents authorized by the Board of Directors (d) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

SECTION 9. SALARIES. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Association.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and

deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. LOANS. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by two of the three officers (President, Vice President, or Secretary) of the Association.

SECTION 4. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the corporations in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VI

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE VII

WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the Association under the provisions of these By-Laws, or under the provisions of the Articles of Incorporation, or under the provisions of the Kentucky Business Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VIII
AMENDMENTS

These by-laws may be altered or amended by the Board of Directors at its discretion.

Dated this 19th day of December, 2016.

PRESIDENT

VICE-PRESIDENT

SECRETARY

TREASURER

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Counsel

6. Please explain whether and how Kentucky-American appraised ERWA as a going concern prior to and at the time it entered into the Asset Purchase Agreement.

Response:

Joint Applicants object to this question on the ground that it is irrelevant. Information concerning how Kentucky-American appraised ERWA has nothing to do with the statutory standard or the Commission's inquiry in this matter which, as the Commission has held, must remain focused "upon the qualifications of the acquiring party and the potential effects of the transfer actually before us."¹

¹ *In the Joint Petition of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Atkiensgesellschaft, Thames Water Aqua US Holdings, Inc., Apollo Acquisition Company and American Water Works Company, Inc. for Approval of a Change of Control of Kentucky-American Water Company* (Case No. 2002-00317) (Ky. PSC Dec. 20, 2002), at 12.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Counsel

7. Please provide a copy of all studies, reports, or related analyses of appraisals or valuations of ERWA as a going concern conducted by (or caused to be conducted by) Kentucky-American.

Response:

Joint Applicants object to this question on the ground that it is irrelevant. Information concerning how Kentucky-American appraised or valued ERWA has nothing to do with the statutory standard or the Commission's inquiry in this matter which, as the Commission has held, must remain focused "upon the qualifications of the acquiring party and the potential effects of the transfer actually before us."¹

¹ *In the Joint Petition of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Atkiengesellschaft, Thames Water Aqua US Holdings, Inc., Apollo Acquisition Company and American Water Works Company, Inc. for Approval of a Change of Control of Kentucky-American Water Company* (Case No. 2002-00317) (Ky. PSC Dec. 20, 2002), at 12.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Counsel

8. Please explain how Kentucky-American appraised ERWA's assets prior to and at the time it entered into the Asset Purchase Agreement.

Response:

Joint Applicants object to this question on the ground that it is irrelevant. Information concerning how Kentucky-American appraised ERWA has nothing to do with the statutory standard or the Commission's inquiry in this matter which, as the Commission has held, must remain focused "upon the qualifications of the acquiring party and the potential effects of the transfer actually before us."¹

¹ *In the Joint Petition of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Atkiengesellschaft, Thames Water Aqua US Holdings, Inc., Apollo Acquisition Company and American Water Works Company, Inc. for Approval of a Change of Control of Kentucky-American Water Company* (Case No. 2002-00317) (Ky. PSC Dec. 20, 2002), at 12.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Counsel

9. Please provide a copy of all studies, reports, or related analyses of appraisals or valuations of ERWA's assets conducted by (or caused to be conducted by) Kentucky-American.

Response:

Joint Applicants object to this question on the ground that it is irrelevant. Information concerning how Kentucky-American appraised or valued ERWA has nothing to do with the statutory standard or the Commission's inquiry in this matter which, as the Commission has held, must remain focused "upon the qualifications of the acquiring party and the potential effects of the transfer actually before us."¹

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**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

- 10.** If the proposed acquisition is completed, please state whether Kentucky-American plans to merge the rates charged to ERWA customers with its remaining customer base. If yes, please describe Kentucky-American plans, including the timeline for implementing merger of rates.

Response:

Please refer to the response to Item 7 of the Commission Staff's First Request for Information, dated November 6, 2017.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

- 11.** If the proposed acquisition is completed, please state whether Kentucky-American plans to seek a general rate increase for customers of ERWA within the next 24 months. If yes, please explain when the proposed general rate case would likely be filed and the general reasons why a rate increase would be necessary.

Response:

KAW does not intend to seek a general rate case for customers of ERWA outside of a general rate case for all of the Company's water customers. However, KAW is unable to state whether or not the Company plans to file a general rate increase request within the next 24 months.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Brent E. O'Neill

12. Please state whether Kentucky-American has identified any specific capital improvement projects that it will undertake if it acquires ERWA. If yes, please provide a detailed description of the capital improvement projects that must be undertaken, the projected costs for each project, the anticipated method of financing each project, when the project will likely be completed, and whether each project will require a certificate of public convenience and necessity from the Public Service Commission.

Response:

At the present time, Kentucky American Water (KAWC) has identified two capital improvement projects that it will undertake shortly after it acquires ERWA. These two projects are as follows:

Capital Improvement Project 1 – Install AMR Meters for Self-Reporting Accounts:

It has been reported that a portion of the customers in Eastern Rockcastle self-report their water usage for billing purposes. KAWC proposes to replace these meters with Automatic Meter Reading (AMR) meters, which will enable KAWC to obtain electronic readings while driving by a location rather than physically approaching each meter. Through the implementation of this meter technology, KAWC can become more efficient with its meter reading process and discontinue the current practice of self-reporting of usage by the customer. KAWC currently plans to replace approximately 180 meters that have been reported to be self-reporting accounts during the first calendar year following the acquisition of ERWA. It is anticipated that the total project cost will be \$30,000. KAWC anticipates that the improvement project will be funded through its Recurring Project Meter Replacement Line that is a part of the Capital Program for the company and that the funding will be the standard use of debt and equity that it uses to fund its Capital Program. Since this project is considered a part of the normal operation and maintenance of the distribution network, KAWC will not be obtaining a certificate of public convenience and necessity from the Public Service Commission for this project.

Capital Improvement Project 2 - AMR Meter Replacements:

It has been reported that some of ERWA meters are nearing 10 years old. KAWC proposes to replace aging meters with new Automatic Meter Reading (AMR) meters, which enables KAWC to obtain electronic readings while driving by a location rather than physically approaching each meter. KAWC currently plans to replace approximately 180 meters for performance issues as well a group of meters that is reaching its useful life during the second calendar year following acquisition of ERWA. It is anticipated that the total project cost will be \$30,000. KAWC anticipates that the improvement project will be funded through its Recurring Project Meter Replacement Line that is a part of the Capital Program for the company and that the funding will be the standard use of debt and equity that it uses to fund its Capital Program. Since this project is considered a part of the normal operation and maintenance of the distribution network, KAWC will not be obtaining a certificate of public convenience and necessity from the Public Service Commission for this project.

At this time, no other capital improvement project has been identified for the ERWA system. KAWC will continue to analyze the operation and performance of the system and determine if future capital improvement projects are necessary to ensure safe, dependable and reliable operations of the system and allows the network to meet the regulatory requirements for the distribution of drinking water.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Kevin N. Rogers/Russell W. Barron

- 13.** Paragraph 5 of the Verified Joint Application states that Kentucky-American and ERWA seek to consummate the purchase of ERWA's assets no later than December 22, 2017. If the proposed transaction is not approved by the Public Service Commission prior to December 22, 2017, please state whether either party will seek rescission of the Agreement.

Response:

Neither Kentucky American nor Eastern Rockcastle will seek rescission of the Agreement if approval is not received prior to December 22, 2017.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers

- 14.** Please identify the party who was primarily responsible for drafting the Asset Purchase Agreement.

Response:

Kentucky American Water.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers/Russell W. Barron

- 15.** Refer to Paragraph 2.3 of the Asset Purchase Agreement.
- a. Please explain how Kentucky-American interprets the phrase “the dollar amount required for Seller to clear its books.”
 - b. Please explain how ERWA interprets the phrase “the dollar amount required for Seller to clear its books.”
 - c. Identify all liabilities currently on ERWA’s books, including itemized descriptions of long- and short-term debt and accounts payable. Include within your response the date on which these liabilities are due.
 - d. Please explain what will occur if, at the time of closing, the dollar amount required for the Seller to clear its books exceeds \$770,000. If closing will still occur with the maximum amount of \$770,000 to be paid by Kentucky-American, explain who will pay additional liabilities on ERWA’s books.
 - e. Explain how ERWA will pay for materials or services provided to ERWA prior to the date of closing but invoiced after the date of closing.
 - f. Describe the source of Kentucky-American’s funds for the stated purchase price.

