

EDMONSON COUNTY WATER DISTRICT

RETIREE HEALTH PLAN TRUST

This Agreement made 8 day MARCH, 2005 by and between Edmonson County Water District, a governmental entity organized under the provisions of Chapter 74 of the Kentucky Revised Statutes ("District"), and Harold Stewart, Jackie McCombs and Jimmy Mills ("Trustees");

WHEREAS, the District's Board of Commissioners has adopted the Edmonson County Water District Retiree Health Plan ("Plan"), effective as of March 1, 2005; and

WHEREAS, the District has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan; and

WHEREAS, the District wishes to establish a trust (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of the District's creditors in the event of the District's Insolvency, as herein defined, until paid to or on behalf of participants of the Plan in such manner and at such times as specified in the Plan; and

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as unfunded Plan; and

WHEREAS, it is the intention of the District to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

ARTICLE I.

Establishment of Trust.

- 1.1. The District hereby deposits with the Trustees in trust \$220,000, which shall become the principal of the Trust to be held, administered and disposed of by Trustees as provided in this Trust Agreement.
- 1.2. The Trust hereby established shall be irrevocable.
- 1.3. The Trust is intended to be a grantor trust, of which the District is the grantor, within the meaning of subpart E, part 1, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.
- 1.4. The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of the District and shall be used exclusively for the uses and purposes of participants of the Plan and general creditors as herein set forth. Participants of the Plan shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of participants of the Plan against the District. Any assets

held by the Trust will be subject to the claims of District's general creditors under federal and state law in the event of Insolvency, as defined in Section 3.1 herein.

- 1.5. The District, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with the Trustees to augment the principal to be held, administered and disposed of by the Trustees as provided in this Trust Agreement. Neither Trustees nor any participant of the Plan or beneficiary shall have any right to compel such additional deposits.

ARTICLE II.

Payments to Participants of the Plan.

- 2.1. The District shall deliver to the Trustees a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each participant of the Plan, that provides a formula or other instructions acceptable to the Trustees for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. Except as otherwise provided herein, the Trustees shall make payments to or on behalf of the participants of the Plan in accordance with such Payment Schedule. The Trustees shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the benefit payments pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by the Trustees.
- 2.2. The entitlement of a participant of the Plan to benefits under the Plan shall be determined by the District or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.
- 2.3. The District may make benefit payments directly to or on behalf of participants of the Plan as they become due under the terms of the Plan. The District shall notify the Trustees of its decision to make benefit payments directly prior to the time amounts are payable to or on behalf of participants. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make benefit payments in accordance with the terms of the Plan, the District shall make the balance of each such payment as it falls due. The Trustees shall notify the District where principal and earnings are not sufficient.

ARTICLE III.

Trustees Responsibility Regarding Payments to the Trust Beneficiary When the District Is Insolvent.

- 3.1. The Trustees shall cease benefit payments to or on behalf of participants of the Plan if the District is Insolvent. The District shall be considered "Insolvent" for purposes of this Trust Agreement if (a) the District is unable to pay its debts as they become due, or (b) the District is subject to a pending proceeding as a debtor under the United States Bankruptcy Code or is otherwise bound in a receivership proceeding.

