

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**DEXTER-ALMO HEIGHTS WATER)
DISTRICT AND ITS INDIVIDUAL)
COMMISSIONERS, JOE DAN TAYLOR,)
CHARLES BOREN, AND PAT PASCHALL)
_____) **CASE NO. 2017-00468**
)
**ALLEGED FAILURE TO COMPLY WITH)
KRS 278.300)****

MOTION TO ACCEPT OFFER OF SETTLEMENT

Dexter-Almo Heights Water District (“Dexter-Almo District”), Commissioner Joe Dan Taylor, Commissioner Charles Boren, and Commissioner Pat Paschall (collectively “Respondents”) respectfully move that the Commission enter an Order accepting their Offer of Settlement.

In support of their Motion, the Respondents state:

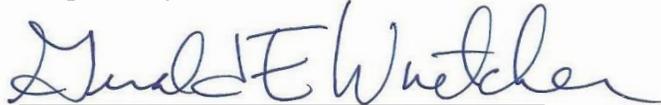
1. The Offer of Settlement is reasonable and in the public interest.
2. Acceptance of the Offer of Settlement will avoid the unnecessary and needless expenditure of the Public Service Commission’s limited resources and will further enable the Public Service Commission to allocate those resources to more urgent and pressing needs.
3. The proposed Offer of Acceptance will reduce the likelihood of any future unauthorized issuance of indebtedness by Dexter-Almo District.
4. The Respondents already have taken actions to ensure against any future unauthorized issuance of evidences of indebtedness. Dexter-Almo District has adopted a policy regarding the issuance of evidence of indebtedness that requires a review of any proposed debt instrument by an attorney prior to its issuance. A copy of this policy is attached to the Offer of Settlement.

5. Dexter-Almo District has also retained Stoll Keenon Ogden PLLC to review the actions of its Board of Commissioners and to provide general legal advice. This legal review will prevent any unknowing or unintentional violation of KRS Chapter 278 or Public Service Commission regulation or order. A copy of the engagement agreement between Dexter-Almo and Stoll Keenon Ogden PLLC is attached to this Motion.

6. Dexter-Almo District has adopted a policy that requires the members of its Board of Commissioners to attend at least twelve hours of certified water management training annually. A copy of this policy is attached to the Offer of Settlement. As Calloway County Fiscal Court has approved an annual salary of only \$2,400 for each of Dexter-Almo District's commissioners, this policy will not financially benefit any present or future member of Dexter-Almo District's Board of Commissioners, but will promote improved management practices and enhance Dexter-Almo District's understanding and knowledge of the statutory and regulatory provisions with which it must comply.

Dated: April 8, 2019

Respectfully submitted,



Gerald E. Wuetcher
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*Counsel for Respondents Dexter-Almo Heights
Water District, Joe Dan Taylor, Charles Boren, and
Pat Paschall*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the Respondents' electronic filing of this Offer of Settlement is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on April 8, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before April 10, 2019 this Application in paper medium will be delivered to the Public Service Commission.

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style and is positioned above a horizontal line.

Gerald E. Wuetcher

ATTACHMENT



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April 4, 2019

Mr. Joe Dan Taylor
Chairman
Dexter-Almo Heights Water District
351 Almo Road
Almo, KY 42020

**Re: *Dexter-Almo Heights Water District; Engagement for Legal Services
General Regulatory Matters***

Dear Mr. Taylor:

Stoll Keenon Ogden PLLC ("SKO") is pleased to provide legal representation to Dexter-Almo Heights Water District ("Dexter-Almo District"). This letter sets forth the basic terms of the engagement.

Client; Scope of Representation. The client in this matter will be Dexter-Almo District. Though SKO may communicate with you or others about this representation, our only client in this representation is Dexter-Almo District. SKO also will not be deemed to represent any officer, director, agent or employee of Dexter-Almo District by virtue of our representation of Dexter-Almo District Water unless we separately agree to such representation.

SKO is engaged to provide legal advice and counsel to Dexter-Almo District on general regulatory and legal matters, including any issues related to the Kentucky Public Service Commission's ("KPSC") regulation of Dexter-Almo District's rates and service as well as matters related to the requirements of KRS Chapter 74 and other pertinent statutes that address the governance and management of water districts. SKO will provide strictly legal services to Dexter-Almo District.