Response:

- a. Kentucky-American interprets the phrase “the dollar amount required for Seller to clear its books” to mean the dollar amount necessary, after all receivables have been collected, to pay off all debts and obligations owed by Eastern Rockcastle in order for it to cease operations and no longer be a going concern.
- b. The amount necessary, after ERWA collects all accounts receivable, to pay all debts, return customers deposits, and close the books with no money left over.
- c. Please refer to the response to Item 15 of the Commission Staff’s First Request for Information filed on November 6, 2017 for an itemized listing of debt. As of September 30, 2017, accounts payable items other than debt totaled \$81,571.18 and have various due dates.
- d. The purchase price was calculated based on estimation to close the books. At closing time if the amount exceeds over \$770,000 to close the books, ERWA will then ask KAW for more money, negotiate to settle the accounts with the vendors, or use civil remedies available.

- e. Eastern Rockcastle will work with vendors to have invoices produced prior to the date of closing.
- f. KAW will utilize a combination of short-term debt and equity, as it utilizes for construction expenditures. Then at the appropriate time, the short-term debt is converted to long-term debt.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Russell W. Barron

- 16.** If an acquiring entity paid ERWA more than the dollar amount required for Seller to clear its books, please explain how the leftover funds would be distributed (i.e., refund to customers of the water association). If ERWA would have multiple options to distribute leftover funds, please identify the options that would have been available to ERWA.

Response:

The purchase price was calculated on an estimation to close the books. ERWA did not anticipate any significant funds being left over when books are closed. If any significant amount does remain, the board would seek to make refund to membership. If the amount is such that the board determines it would be impractical to be refunded the board would then determine action at that time to dispose of such money.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers

- 17.** If the proposed acquisition is completed, explain how Kentucky-American will record this transaction on its accounting books for ratemaking purposes.

Response:

Please refer to the response to Item 13 of the Commission Staff's First Request for Information filed November 6, 2017.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers

- 18.** Refer to Paragraph 5.1(d)(ii) of the Asset Purchase Agreement. Please identify “all other regulatory approvals” that must be obtained prior to closing.

Response:

Approval is needed from the Division of Water for the transfer of the Public Water System Identification from Eastern Rockcastle to Kentucky American.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Kevin N. Rogers

- 19.** Refer to Paragraph 5.1(f) of the Asset Purchase Agreement. Please state whether Kentucky-American has performed an environmental assessment. If yes, please provide all reports, analyses, studies, and related documents related to that assessment. In no, please state whether Kentucky-American intends on performing an environmental assessment.

Response:

Kentucky American has not performed an environmental assessment. We plan to conduct a Phase One environmental assessment on any land included with the acquisition.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Russell W. Barron

- 20.** Refer to Paragraph 5.1(i) of the Asset Purchase Agreement. Please provide a copy of the Complaint, any Answer, Agreed Order of Dismissal, and any settlement agreement from Rockcastle Circuit Court Case No. 16-CI-265.

Response:

Please see attachment. No formal settlement agreement was reached.

TENDERED
OCT 04 2017
ELIZA YORK, CLERK
BY *[Signature]* D.C.

COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265

ENTERED
OCT 13 2017
ELIZA YORK, CLERK
BY *[Signature]* D.C.

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

VS:

CITY OF MT. VERNON, KENTUCKY;
MAYOR MIKE BRYANT, individually and
in his official capacity; CLIFFORD MULLINS,
in his official capacity and not individually;
WAYNE BULLOCK, in his official capacity
and not individually; JAMIE ANDERKIN
BRYANT, in her official capacity and not
individually; SHARON SAYLOR, in her
official capacity and not individually;
SHELLY RAINES LEWIS, in her official
capacity and not individually; JACKIE
WEAVER, in his official capacity and not
individually

DEFENDANTS

AGREED ORDER OF DISMISSAL

The parties herein being in agreement to dismiss this lawsuit, and the Court being sufficiently
advised;

IT IS HEREBY ORDERED AND ADJUDGED that this matter be dismissed, with prejudice,
with each party to bear their own costs, and be stricken from the docket.

This the 13 day of OCT, 2017.

[Signature]

JUDGE - DIVISION II
ROCKCASTLE CIRCUIT COURT

HAVE SEEN AND AGREED TO:



Jerry J. Cox
Attorney for Plaintiff



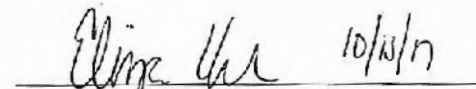
Bridget L. Dunaway
Attorney for Defendants

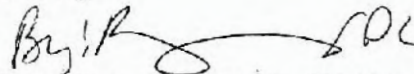
DISTRIBUTION:

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Jerry J. Cox, PSC
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Attorney for Plaintiff

Bobby L. Amburgey
City Attorney
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Mt. Vernon, KY 40456-3118
Attorney for Defendant

Bridget L. Dunaway
Tooms, Dunaway & Webster
PO Box 905
London, KY 40743-0905
Attorney for Defendant


(Clerk's initials and date)



FILED
SEP 29 2017
BY ELIZAVICKI CLERK
D.C.

COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

v. NOTICE OF DISMISSAL

CITY OF MT. VERNON,
KENTUCKY, ET AL.

DEFENDANT

Notice is given that plaintiff dismisses this action.

This the 29th day of September, 2017.

JERRY J. COX, PSC
Attorney at Law
P. O. Box 1350
Mt. Vernon, Kentucky 40456
Telephone: (606) 256-5111

By: *Jerry J. Cox*
Attorney for Plaintiff

CERTIFICATE OF SERVICE:

I certify the foregoing Notice of Dismissal was served by mailing true copies to Honorable Bobby L. Amburgey, P. O. Box 3118, Mt. Vernon, Kentucky 40456 and Honorable Bridget L. Dunaway, Tooms, Dunaway & Webster, P. O. Box 905, London, Kentucky 40743, this the 29th day of September, 2017.

Jerry J. Cox

FILED
DEC 28 2016
BY ELIZA YORK, CLERK
D.C.

COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265
ELECTRONICALLY FILED

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

VS:

CITY OF MT. VERNON, KENTUCKY;
MAYOR MIKE BRYANT, individually and
in his official capacity; CLIFFORD MULLINS,
in his official capacity and not individually;
WAYNE BULLOCK, in his official capacity
and not individually; JAMIE ANDERKIN
BRYANT, in her official capacity and not
individually; SHARON SAYLOR, in her
official capacity and not individually;
SHELLY RAINES LEWIS, in her official
capacity and not individually; JACKIE
WEAVER, in his official capacity and not
individually

DEFENDANTS

**NOTICE OF ELECTION TO EFFECTUATE AND
RECEIVE SERVICE VIA ELECTRONIC MEANS**

Defendant, City of Mount Vernon, Kentucky, by counsel, pursuant to Rule 5.02(2) of the Kentucky Rules of Civil Procedure, provides notice of election to effectuate and receive service via electronic means to and from all other attorneys or parties in the action. The electronic notification address at which counsel for Defendant City of Mount Vernon agrees to accept service is bdunaway@toomsdunaway.com. The method of electronic service elected under this rule is electronic mail, i.e., email.