- 3.2. At all times during the continuance of this Trust, as provided in Section 1.4 hereof, the principal and income of the Trust shall be subject to claims of general creditors of the District under federal and state law as set forth below.
- (a) The Board of Commissioners and the Chairman of the Board shall have the duty to inform the Trustees in writing of the District's Insolvency. If a person claiming to be a creditor of the District alleges in writing to the Trustees that the District has become Insolvent, the Trustees shall determine whether the District is Insolvent and, pending such determination, the Trustees shall discontinue benefit payments to or on behalf of participants of the Plan.
 - (b) Unless the Trustees has actual knowledge of the District's Insolvency, or has received notice from the District or a person claiming to be a creditor alleging that the District is Insolvent, the Trustees shall have no duty to inquire whether the District is Insolvent. The Trustees may in all events rely on such evidence concerning the District's solvency as may be furnished to the Trustees and that provides the Trustees with a reasonable basis for making a determination concerning the District's solvency.
 - (c) If at any time the Trustees has determined that the District is Insolvent, the Trustees shall discontinue payments to or on behalf of participants of the Plan and shall hold the assets of the Trust for the benefit of the District's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of participants of the Plan to pursue their rights as general creditors of the District with respect to benefits due under the Plan or otherwise.
 - (d) The Trustees shall resume the benefit payments to or on behalf of participants of the Plan in accordance with Article 2 of this Trust Agreement only after the Trustees has determined that the District is not Insolvent (or is no longer Insolvent).
- 3.3. Provided that there are sufficient assets, if the Trustees discontinues the payment of benefits from the Trust pursuant to Section 3.2 hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to or on behalf of participants of the Plan under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to or on behalf of participants of the Plan by the District in lieu of the payments provided for hereunder during any such period of discontinuance.

ARTICLE IV.
Payments to the District.

Except as provided in Article 3 hereof, on account of the Trust's having been established as an irrevocable trust, the District shall have no right or power to direct the Trustees to return to the District or to divert to others any of the Trust assets before all payments of benefits have been made to or on behalf of participants of the Plan pursuant to the terms of the Plan.

ARTICLE V.
Investment Authority.

All rights associated with assets of the Trust shall be exercised by the Trustees or the person designated by the Trustees, and shall in no event be exercisable by or rest with participants of the Plan. The District shall have the right, at anytime, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust.

ARTICLE VI.
Disposition of Income.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

ARTICLE VII.
Accounting by the Trustees.

The Trustees shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between the District and the Trustees. Within thirty (30) days following the close of each calendar year and within sixty (60) days after the removal or resignation of the Trustees, the Trustees shall deliver to the District a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

ARTICLE VIII.
Responsibility of the Trustees.

- 8.1. The Trustees shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that the Trustees shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by the District which is contemplated by, and in conformity with, the terms of the Plan or this Trust and is given in writing by the District. In the event of a dispute between the District and a party, the Trustees may apply to a court of competent jurisdiction to resolve the dispute.
- 8.2. If the Trustees undertakes or defends any litigation arising in connection with this Trust, the expenses and liabilities (including, without limitation, attorneys' fees and expenses) related thereto may be obtained from the Trust.

- 8.3. The Trustees may consult with legal counsel (who may also be counsel for the District generally) with respect to any of its duties or obligations hereunder.
- 8.4. The Trustees may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.
- 8.5. The Trustees shall have, without exclusion, all powers conferred on the Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, the Trustees shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustees, or to loan to any person the proceeds of any borrowing against such policy.
- 8.6. Notwithstanding any powers granted to the Trustees pursuant to this Trust Agreement or to applicable law, the Trustees shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

ARTICLE IX.

Compensation and Expenses of the Trustees.

The District shall pay all administrative and Trustees' fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

ARTICLE X.

Identification, Resignation and Removal of the Trustees.

- 10.1. The individuals appointed by the Edmonson County Judge Executive to serve as commissioners of the District shall serve as Trustees of the Trust concurrent with their service as Commissioners. A Trustee's service as Trustee shall automatically terminate when his or her service as commissioner for the District is terminated. A Trustee may resign at any time by written notice to the District, which shall be effective sixty (60) days after receipt of such notice unless the District and the Trustee agree otherwise.
- 10.2. A Trustee may be removed by the District at any time.
- 10.3. Upon resignation or removal of a Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within sixty (60) days after receipt of notice of resignation, removal or transfer, unless the District extends the time limit.
- 10.4. If a Trustee resigns or is removed, a successor shall be named concurrent with the appointment of a successor commissioner. If no such appointment is made and there are no Trustees remaining, the Trustees may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of the Trustees in connection with the proceeding shall be allowed as administrative expenses of the Trust.