Dexter-Almo District may expand the scope of this representation, provided that any substantial expansion must be agreed to by SKO. If the scope of the engagement changes, the terms set out in this letter will apply to the expanded engagement unless we enter into a further agreement modifying or superseding this one.

Responsible Attorneys. I will serve as the attorney primarily responsible for representing Dexter-Almo District's interests in this representation. It is possible that

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additional attorneys or paralegals will also work on these matters as well. Any significant use of other SKO personnel, however, would be made only after consultation with Dexter-Almo District. My standard billing is \$335 per hour. I will provide a 25 percent discount on that rate to Dexter-Almo District, in recognition of the size of Dexter-Almo District's operations, which equates to an hourly rate of \$250 for my services. The 25 percent discount will also apply to the standard hourly rates of other attorneys in our firm.

Dexter-Almo District will be billed a monthly retainer fee equal to one hour of service at my hourly rate. This fee will be applied to the first hour of legal services performed during that month and will include SKO's review of the agenda and minutes of the meetings of Dexter-Almo District's Board of Commissioners and responses to general legal questions that Dexter-Almo District's commissioners or Staff may pose. Prior to performing any legal services expected to require more than one hour of work, SKO will obtain Dexter-Almo District's written consent for such services.

Terms of Engagement. *"Stoll Keenon Ogden PLLC Standard Terms and Conditions of Representation"* will govern the representation and is incorporated by reference into this letter. A copy is enclosed.

Conflicts and Advance Waiver. SKO has searched its conflicts checking data base system to identify any matter that currently presents a conflict of interest preventing it from representing Dexter-Almo District and has found none.

Please note that SKO represents many other clients, including Kentucky-American Water Company and its parent company American Water Works Company. It is possible that, while SKO is representing Dexter-Almo District, some of SKO's present or future clients may (a) be direct competitors of Dexter-Almo District or otherwise may have business interests that are contrary to Dexter-Almo District's interests, or (b) seek to engage SKO in connection with an actual or potential transaction, pending or potential litigation, pending or potential regulatory matter, or other dispute resolution proceeding in which such client's interests are, or potentially may become, adverse to Dexter-Almo District's interests.

SKO therefore requests Dexter-Almo District's advance consent to SKO's representation of any existing or new clients (including, but not limited to, Kentucky-American Water Company and/or American Water Works Company) in any matter (transactional, litigation, regulatory or otherwise) adverse to Dexter-Almo District. (If the new matter adverse to Dexter-Almo District is such that SKO attorneys and staff members who are actively participating in the representation of Dexter-Almo District are likely to have obtained proprietary or other confidential information from Dexter-Almo District of a non-public nature, that, if known to the other client, could be detrimental to Dexter-Almo District's position, SKO affirmatively agrees to, and Dexter-Almo District's advance consent is conditioned upon, SKO erecting timely

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screening procedures to shield such information from the SKO attorneys and staff members representing the other client in the new matter, and to prevent SKO attorneys and staff members actively involved in the representation of Dexter-Almo District from participating in the new matter.)

In so agreeing to waive any and all conflicts as set forth above, Dexter-Almo District will be waiving any conflict of interest that exists or might be asserted to exist that might preclude, challenge or otherwise disqualify SKO in any representation of any other client with respect to any such matter. In similar engagement letters with other new clients, SKO will request similar agreements to preserve its ability to represent Dexter-Almo District.

By signing below or sending a confirming e-mail message, Dexter-Almo District evidences its consent to (a) the advance waiver of conflicts of interest, as set forth in the preceding paragraphs; and (b) SKO's disclosure of Dexter-Almo District's willingness to waive, in advance, the conflicts of interest.

Thank you again for the opportunity to provide legal services and representation to Dexter-Almo District. It will be my privilege to represent Dexter-Almo District. If you have any questions, please call me at (859) 231-3017 (office) or (859) 550-3894 (cell).

Very truly yours,

Stoll Keenon Ogden PLLC



Gerald E. Wuetcher

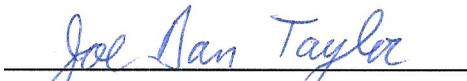
GEW

Enclosure

Agreed and accepted:

DEXTER-ALMO COUNTY WATER DISTRICT

By:



Title:

CHAIRMAN