Pursuant to Rule 5.02(2) of the Kentucky Rules of Civil Procedure, documents sent through

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (628216)

NO : 000001 of 000003

Filed

16-CI-00265 12/28/2016

Eliza York, Rockcastle Circuit Clerk

electronic mail shall be sent as an attachment in PDF or similar format unless otherwise agreed; all other attorneys or parties shall promptly provide the undersigned counsel for Defendant City of Mount Vernon with an electronic notification address at which the other attorneys or parties may be served, and shall thereafter serve counsel for Defendant City of Mount Vernon through electronic means whenever service of a document is required by the Kentucky Rules of Civil Procedure; unrepresented parties who are unable to utilize electronic service methods may continue to serve all other attorneys or parties through any method permitted by the Kentucky Rules of Civil Procedure; and electronic service of documents that are filed manually with the Clerk shall be made on or before the day they are filed. **Email or other electronic service of documents that are filed electronically with the clerk is not necessary.**

BOBBY L. AMBURGEY
CITY ATTORNEY
CITY OF MOUNT VERNON, KY
P.O. Box 3118
Mt. Vernon, Kentucky 40456-3118
Telephone: (606) 256-0404

-and-

BRIDGET L. DUNAWAY
Tooms, Dunaway & Webster
1306 West Fifth Street, Suite 200
P.O. Box 905
London, KY 40743-0905
Telephone: (606) 864-4145
Facsimile: (606) 878-5547
Email: bdunaway@toomsdunaway.com

/s/ Bridget L. Dunaway
Attorneys for Defendant

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (528218)

NO : 000002 of 000003

Filed

16-CI-00265 12/28/2016

Eliza York, Rockcastle Circuit Clerk

Filed

16-CI-00265 12/28/2016

Eliza York, Rockcastle Circuit Clerk

CERTIFICATION:

I hereby certify that the foregoing has been served by mailing and emailing a true copy hereof to the following on this the 28th day of December, 2016:

Jerry J. Cox
Jerry J. Cox, PSC
PO Box 1350
Mt. Vernon, KY 40456
Attorney for Plaintiff
Email: jcox@kih.net

Original via e filing to:

Elza Jane York, Clerk
Rockcastle Circuit Court Courthouse
205 E. Main Street
Room 102
Mt. Vernon, KY 40456-2237

/s/ Bridget L. Dunaway
Attorneys for Defendant

F:\FIRMDOCS\Open Cases\Eastern Rockcastle Water v. City of Mt. Vernon\Pleadings\Notice of Election to Effectuate and Receive Service Via Electronic Means.wpd

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (628218)

NO : 000003 of 000003

Filed

16-CI-00265 12/28/2016

Eliza York, Rockcastle Circuit Clerk

COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265
ELECTRONICALLY FILED

FILED
DEC 28 2016
BY ELIZA YORK, CLERK
D.C.

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

VS:

CITY OF MT. VERNON, KENTUCKY;
MAYOR MIKE BRYANT, individually and
in his official capacity; CLIFFORD MULLINS,
in his official capacity and not individually;
WAYNE BULLOCK, in his official capacity
and not individually; JAMIE ANDERKIN
BRYANT, in her official capacity and not
individually; SHARON SAYLOR, in her
official capacity and not individually;
SHELLY RAINES LEWIS, in her official
capacity and not individually; JACKIE
WEAVER, in his official capacity and not
individually

DEFENDANTS

**NOTICE OF SERVICE OF DEFENDANT'S
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO PLAINTIFF**

Notice is hereby given that the Defendant, City of Mount Vernon, Kentucky, by counsel, served Interrogatories and Requests for Productions of Documents upon Plaintiff, Eastern Rockcastle Water Association, Inc., on the 28th day of December, 2016.

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (528218)

NF : 000001 of 000002

Filed

16-CI-00265 12/28/2016

Eliza York, Rockcastle Circuit Clerk

BOBBY L. AMBURGEY
 CITY ATTORNEY
 CITY OF MOUNT VERNON, KY
 P.O. Box 3118
 Mt. Vernon, Kentucky 40456-3118
 Telephone: (606) 256-0404

-and-

BRIDGET L. DUNAWAY
 Tooms, Dunaway & Webster
 1306 West Fifth Street, Suite 200
 P.O. Box 905
 London, KY 40743-0905
 Telephone: (606) 864-4145
 Facsimile: (606) 878-5547
 Email: bdunaway@toomsdunaway.com

/s/ Bridget L. Dunaway
 Attorneys for Defendant

CERTIFICATION:

I hereby certify that the foregoing has been served by mailing and emailing a true copy herof to the following on this the 28th day of December, 2016:

Jerry J. Cox
 Jerry J. Cox, PSC
 PO Box 1350
 Mt. Vernon, KY 40456
 Attorney for Plaintiff
 Email: jcox@kih.net

Original via e filing to:

Elza Jane York, Clerk
 Rockcastle Circuit Court Courthouse
 205 E. Main Street
 Room 102
 Mt. Vernon, KY 40456-2237

/s/ Bridget L. Dunaway
 Attorneys for Defendant

F:\FIRMDOCS\Open Cases\Eastern Rockcastle Water v. City of Mt. Vernon\Pleadings\2016-12-27 Notice of Filing INT and RFPD's.wpd

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (628218)

NF : 000002 of 000002

Filed

16-CI-00265 12/28/2016

Eliza York, Rockcastle Circuit Clerk

Filed

16-CI-00265 12/01/2016

Eliza York, Rockcastle Circuit Clerk

FILED
DEC 01 2016
ELIZA YORK, CLERK
BY *[Signature]* D.C.

COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265

Electronically filed

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

v. NOTICE OF SERVICE

CITY OF MT. VERNON,
KENTUCKY, ET AL.

DEFENDANT

Plaintiff, Eastern Rockcastle Water Association, Inc. gives notice that it has today served Interrogatories on the defendants by serving their attorneys.

This the 1st day of December, 2016.

JERRY J. COX, PSC
Attorney at Law
P. O. Box 1350
Mt. Vernon, Kentucky 40456
Telephone: (606) 256-5111

By: *[Signature]*
Attorney for Plaintiff

Jerry J. Cox, P.S.C.
Post Office Box 1350
Mt. Vernon, KY 40456
606 256-5111
Fax: 606-256-2036

Filed

16-CI-00265 12/01/2016

Eliza York, Rockcastle Circuit Clerk

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (628218)

NO : 000001 of 000002

Filed

16-CI-00264 12/01/2016

Eliza York, Rockcastle Circuit Clerk

CERTIFICATE OF SERVICE:

I certify that on December 1, 2016, I electronically filed the foregoing with the Clerk of the Court, which will send a notice of electronic filing to the following: Honorable Bobby L. Amburgey, P. O. Box 3118, Mt. Vernon, Kentucky 40456 and Honorable Bridget L. Dunaway, Tooms, Dunaway & Webster, P. O. Box 905, London, Kentucky 40743.

Jerry J. Cox

Jerry J. Cox, P.S.C.
Post Office Box 1350
Mt. Vernon, KY 40456
606-256-5111
Fax: 606-256-2036

Filed

16-CI-00265 12/01/2016

Eliza York, Rockcastle Circuit Clerk

Presiding Judge: HON. JEFFREY THOMAS BURDETTE (628218)

NO : 000002 of 000002

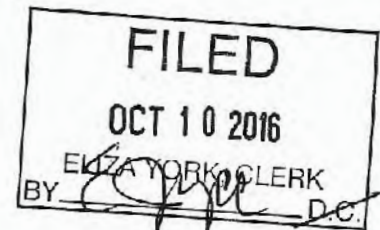
COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

VS:

CITY OF MT. VERNON, KENTUCKY;
MAYOR MIKE BRYANT, individually and
in his official capacity; CLIFFORD MULLINS,
in his official capacity and not individually;
WAYNE BULLOCK, in his official capacity
and not individually; JAMIE ANDERKIN
BRYANT, in her official capacity and not
individually; SHARON SAYLOR, in her
official capacity and not individually;
SHELLY RAINES LEWIS, in her official
capacity and not individually; JACKIE
WEAVER, in his official capacity and not
individually



DEFENDANTS

ANSWER TO COMPLAINT

Come the Defendants, by and through counsel, and for their Answer to the Complaint
filed herein, state as follows:

FIRST DEFENSE

- (1) The Complaint fails to state a claim upon which relief can be granted.
- (2) The Complaint should be dismissed for failure to join an indispensable party
pursuant to Civil Rule 19.
- (3) The Complaint fails due to improper service of process and insufficiency of process.
- (4) Defendants affirmative plead the affirmative defenses of CR 8.03, including but not

limited to accord and satisfaction, contributory negligence, estoppel, failure of consideration, laches, license, payment, statute of limitations, and waiver.