ARTICLE XI.
Appointment of Successor.

- 11.1. If all the Trustees resign or are removed in accordance with Section 10.1 or 10.2 hereof, and not replaced with successors in accordance with Section 10.1, the District may appoint any third party, such as a bank trust department or other party that may be granted corporate Trustees powers under state law, as a successor to replace the Trustees upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustees, who shall have all of the rights and powers of the former Trustees, including ownership rights in the Trust assets. The former Trustees shall execute any instrument necessary or reasonably requested by the District or the successor Trustees to evidence the transfer.
- 11.2. The successor Trustees need not examine the records and acts of any prior Trustees and may retain or dispose of existing Trust assets, subject to Articles 7 and 8 hereof. The successor Trustees shall not be responsible for any claim or liability resulting from any action or inaction of any prior Trustees or from any other past event, or any condition existing at the time it becomes successor Trustees.

ARTICLE XII.
Amendment or Termination.

- 12.1. This Trust Agreement may be amended by a written instrument executed by the Trustees and the District. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable.
- 12.2. The Trust shall not terminate until the date on which participants of the Plan are no longer entitled to benefits pursuant to the terms of the Plan, including any benefits provided by an amendment to the Plan in conjunction with its termination.
- 12.3. Upon written approval of participants entitled to benefit payments pursuant to the terms of the Plan, the District may terminate this Trust prior to the time all benefit payments under the Plan have been made, including any benefits provided by an amendment to the Plan in conjunction with its termination.

ARTICLE XIII.
Miscellaneous.

- 13.1. Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.
- 13.2. Benefits payable to or on behalf of participants of the Plan under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.
- 13.3. This Trust Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

13.4. The effective date of this Trust Agreement shall be March 1, 2005.

SIGNATURES

IN WITNESS WHEREOF, the District has caused this instrument to be executed as of the date first above written, and the Trustees has executed this instrument to evidence its acceptance of the Trust as of the date first above written.

Attest:

Nelby Jander

EDMONSON COUNTY WATER DISTRICT

By: *Harold Stewart*

Title: *Chairman*

Attest:

Linda Thompson

This Agreement Accepted by:

Harold Stewart

Harold Stewart

Jackie McCombs
Jackie McCombs

Jimmy Mills
Jimmy Mills

as Trustees

30361193.0

**EDMONSON COUNTY
WATER DISTRICT
RETIREE HEALTH PLAN**

Effective March 1, 2005

**Edmonson County Water District
Retiree Health Plan**

Table of Contents

ARTICLE 1. ESTABLISHMENT OF PLAN	1
ARTICLE 2. DEFINITIONS	1
2.1 Administrator	1
2.2 Benefit	1
2.3 Cause	1
2.4 Code	1
2.5 Effective Date.....	1
2.6 Employee.....	1
2.7 Employer.....	1
2.8 Grantor Trust.....	1
2.9 Hour of Service	2
2.10 Lifetime Maximum	2
2.11 Monthly Maximum	2
2.12 Participant.....	2
2.13 Plan.....	2
2.14 Plan Year	2
2.15 Termination of Employment.....	2
2.16 Year of Service.....	3
ARTICLE 3. PARTICIPATION	3
3.1 Participation	3
3.2 Plan Binding.....	3
ARTICLE 4. BENEFITS.....	3
4.1 Eligibility for Benefits.....	3
4.2 Commencement of Benefits.....	3
4.3 Payment of Benefits	3
4.4 Amounts in Excess of the Monthly Maximum.....	3
4.5 End of Benefit Payments	3
4.6 Vesting and Payment of Benefits Upon Plan Termination	4
ARTICLE 5. CONTRIBUTIONS	4
5.1 Employer Contribution	4

ARTICLE 6. PLAN ADMINISTRATION.....	4
6.1 Appointment of Administrator.....	4
6.2 Administrator’s Powers and Duties	4
6.3 Claims Procedures.....	5
6.4 Compensation and Expenses of Administrator	6
 ARTICLE 7. AMENDMENT AND TERMINATION	 6
7.1 Amendment.....	6
7.2 Termination	6
 ARTICLE 8. MISCELLANEOUS.....	 6
8.1 Creditors	6
8.2 Participant’s Rights	6
8.3 Successors and Assigns.....	6
8.4 Written Notice	6
8.5 Total Agreement	6
8.6 Severability.....	7
8.7 Controlling Law	7

EDMONSON COUNTY WATER DISTRICT
RETIREE HEALTH PLAN

ARTICLE 1.
ESTABLISHMENT OF PLAN

Effective March 1, 2005, the Board of Commissioners of the Edmonson County Water District (the "District"), a governmental agency organized under the provisions of Chapter 74 of the Kentucky Revised Statutes, adopts the Edmonson County Water District Retiree Health Plan ("Plan"), pursuant to the authority granted to it by KRS 74.070, in order to provide retiree health benefits in the form of premium payments for health insurance coverage for its retirees. The Plan, as adopted by the Board, is set forth herein.

ARTICLE 2.
DEFINITIONS

- 2.1 Administrator. The Edmonson County Water District or its designee who shall perform the basic administrative duties and functions under the Plan.
- 2.2 Benefit. The benefit which is paid under this Plan, which shall be for the sole purpose of making premium payments for an individual policy of health insurance, including a Medicare supplement policy, for any Participant (but not to include coverage for any dependent(s) of the Participant) who qualifies for a benefit under Section 3.1.
- 2.3 Cause. Any termination for cause, as determined by a majority vote of the Board of Commissioners of the Employer, on account of the following:
- (a) Gross negligence, fraud or willful violation of any law or District policy, committed in connection with the position and resulting in a material adverse effect on the District; or
 - (b) Failure to substantially perform (for reasons other than disability) the duties reasonably assigned or appropriate to the position, in a manner reasonably consistent with prior practice; provided, however, that the term "cause" shall not include ordinary negligence or failure to act, whether due to an error in judgment or otherwise, if the Participant has exercised substantial efforts in good faith to perform the duties reasonably assigned or appropriate to the position.
- 2.4 Code. The Internal Revenue Code of 1986, as amended from time to time.
- 2.5 Effective Date. The effective date of this Plan, which is March 1, 2005.
- 2.6 Employee. Any employee employed by the Employer.
- 2.7 Employer. The Edmonson County Water District, or any successor thereto.
- 2.8 Grantor Trust. The Edmonson County Water District Retiree Health Plan Trust, which is a grantor trust of the Employer.

2.9 Hour of Service. An hour of service for which an Employee is paid or entitled to be paid, including hours the Employee actually works and other periods when the Employee is not at work. Periods when an Employee is not at work for which an hour of service shall be credited include vacation, holidays, illness, jury duty, military duty, layoff and incapacity (including disability or pregnancy), and periods for which back pay is awarded. No more than 501 hours of service shall be credited for such periods. If an Employee receives credit for hours of service on account of a back pay award, the Employee will not be credited for the same hours of service both on account of the back pay award and on account of either hours the Employee actually works or other periods when the Employee is not at work.

2.10 Lifetime Maximum. The maximum amount of Benefit that shall be paid to a Participant. The maximum lifetime Benefit shall be as follows, subject to any adjustment under Section 4.6 in event of the Plan's termination:

<u>Date of Termination of Employment</u>		<u>Lifetime Maximum</u>
<u>On or After</u>	<u>Prior to</u>	
March 1, 2005	---	\$29,400

2.11 Monthly Maximum. The maximum amount of Benefit that may be paid to a Participant in any given month. The maximum monthly Benefit shall be no more than the following amount in any given month during which Benefits are paid:

<u>Date of Termination of Employment</u>		<u>Monthly Maximum</u>
<u>On or After</u>	<u>Prior to</u>	
March 1, 2005	---	\$1,000

2.12 Participant. Any Employee who is eligible for participation under Section 3.1.

2.13 Plan. The Edmonson County Water District Retiree Health Plan, as set forth herein and as amended from time to time.

2.14 Plan Year. The 12-month period from January 1 to December 31, which shall be the period serving as the basis for the Plan's annual record keeping. There shall be an initial short plan year beginning March 1, 2005 and ending December 31, 2005.