(5) The Defendants reserve the right to amend this responsive pleading to plead and allege such other additional defenses and affirmative defenses as may be appropriate and warranted upon completion of discovery.

(6) Defendants affirmatively state that Plaintiff is indebted to Defendant City of Mt. Vernon the sum of at least \$15,090.00, plus interest, and other sums that may otherwise be collectible.

SECOND DEFENSE

(7) Defendants reserve the right to file a Counter-Claim for all sums owed to it by Plaintiff.

THIRD DEFENSE

(8) Defendants are without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint.

(9) Defendants admit paragraph 2 and 4 of the Complaint.

(10) Defendants admit that portion of paragraph 3 which states that the named Defendants are councilmen and councilwomen, but defendants are otherwise without information or knowledge sufficient to form a belief as to the truth of the allegations contained therein.

(11) Defendants admit that portion of paragraph 5 which states that a dispute has arisen between Plaintiff and Defendant City of Mt. Vernon, Kentucky, but deny any liability therefor.

(12) Defendants deny each and every allegation of the Complaint except as specifically admitted above.

FOURTH DEFENSE

(13) At the time and on the occasion complained of by the Plaintiff, Plaintiff was guilty of negligence, which negligence was a substantial factor in causing and bringing about the damages alleged, if any there were, to such an extent that but for said negligence on the part of plaintiff contributing directly thereto, the incident complained of and damages, if any there were, would not and could not have occurred.

(14) The incident and damages complained of, if any there were, were the result of the negligence of some third person or persons, or an act of God, but in any event, were not due to the negligence on the part of these Defendants.

(15) The incident and damages of which Plaintiff complains, if any there were, were caused and brought about by a prior or subsequent superseding and/or intervening cause over which Defendants had no control.

FIFTH DEFENSE

(16) The claim for punitive damages against the Defendants should be dismissed as being in violation of the United States Constitution, including but not limited to the Fifth and Eighth Amendments, as applied to the states through the Fourteenth Amendment of the United States Constitution.

SIXTH DEFENSE

(17) The claim for punitive damages against the Defendants should be dismissed as being in violation of the Constitution of the Commonwealth of Kentucky, including but not limited to, Articles 2, 17, and 26.

SEVENTH DEFENSE

(18) The claim for punitive damages against the Defendants should be dismissed because

any award of punitive damages under Kentucky law without bifurcating the trial and trying all punitive damages issues separately, if and only if, liability on the merits has been found, would violate Kentucky's due process rights guaranteed by the Fourteenth Amendment of the United States Constitution and the due process provisions of the Constitution of the Commonwealth of Kentucky.

EIGHTH DEFENSE

(19) The claim for punitive damages against the Defendants should be dismissed because an award of punitive damages under Kentucky law, which is not subject to a predetermined limit on the amount of punitive damages that a jury may impose, would violate Kentucky's due process rights guaranteed by the Constitution of the Commonwealth of Kentucky and violate the excessive fines provision of Section 17 of the Constitution of the Commonwealth of Kentucky

NINTH DEFENSE

(20) The claim for punitive damages against the Defendants should be dismissed because a jury, under Kentucky law:

- (a) is not provided standards of sufficient clarity for determining the appropriateness, and the appropriate size, of a punitive damages award;
- (b) is not adequately instructed on the limits of punitive damages imposed by the applicable principles of deterrence and punishment;
- (c) is not expressly prohibited from awarding punitive damages, or determining the amount of an award of punitive damages, in whole or in part, on the basis of invidious discriminatory characteristics, including the residence and wealth of the Defendants;
- (d) is permitted to award punitive damages under a standard for determining liability

for punitive damages that is vague and arbitrary and does not define with sufficient clarity the conduct or mental state that makes punitive damages permissible;

and

- (c) is not subject to trial court and appellate judicial review for reasonableness and furtherance of legitimate purposes on the basis of an objective standard.

For the foregoing reasons, such an award would violate the due process and equal protection rights guaranteed under the Fourteenth Amendment to the United States Constitution and the Constitution of the Commonwealth of Kentucky.

TENTH DEFENSE

(21) Defendants affirmatively plead the defenses available under KRS 65.200, Claims Against Local Governments Act (CALGA), and all law related thereto, as a complete defense for the allegations contained herein.

WHEREFORE, Defendants respectfully demands as follows:

1. That the Complaint be dismissed with prejudice and the Plaintiff recover nothing thereby.
2. For trial by jury.
3. For a setoff of all monies owed to Defendant City of Mt. Vernon, Kentucky by the Plaintiff arising prior to the filing of this Complaint and thereafter.
4. For an instruction and award against Plaintiff for apportionment, indemnity and/or contribution.
5. For costs herein expended.

6. For any other relief to which the Defendants may appear to be reasonably entitled, including but not limited to the right to file a Counter-Claim against the Plaintiff.

BOBBY L. AMBURGEY
CITY ATTORNEY
CITY OF MOUNT VERNON, KY
P.O. Box 3118
Mt. Vernon, Kentucky 40456-3118
Telephone: (606) 256-0404

-and-

BRIDGET L. DUNAWAY
Tooms, Dunaway & Webster
1306 West Fifth Street, Suite 200
P.O. Box 905
London, KY 40743-0905
Telephone: (606) 864-4145
Facsimile: (606) 878-5547
Email: bdunaway@toomsdunaway.com

/s/ Bridget L. Dunaway
Attorneys for Defendant

CERTIFICATION:

I hereby certify that the foregoing Answer has been served by mailing a true copy hereof to the following on this the 10th day of October, 2016:

Jerry J. Cox
Jerry J. Cox, PSC
PO Box 1350
Mt. Vernon, KY 40456
Attorney for Plaintiff

Original electronically filed with:

Eliza Jane York
Rockcastle Circuit Clerk
205 E Main Street, Room 102
Mount Vernon, KY 40456

/s/ Bridget L. Dunaway
Attorneys for Defendant

F:\FIRMDOCS\Open Cases\Eastern Rockcastle Water v. City of Mt. Vernon\Pleadings\2-16-10-10 Answer to Complaint.wpd

Commonwealth of Kentucky
Rockcastle County
Eliza Jane York
Circuit Court Clerk

Receipt Number: 01-00544228-A

DATE: 10/10/2016

TIME: 11:28 AM

*** (Z) OTHER TYPE RECEIPT ***

CITATION: OTHER

RECEIVED FROM: TOOMS & DU NAWAY, PLLC

ACCOLNT OF: 16-61-00265

PARTY NAME:

1. Copy-Photocopy CSW(D)

2.25

TOTAL:

\$2.25

CASH:

\$2.25

***DIFF:

0.00

*** Check Number:

*** Credit Card Invoice #:

Balance Due:

Prepared By: Renita Blanton
** MCFD: Money Collected for Others
** CS: Emerge for Services
Editing (KYCOURTS)

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
amie Anderkin Bryant
10 City of Mt. Vernon
PO box 1465
Mt. Vernon, Ky 40456

Article Number (Transfer from service label)
7009 2250 0002 8189 7143

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x B Payne
B. Received by (Printed Name)
Becky Payne
C. Date of Delivery
9-20-16

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

FILED
SEP 22 2016

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
Clifford Mullins
10 City of Mt. Vernon
PO box 1465
Mt. Vernon, Ky 40456

Article Number (Transfer from service label)
7009 2250 0002 8189 7150

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x B Payne
B. Received by (Printed Name)
Becky Payne
C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

FILED
SEP 22 2016

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
City of Mt. Vernon, Ky Mayor
Mike Bryant, individually
10 City of Mt. Vernon
PO box 1465
Mt. Vernon, Ky 40456

Article Number (Transfer from service label)
7009 2250 0002 8189 7204

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x B Payne
B. Received by (Printed Name)
Becky Payne
C. Date of Delivery
9-20-16

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

FILED
SEP 22 2016

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
Shelley Kaines Lewis
10 City of Mt. Vernon
PO box 1465
Mt. Vernon, Ky 40456

Article Number (Transfer from service label)
7009 0820 0000 5206 3752

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x B Payne
B. Received by (Printed Name)
Becky Payne
C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

FILED
SEP 22 2016

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
Jayne Bullock
10 City of Mt. Vernon
P.O. Box 1465
Mt. Vernon, Ky 40454