2.15 Termination of Employment. The date on which the Employee terminates employment with the Employer for any reason, including, but not limited to, death, retirement or disability, but not including termination for Cause. For an employee on a leave of

absence, such termination shall occur when the leave of absence expires if such employee does not return to active service.

- 2.16 Year of Service. Any Plan Year during which a Participant is credited with at least 1,560 Hours of Service.

ARTICLE 3.
PARTICIPATION

- 3.1 Participation. Each Employee shall be eligible to participate immediately upon the earlier to occur of the Effective Date or an Employee's date of hire.
- 3.2 Plan Binding. Upon becoming a Participant, a Participant shall be bound then and thereafter by the terms of this Plan, including all amendments to this Plan made in the manner herein authorized.

ARTICLE 4.
BENEFITS

- 4.1 Eligibility for Benefits. A Participant shall become eligible to receive Benefits under the Plan after Termination of Employment, not including any termination for Cause, upon attainment of at least age 55 and completion of at least 25 Years of Service.
- 4.2 Commencement of Benefits. Benefits under this Plan for a Participant who is eligible to receive such Benefits under Section 4.1 shall commence as soon as administratively possible upon such Participant's Termination of Employment. Notwithstanding the foregoing, in no event shall Benefits commence for a Participant prior to March 1, 2007.
- 4.3 Payment of Benefits. Benefits shall be paid as a premium payment made directly to each insurer that provides an individual policy of health insurance for a Participant (but not to include coverage of any dependent(s) of the Participant). Benefits may be paid as a premium payment for a Medicare supplement insurance policy covering the Participant, but shall not be paid as a premium payment for coverage under Medicare, Part B. The amount of Benefit payment shall not exceed the Monthly Maximum for any given month.
- 4.4 Amounts in Excess of the Monthly Maximum. In the event the amount of premium payment for any Participant exceeds the Monthly Maximum, such excess amount shall be delivered by the Participant to the Employer. The excess amount shall be added to the Benefit payment made under this Plan and paid to the insurer.
- 4.5 End of Benefit Payments. Payment of Benefits under this Plan shall end upon the earlier to occur of the following:
- (a) total Benefit payments on behalf of any Participant equal the Lifetime Maximum; or
 - (b) the Participant becomes covered under the group health plan of another employer.

- 4.6 Vesting and Payment of Benefits Upon Plan Termination. In the event of a termination of the Plan pursuant to Section 7.2, a Participant shall become vested in his or her Benefit in accordance with the following formula, which shall become the "Vested Lifetime Maximum" for each such Participant:

$$\text{Lifetime Maximum} \quad \times \quad \frac{\text{Years of Service}}{25}$$

Such vesting shall apply to each Participant regardless of attainment of any age.

ARTICLE 5. CONTRIBUTIONS

- 5.1 Employer Contribution. The Plan shall be funded wholly by employer contributions, which shall be made and deposited in the Grantor Trust from time to time. The amount and timing of such employer contributions shall be solely at the discretion of the Employer, but in any event shall not consist of an amount for any Participant in excess of the Lifetime Maximum.