9590 9402 1402 5329 2310 59

7009 2250 0002 8189 7167

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x *B Bryant* Agent Addressee
B. Received by (Printed Name)
B Bryant
C. Date of Delivery
SEP 27 2015
D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:



3. Service Type
 Adult Signature Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Return Receipt for Merchandise
 Collect on Delivery Signature Confirmation™
 Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery
 Restricted Delivery

(over \$500)

S Form 3811, July 2015 PSN 7530-02-000-9053 16-CI-265 Div II Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
Mayor Mike Bryant
City of Mt. Vernon, Ky
Po box 1465
Mt. Vernon, Ky 40454



9590 9402 1402 5329 2310 11

2. Article Number (Transfer from service label)
7009 2250 0002 8189 7198

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x *B Bryant* Agent Addressee
B. Received by (Printed Name)
Becky Bryant
C. Date of Delivery
SEP 27 2015
D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:



3. Service Type
 Adult Signature Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Return Receipt for Merchandise
 Collect on Delivery Signature Confirmation™
 Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053 16-CI-265 Div II Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:
Mayor Mike Bryant
Po box 1465
Mt. Vernon, Ky 40454



9590 9402 1402 5329 2310 35

Article Number (Transfer from service label)
7009 2250 0002 8189 7174

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x *B Bryant* Agent Addressee
B. Received by (Printed Name)
Becky Bryant
C. Date of Delivery
SEP 27 2015
D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:



3. Service Type
 Adult Signature Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Return Receipt for Merchandise
 Collect on Delivery Signature Confirmation™
 Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

(over \$500)

S Form 3811, July 2015 PSN 7530-02-000-9053 16-CI-265 Div II Domestic Return Receipt

U.S. Postal Service
CERTIFIED MAIL RECEIPT
Domestic Mail Only; No Insurance Coverage Provided
For delivery information visit our website at www.usps.com.
OFFICIAL USE
Postage \$ 6.05
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 6.05
Postmark Here
Div II
Start To Jackie Weaver
Street, Apt. No., or PO Box No. 10 City of Mt. Vernon
City, State, ZIP+4 Po box 1465 Mt. Vernon, Ky 40454
PS Form 3820, August 2015 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
Domestic Mail Only; No Insurance Coverage Provided
For delivery information visit our website at www.usps.com.
OFFICIAL USE
Postage \$ 6.05

U.S. Postal Service
CERTIFIED MAIL RECEIPT
Domestic Mail Only; No Insurance Coverage Provided
For delivery information visit our website at www.usps.com.
OFFICIAL USE
Postage \$ 6.05

U.S. Postal Service
CERTIFIED MAIL RECEIPT
Domestic Mail Only; No Insurance Coverage Provided
For delivery information visit our website at www.usps.com.
OFFICIAL USE

7009 2250 0002 8189 7204

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 Domestic Mail Only; No Insurance Coverage Provided
 For delivery information visit our website at www.usps.com

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Postage	\$ 6.65	Postmark Here 16 CI-205 Div II
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.65	

Sent To
 City of Mt. Vernon, Ky Mayor
 Street, Apt. No., or PO Box No. DO BOX 1465
 City, State, ZIP+4 Mt. Vernon, Ky 40456
 PS Form 3800, August 2006 See Reverse for Instructions

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.65	

Sent To
 City of Mt. Vernon, Ky Mayor
 Street, Apt. No., or PO Box No. c/o City of Mt. Vernon
 City, State, ZIP+4 DO BOX 1465 Mt. Vernon, Ky 40456
 PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0002 8189 7167

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Postage	\$ 6.65	Postmark Here 16 CI-205 Div II
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.65	

Sent To
 Wayne Bullock
 Street, Apt. No., or PO Box No. PO BOX 1465
 City, State, ZIP+4 Mt. Vernon, Ky 40456
 PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0002 8189 7198

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 Domestic Mail Only; No Insurance Coverage Provided
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 6.65	Postmark Here 16 CI-205 Div II
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.65	

Sent To
 Mayor Mike Bryant
 Street, Apt. No., or PO Box No. PO BOX 1465
 City, State, ZIP+4 Mt. Vernon, Ky 40456
 PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0002 8189 7143

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OFFICIAL USE

Postage	\$ 6.65	Postmark Here 16 CI-205 Div II
Certified Fee		
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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.65	

Sent To
 Jamie Ardlerkin Bryant
 Street, Apt. No., or PO Box No. PO BOX 1465
 City, State, ZIP+4 Mt. Vernon, Ky 40456
 PS Form 3800, August 2006 See Reverse for Instructions

AOC-105 Doc. Code: CI
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Commonwealth of Kentucky
Court of Justice www.courts.ky.gov
CR 4.02; CR Official Form 1



CIVIL SUMMONS

Case No. 16-CI-00265
Court Circuit District
County Rockcastle

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

JACKIE WEAVER, in his official capacity as City of Mt. Vernon, KY councilman
c/o City of Mt. Vernon
P. O. Box 1465
Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a legal action has been filed against you in this Court demanding relief as shown on the document delivered to you with this Summons. Unless a written defense is made by you or by an attorney on your behalf within 20 days following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 15, 2016

By: Elise Jane York Clerk
Marcus Olinger D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 20____.

Served by: CM
[Signature] Title

AOC-105 Doc. Code: CI
Rev. 1-07
Page 1 of 1
Commonwealth of Kentucky
Court of Justice www.courts.ky.gov
CR 4.02; CR Official Form 1



CIVIL SUMMONS

Case No. 16-CI-00265
Court Circuit District
County Rockcastle

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

SHARON SAYLOR, in her official capacity as City of Mt. Vernon, KY councilwoman
c/o City of Mt. Vernon
P. O. Box 1465
Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a legal action has been filed against you in this Court demanding relief as shown on the document delivered to you with this Summons. Unless a written defense is made by you or by an attorney on your behalf within 20 days following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 19, 2016

Elyse Jane York Clerk
By: Marcus Olney D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this ___ day of ___, 2___.

Served by: _____
Title _____

AOC-105 Doc. Code: CI
Rev. 1-07
Page 1 of 1
Commonwealth of Kentucky
Court of Justice www.courts.ky.gov
CR 4.02; CR Official Form 1



CIVIL SUMMONS

Case No. 16-CI-00265
Court Circuit District
County Rockcastle

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

CLIFFORD MULLINS, in his official capacity as City of Mt. Vernon, KY councilman
c/o City of Mt. Vernon
P. O. Box 1465
Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a legal action has been filed against you in this Court demanding relief as shown on the document delivered to you with this Summons. Unless a written defense is made by you or by an attorney on your behalf within 20 days following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 17, 2016

By: [Signature] Clerk
[Signature] D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 20_____.

Served by: _____
_____ Title

AOC-105 Doc. Code: CI
Rev. 1-07
Page 1 of 1
Commonwealth of Kentucky
Court of Justice www.courts.ky.gov
CR 4.02; CR Official Form 1



CIVIL SUMMONS

Case No. 16-CI-00265
Court Circuit District
County Rockcastle

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

SHELLEY RAINES LEWIS, in her official capacity as City of Mt. Vernon, KY councilwoman
c/o City of Mt. Vernon
P. O. Box 1465
Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a **legal action has been filed against you** in this Court demanding relief as shown on the document delivered to you with this Summons. **Unless a written defense is made by you or by an attorney on your behalf within 20 days** following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept. 19, 2016

Eliza Jane York Clerk
By: Marcia Collins D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 20____.

Served by: _____
_____ Title

AOC-105 Doc. Code: CI
Rev. 1-07
Page 1 of 1
Commonwealth of Kentucky
Court of Justice www.courts.ky.gov
CR 4.02; CR Official Form 1



CIVIL SUMMONS

Case No. 16-CI-00265
Court Circuit District
County Rockcastle

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

CITY OF MT. VERNON, KENTUCKY MAYOR MIKE BRYANT
in his official capacity
P. O. Box 1465
Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a **legal action has been filed against you** in this Court demanding relief as shown on the document delivered to you with this Summons. **Unless a written defense is made by you or by an attorney on your behalf within 20 days** following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 19 2016
By: [Signature] Clerk
[Signature] D.C.


Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 20____.

Served by: _____

Title _____

AOC-105 Rev. 1-07 Page 1 of 1 Commonwealth of Kentucky Court of Justice www.courts.ky.gov CR 4.02; CR Official Form 1	Doc. Code: CI		Case No. <u>16-CI-00265</u> Court <input checked="" type="checkbox"/> Circuit <input type="checkbox"/> District County <u>Rockcastle</u>
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CIVIL SUMMONS

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

CITY OF MT. VERNON, KENTUCKY

P. O. Box 1465

Mt. Vernon

Kentucky

40456

Service of Process Agent for Defendant:

Mayor Mike Bryant

City of Mt. Vernon, Kentucky

P.O. Box 1465

Mt. Vernon

Kentucky

40456

THE COMMONWEALTH OF KENTUCKY TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a legal action has been filed against you in this Court demanding relief as shown on the document delivered to you with this Summons. Unless a written defense is made by you or by an attorney on your behalf within 20 days following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 19, 2016

Eliza Jane York Clerk
By: Marcus Dinger D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 2_____.

Served by: _____
_____ Title

AOC-105 Rev. 1-07 Page 1 of 1 Commonwealth of Kentucky Court of Justice www.courts.ky.gov CR 4.02; CR Official Form 1	 CIVIL SUMMONS	Case No. <u>16-CI-00265</u> Court <input checked="" type="checkbox"/> Circuit <input type="checkbox"/> District County <u>Rockcastle</u>
--	---	--

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

WAYNE BULLOCK, in his official capacity as City of Mt. Vernon, KY councilman
 c/o City of Mt. Vernon
 P. O. Box 1465
 Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

**THE COMMONWEALTH OF KENTUCKY
 TO THE ABOVE-NAMED DEFENDANT(S):**


You are hereby notified a legal action has been filed against you in this Court demanding relief as shown on the document delivered to you with this Summons. Unless a written defense is made by you or by an attorney on your behalf within 20 days following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept. 19, 2016 By: Eliza Jane York Clerk
Maree Dinger D.C.

Proof of Service	
This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:	

this _____ day of _____, 2_____.	Served by: _____
	_____ Title

AOC-105 Rev. 1-07 Page 1 of 1 Commonwealth of Kentucky Court of Justice www.courts.ky.gov CR 4.02; CR Official Form 1	Doc. Code: CI		Case No. <u>16-CI-00265</u> Court <input checked="" type="checkbox"/> Circuit <input type="checkbox"/> District County <u>Rockcastle</u>
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CIVIL SUMMONS

PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

CITY OF MT. VERNON, KENTUCKY MAYOR MIKE BRYANT, individually

c/o City of Mt. Vernon

P. O. Box 1465

Mt. Vernon

Kentucky

40456

Service of Process Agent for Defendant:

THE COMMONWEALTH OF KENTUCKY TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a legal action has been filed against you in this Court demanding relief as shown on the document delivered to you with this Summons. Unless a written defense is made by you or by an attorney on your behalf within 20 days following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 19, 2016


Ellie Jane York Clerk
By: Andrew Olinger D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 2_____.

Served by: _____
Title _____

AOC-105 Rev. 1-07 Page 1 of 1 Commonwealth of Kentucky Court of Justice www.courts.ky.gov CR 4.02; CR Official Form 1	 CIVIL SUMMONS	Case No. <u>16-CI-00265</u> Court <input checked="" type="checkbox"/> Circuit <input type="checkbox"/> District County <u>Rockcastle</u>
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PLAINTIFF

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

VS.

DEFENDANT

JAMIE ANDERKIN BRYANT, in her official capacity as City of Mt. Vernon, KY councilwoman
 c/o City of Mt. Vernon
 P. O. Box 1465
 Mt. Vernon Kentucky 40456

Service of Process Agent for Defendant:

**THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):**

You are hereby notified a **legal action has been filed against you** in this Court demanding relief as shown on the document delivered to you with this Summons. **Unless a written defense is made by you or by an attorney on your behalf within 20 days** following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept. 19, 2016

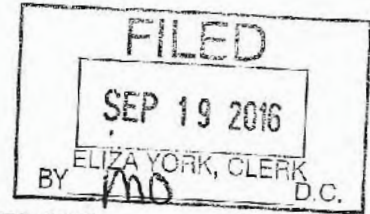
By: [Signature] Clerk
[Signature] D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

this _____ day of _____, 2_____.

Served by: _____
_____ Title



COMMONWEALTH OF KENTUCKY
28TH JUDICIAL CIRCUIT
ROCKCASTLE CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 16-CI-00265

EASTERN ROCKCASTLE
WATER ASSOCIATION, INC.

PLAINTIFF

v. COMPLAINT

CITY OF MT. VERNON, KENTUCKY;
MAYOR MIKE BRYANT, individually and
in his official capacity; CLIFFORD MULLINS,
in his official capacity and not individually;
WAYNE BULLOCK, in his official capacity
and not individually; JAMIE ANDERKIN
BRYANT, in her official capacity and not
individually; SHARON SAYLOR, in her
official capacity and not individually;
SHELLEY RAINES LEWIS, in her official
capacity and not individually; JACKIE
WEAVER, in his official capacity and not
individually

DEFENDANTS

1. Plaintiff is a duly incorporated, and acting water distribution system delivering water to 610 customers in Rockcastle and Jackson Counties.
2. Defendants are the City of Mt. Vernon, Kentucky, its Mayor and the City Council.

3. Clifford Mullins, Wayne Bullock, Jamie Anderkin Bryant, Sharon Saylor, Shelley Raines Lewis and Jackie Weaver are joined only in their capacity as councilmen and women.

4. Pursuant to a contract between plaintiff and defendant, City of Mt. Vernon, Kentucky, defendant furnished water to plaintiff for distribution.

5. A dispute has arisen over whether plaintiff owes defendant, City of Mt. Vernon, Kentucky, for water allegedly sold to plaintiff.

6. Plaintiff contends that between January 20, 2014 and October 15, 2015, it overpaid defendant, City of Mt. Vernon, Kentucky, approximately thirty-five thousand dollars (\$35,000.00).

7. Defendant, City of Mt. Vernon, Kentucky, has failed to test the master meters delivering water to plaintiff when asked.

8. Defendant, City of Mt. Vernon, Kentucky, has failed to maintain said master meters and other equipment.

9. On three occasions, the parties made agreements to settle this matter but defendants have refused to fulfill these agreements.

10. The new master meter installed on the Big Cave line was installed incorrectly by defendants and plaintiff's request to properly install it has not been honored.

11. Defendant, City of Mt. Vernon, Kentucky, failed to provide adequate water to plaintiff on July 21, July 22 and July 26, 2016.

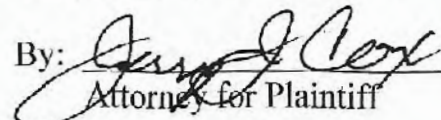
12. Since the installation of the new master meters, the water allegedly sold to plaintiff by defendant, City of Mt. Vernon, Kentucky, has fallen by 47%.

13. Defendant, City of Mt. Vernon, Kentucky, has received numerous citations from the Division of Water, some of which effected the quality of water sold to plaintiff by defendant and the defendant failed to notify plaintiff so that it could notify its customers to boil water.

14. Defendant, City of Mt. Vernon, Kentucky, has intentionally violated its contract with plaintiff, which entitles plaintiff to punitive damages.

WHEREFORE, plaintiff demands judgment against defendants in the amount of thirty-five thousand dollars (\$35,000.00) for overpayments; punitive damages not to exceed twenty-five thousand dollars (\$25,000.00); and all other relief to which it may appear to the court entitled.

JERRY J. COX, PSC
Attorney at Law
P. O. Box 1350
Mt. Vernon, Kentucky 40456
Telephone: (606) 256-5111

By: 
Attorney for Plaintiff

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Kevin N. Rogers

- 21.** Refer to Paragraph 9.17 of the Asset Purchase Agreement. Please state whether Kentucky-American has evaluated ERWA's current employees for employment with Kentucky-American. If yes, please state whether Kentucky-American plans to retain those two employees if it acquires ERWA.

Response:

Kentucky American has not evaluated Eastern Rockcastle's current employees for employment. As indicated in response to Item number 22 of this same request for information, Kentucky American has determined that two employees are necessary for continued operations of ERWA. Kentucky American has indicated already that the current two employees of ERWA, with their experience and knowledge of the system, would be preferred for employment in those roles. Prior to the closing, KAW would begin the evaluation process as required for all prospective American Water employees.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers

- 22.** Please state whether Kentucky-American plans to hire two new employees if it acquires ERWA.

Response:

Kentucky American has determined two employees are operationally necessary and economically practical for the continued operations of the Eastern Rockcastle system. As customer and operational needs dictate, we will continue to evaluate other support which may be provided through additional employees, Kentucky American Water employees, and contractors.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers

- 23.** Refer to Paragraph 9.18 of the Asset Purchase Agreement. Please state whether Kentucky-American has identified whether a local payment option is “operationally necessary and economically practical.” If yes, please identify whether or not the local payment option is “operationally necessary and economically practical” in Kentucky-American’s discretion. Include within your response all available details, including where the local payment option would be located, the hours of operation, whether other customer service options other than payment would be available at that location (i.e., new service), and whether Kentucky-American is committed to keeping this office open throughout its ownership of the system.

Response:

Kentucky American has determined a local payment option is operationally necessary and economically practical. We plan to continue using the same office that Eastern Rockcastle Water Association currently utilizes at 9246 Main Street, Livingston, Kentucky 40445. As customer needs dictate, other services can be provided at this location. We will continue to evaluate how to best serve our customers’ needs and add or change offerings to maintain the high level of service we provide our customers.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

- 24.** Please state whether ERWA has prepared drafts of any of the following Schedules to the Asset Purchase Agreement: Schedules 2.2, 3.4, 3.6, 3.7(a), 3.8, and 3.12. If yes, please provide a copy of those schedules. If no, please explain why the information to be provided in these schedules has not been compiled.

Response:

No. These schedules are currently being compiled.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Kevin N. Rogers

- 25.** Provide copies of all correspondence, memoranda, and any other documents in which Kentucky-American officers, employees, or its agents discuss the physical condition of ERWA's assets.

Response:

Please see the attached, the response to Item 2 of this same set of data requests, and the confidential documents attached in response to Item 1 of Commission Staff's First Set of Information Requests.



2300 Richmond Road
Lexington, KY 40502
Adam.tilley@Amwater.com

P 859.335-3416
F 859.335.3393

Eastern Rockcastle Water Association System Information

In April 2017, I visited the Eastern Rockcastle Water Association. During the visit, I viewed multiple tanks, booster stations, and pressure reducing valves. The following are a list of the tanks:

- Sand Springs Tank – 15,000 gallon tank constructed in 2009 according to KIA
- Three Links Tank – 80,000 gallon tank constructed in 2000 according to KIA

During the external visual inspection of both tanks, the tanks both appeared to be in satisfactory condition. It is recommended that both tanks be internally inspected.

I viewed two examples of pump stations during the visit. One was an EFI, above grade booster station. The other was a below grade booster station with Baldor motors and Flo-Pak pumps.

Last, I viewed a Watts model pressure reducing valve. The pressure reducing valve was operational at the time of the visit.

All of these items, while needing common maintenance, appeared to be in acceptable condition.

Based upon the visual inspection, there does not appear to be a need for extensive capital improvements for these items.

Sincerely,

Adam R. Tilley, PE
Project Manager Engineer

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Russell Barron

26. Identify ERWA's legal structure and the statutes under which it is organized.

Response:

Please refer to the attached Articles of Incorporation and By-Laws for Eastern Rockcastle Water Association.

RECEIVED AND FILED

MAR 30 1990

DATE

TIME

10:05 am

AMOUNT

\$8.00

BREMER EHRLER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY

ARTICLES OF INCORPORATION

PK 138

OF

ROCKCASTLE WATER ASSOCIATION, INC.

The undersigned hereby forms a corporation under the laws of the Commonwealth of Kentucky, and under the following Articles of Incorporation.

594814

ARTICLE I.

The name of this corporation shall be Rockcastle Water Association, Inc.

ARTICLE II.

The purpose of this corporation shall be to establish, operate and maintain a water distribution system and to do all things necessary and incidental thereto.

ARTICLE III.

The corporation's initial registered office shall be the Courthouse, Main Street, Mt. Vernon, Kentucky 40456 and the name of its initial registered agent at that is Carl R. Clontz.

ARTICLE IV.

The mailing address of the corporation's principal office is Route 1, Box 230, Mt. Vernon, Kentucky 40456.

ARTICLE V.

The number of directors constituting the initial board of directors shall be seventeen and the names and mailing addresses of the persons who are to serve as the initial directors are as follows:

Name	ADDRESS
Ruth Bullock	Rt. 1, Mt. Vernon, KY 40456
Hilda Hampton	Rt. 1, Brodhead, KY 40409
Walter Baldwin	Rt. 3, Crab Orchard, KY 40419
Money Ed Cummins	Rt. 1, Brodhead, KY 40409
Joe Martin	Rt. 4, Mt. Vernon, KY 40456
Louie Northern	Rt. 2, Mt. Vernon, KY 40456
Harold Ballinger	507 Three Links Road, McKee, KY 40447
Joe Clark	Rt. 2, Livingston, KY 40445
Henry Lee Abney	Rt. 2, Livingston, KY 40445
Murphy Martin, Jr.	Rt. 2, Box 309, Livingston, KY 40445
Willard Whitaker	Rt. 5, Livingston, KY 40445
Gilbert Shepherd	Rt. 2, Livingston, KY 40445
Edgar Morris	Rt. 2, Livingston, KY 40445
Ray Kirby	Rt. 5, Box 406, Livingston, KY 40445
Olen McGuire	Orlando, KY 40460
John F. Harding	Rt. 3, Mt. Vernon, KY 40456
Geraldine Mize	Rt. 1, Box 362, Mt. Vernon, KY 40456

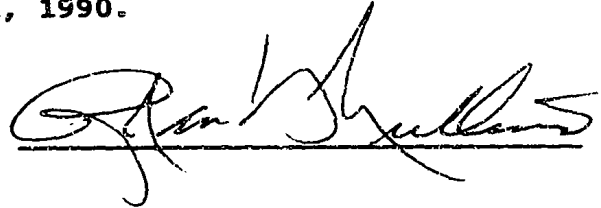
ARTICLE VI.

This corporation is organized as a nonprofit corporation under the provisions of KRS Chapter 273. ✓

ARTICLE VII.

The name and mailing address of the incorporator is Roland Mullins, Route 1, Box 230, Mt. Vernon, Kentucky 40456. ✓

IN WITNESS WHEREOF, I have hereunto subscribed my name, this 29th day of March, 1990.



STATE OF KENTUCKY

COUNTY OF ROCKCASTLE

Personally appeared before me, a Notary Public in and for the aforesaid County and State, Roland Mullins, who signed and acknowledged the foregoing Articles of Incorporation to be his own free act and deed.

Witness my hand and seal of office, this the 29th day of March, 1990.


Notary Public, State of Ky. at Large

My commission expires 12-5-90

This instrument prepared by:

CLONTZ & COX
Attorneys at Law
P. O. Box 1350
Mt. Vernon, Kentucky 40456



0271023.094

Grance
NAOA

ROCKCASTLE WATER ASSOCIATION

P.O. Box 540
Mt. Vernon, Ky 40456
(606) 256-5480

John Y. Brown III
Secretary of State
Received and Filed
02/19/2003 11:56 AM
Fee Receipt: \$8.00



Articles of Amendment
Of
Rockcastle Water Association, Inc.

The above corporation existing pursuant to the Kentucky Corporation Laws, desiring to give notice to corporate action effectuating amendment of certain provisions of its Article of Incorporation, sets forth the following amendments:

The name of the corporation is Rockcastle Water Association, Inc.

The exact text of Article 1 of the Articles of Incorporation is amended to read as follows:

Eastern Rockcastle Water Association, Inc.

The amendment was adopted on February 14, 2003, with the Board of Directors casting
A vote of unanimous.

Dell F. Ponder
President
Rockcastle Water Association

EASTERN ROCKCASTLE WATER ASSOCIATION

PO BOX 540

MT VERNON, KY 40456

BY-LAWS

RESTATED AND AMENDED

NOVEMBER 2016

RESTATED AND AMENDED BY-LAWS
OF
EASTERN ROCKCASTLE WATER ASSOCIATION, INC.

ARTICLE I

OFFICE

The registered office of the Association is 9246 Main Street, Livingston, Kentucky 40445. The mailing address is Post Office Box 540, Mt. Vernon, Kentucky 40456. The registered agent for service of process shall be Jessica Maupin, ERWA clerk, and may be changed from time to time by the Board of Directors. The principle office of the Association shall be as designated by the Board of Directors.

ARTICLE II

MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of members shall be held on the first Wednesday of September in each year, beginning with the year 2009, at a time and place to be fixed by the Board of Directors. Directors shall be elected at the annual meeting and the members shall conduct other business as is necessary. Cumulative voting *shall not* be used in the election of the directors.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by the Board of Directors, by the president or on petition of twenty percent of the members.

SECTION 3. NOTICE OF MEETING. Written notice stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than thirty days before the date of the meeting, either personally or by mail, by or at the direction of the president, secretary, or the persons calling the meeting. The meeting shall be

conducted in Rockcastle County at a reasonable place selected by the person or persons calling the meeting.

SECTION 4. QUORUM. A majority of the members presented, in person, shall constitute a quorum at a meeting of members. Once a quorum is present, the members may continue to transact business until adjournment.

SECTION 5. VOTING METHOD. The plurality method of voting will be used for elections.

1. Public Notice to be made to the customers.
 - a. An ad is to be placed in the community section of the Mt Vernon Signal reflecting the following information for the three weeks prior to the board meeting scheduled for May:
 - i. The date, time and location of the meeting where nominations will be accepted.
 - ii. Candidates wishing to be added to the ballot will have make that request in person at the predetermined meeting.
 - iii. The date, time and location of the annual election meeting.
 - b. Notification to be sent to the all active customers reflecting the following information at least two weeks prior to the board meeting scheduled for May:
 - i. The date, time and location of the meeting where nominations will be accepted.
 - ii. Request must be made in person.
 - c. Notice to be posted in a conspicuous place in the office reflecting the following information:
 - i. The date, time and location of the meeting where nominations will be accepted.
 - ii. Candidates wishing to be added to the ballot will have make that request in person at the predetermined meeting.
 - iii. The date, time and location of the annual election meeting.
2. Ballots and instructions letters to reflect the following:
 - a. The customer will cast their vote by marking a selection box to the left of the candidates name.
 - b. The candidates will be placed on the ballot by utilizing a random lottery drawing.
 - c. The return envelope for the customer to use when return their ballot would have the word "BALLOT" pre-stamped on the face to alleviate any confusion as to the contents of the envelope.
 - d. The instruction letter and ballot will be mailed to the customer 60 days before the election.

- e. Ballots to be placed in a locked and sealed ballot box until the scheduled start time of the annual meeting.
3. Tabulating the votes will be done by a neutral third party.
 - a. Votes to be tabulating using a spreadsheet that will assure one ballot per active account.
 - b. Any ballot with more candidates selected than instructed on the face of the ballot will be disallowed.
 4. Declaring winners will be done using a plurality voting system.
 - a. The candidate with the most votes will win the available seat.
 - b. It is not necessary for the candidate to have a majority vote.
 - c. Ties will be decided by a manner best satisfying both candidates. EX. coin flip, Board decision, or the electoral vote allotted to the President of the Association.

SECTION 6. ANTI-NEPOTISM. No one can be on the Board of Directors or employed by ERWA if a family member already holds a position with ERWA. "Family member" is defined as the following: father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, niece, nephew, grandfather, grandmother, grandson, granddaughter, less than fourth generation cousin, or any in-laws of those previously mentioned.

ARTICLE III

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the corporation shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors shall consist of no more than seventeen (17) and no less than five (5) members. The Board of Directors shall have the power to change the number of directors. The term of each director shall be three (3) years and each shall serve until his successor is elected. Effective March 18, 2013, the number of directors shall consist of five (5).

Members of the Board of Directors shall:

- a. Have a functional ERWA water meter in his or her name;

- b. Must be a customer in good standing, and a resident in the area served by ERWA;
- c. Have no delinquent debts to the ERWA;
- d. Not violate the Article II, Section 6. Anti-nepotism policy of ERWA;
- e. Not have a final judgment entered against him or her involving civil fraud, an ethical violation, discrimination and/or acts of harassment while a Director or prior to becoming a Director;
- f. Not have entered a plea of guilty to, or no contest to, or been convicted of a felony;
- g. Must be a high school graduate or have passed the General Educational Development (GED) test;
- h. Not use his or her position on the Board for personal or political gain;
- i. Not violate confidences or engage in illegal activity under the color of authority as a Director; and
- j. Consent to a background check upon election to the Board, or nomination to be on the ballot for election to the Board, at the discretion of the Board of Directors.

Effective February 22, 2016, election of the directors shall be changed from the 1-1-3 year model to the 2-2-1 year, model to better maintain continuity and stability of the organization. The current directors and their terms are as follows:

Name	Term Expires
Russell Barron	2017
Louie Northern	2019
Carolyn Hinton	2017
Bentley Cromer	2018
Dwight Mink	2019

SECTION 3. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly or at such frequency as the Board deems advisable and at a place chosen by the Board.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the president or a majority of directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place.

SECTION 5. NOTICE. Notice of any special meeting shall be given to the directors at least two days prior to the proposed meeting by written notice. The notice must state the purpose of the meeting.

SECTION 6. QUORUM. A majority of the Board of Directors fixed in accordance with Section 2 of this Article shall constitute a quorum for the transaction of business.

SECTION 7. VACANCIES. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of majority of the remaining directors though less than a quorum of the Board of Directors. A director appointed to fill a vacancy shall serve until the next annual meeting and his successor shall serve until the expiration of the term of the member whose vacancy is being filled.

SECTION 8. COMPENSATION. Directors may be paid for their services as directors, or shall be reimbursed for their out of pocket expenses.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER. The officers of the Association shall be a president, a vice-president, a secretary and a treasurer, who shall be appointed by the Board of Directors.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members.

SECTION 3. REMOVAL. Any officer or agent may be removed by the Board of Directors at its discretion.

SECTION 4. VACANCIES. A vacancy in any office shall be filled by the Board of Directors.

SECTION 5. PRESIDENT. The president shall be the principal executive officer of the Association and subject to the control of the Board of directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the Board of Directors. He may sign, with the secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, checks, or other instruments which the Board of Directors has authorized to be executed, and in general shall perform all duties incident to the

office of president and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. VICE-PRESIDENT. In the absence of the president or in the event of his death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president.

SECTION 7. SECRETARY The secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Association records and of the seal of the corporation; (d) keep a list of the members and their addresses; (e) sign with the president, or a vice-president, documents authorized by the Board of Directors; (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors;

SECTION 8. TREASURER. The secretary/treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article V of the By-Laws; (c) sign with the president, or a vice-president, documents authorized by the Board of Directors (d) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

SECTION 9. SALARIES. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Association.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and

deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. LOANS. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by two of the three officers (President, Vice President, or Secretary) of the Association.

SECTION 4. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the corporations in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VI

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE VII

WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the Association under the provisions of these By-Laws, or under the provisions of the Articles of Incorporation, or under the provisions of the Kentucky Business Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VIII
AMENDMENTS

These by-laws may be altered or amended by the Board of Directors at its discretion.

Dated this 19th day of December, 2016.

PRESIDENT

VICE-PRESIDENT

SECRETARY

TREASURER

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
JAMES E. BALLINGER AND THOMAS P. DUPREE, JR'S
FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

27. Identify Kentucky-American's legal structure and the statutes under which it is organized.

Response:

Kentucky American Water is a corporation organized and existing under the laws of the Commonwealth of Kentucky governing corporations.