ARTICLE 6. PLAN ADMINISTRATION

- 6.1 Appointment of Administrator. This Plan shall be administered by the Employer. The Employer may allocate any or all of its duties to an Administrator. The Administrator may be an individual or a committee. Individuals acting as Administrator may participate in the Plan but shall not participate in any decision that relates solely to their own participation. Individuals acting as Administrator may resign upon 30 days' written notice to the Employer and may be removed at any time by the Employer upon written notice.
- 6.2 Administrator's Powers and Duties. The Administrator shall have any and all powers and authority (including discretion with respect to the exercise of that power and authority) which shall be necessary, properly advisable, desirable or convenient to enable it to carry out its duties, which duties shall include the following:
- (a) construe and interpret the provisions of the Plan;
 - (b) adopt, amend or revoke rules and regulations for the administration of the Plan, provided they are not inconsistent with the provisions of the Plan;
 - (c) provide appropriate parties with such returns, reports, descriptions and statements as may be required by law, within the times prescribed by law and to make them available for examination by Participants when required by law;
 - (d) take such other action as may reasonably be required to administer the Plan in accordance with its terms or as may be provided for or required by law;

- (e) provide any Participant, whose claim for benefits has been denied, a reasonable opportunity for a full and fair review; and
- (f) appoint and retain such persons as may be necessary to carry out the functions of the Administrator.

Any final determination by the Administrator shall be conclusive and binding on all persons.

6.3 Claims Procedures.

- (a) Claim for Benefits. Claims for benefits under the Plan shall be made in writing to the Administrator. In the event a claim for benefits is wholly or partially denied by the Administrator, the Administrator shall, within a reasonable period of time, but no later than ninety (90) days after receipt of the claim, notify the claimant in writing of the denial of the claim. If the initial determination requires a longer period, the Administrator shall notify the claimant that the initial ninety (90) day period is being extended, but such extension shall be no longer than an additional ninety (90) days. The notice of claim denial shall be written in a manner calculated to be understood by the claimant and shall contain (1) the specific reason or reasons for denial of the claim, (2) a specific reference to the pertinent Plan provisions upon which the denial is based, (3) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary, and (4) an explanation of the Plan's review procedure.
- (b) Appeal of Claim Denial. Within sixty (60) days of receipt of the initial written notice of denial of the claim, the claimant may file a written request with the Administrator that it conduct a full and fair review of the denial of the claimant's claim for benefits, including the conducting of a hearing, if deemed necessary by the Administrator. In connection with the claimant's appeal of the denial of benefits, the claimant may review pertinent documents and may submit issues and comments in writing.
- (c) Review on Appeal. Within sixty (60) days of receipt of the claimant's written request for review, unless special circumstances require a longer period of time (but not longer than one hundred twenty (120) days after receipt of the claimant's written request), the Administrator shall provide the claimant written notification of its final decision. Such written notice shall contain (1) specific reasons for the decision, (2) be written in a manner calculated to be understood by the claimant, and (3) contain specific references to the pertinent Plan provisions upon which the decision is based.
- (d) Exhaustion of Remedies. No Participant shall have any right to commence any legal or equitable action against the Plan or any fiduciary of the Plan more than ninety (90) days after exhaustion of their rights under the Plan's claims procedure. All levels of the Plan's claims procedure must be exhausted before a Participant can bring an action at law or equity against the Plan or a fiduciary of the Plan.

- 6.4 Compensation and Expenses of Administrator. The Administrator shall serve without compensation for services as such, but all proper expenses incurred by the Administrator incident to the functioning of the Plan (including reasonable expenses of litigation involving the Plan and reasonable expenses of its attorneys and agents) shall be borne by and paid out of funds set aside to pay benefits under the Plan, except to the extent the Employer elects to have such expenses paid directly by the Employer.

ARTICLE 7.
AMENDMENT AND TERMINATION

- 7.1 Amendment. This Plan may be modified or amended in whole or in part (including retroactive amendments) by the Board of Commissioners or its designee in accordance with current laws and regulations.
- 7.2 Termination. The Employer reserves the right to terminate the Plan at any time. Upon such termination, the Plan and Grantor Trust will continue in operation, and payments of benefits will continue to be made from the Grantor Trust as provided under the Plan and Grantor Trust.

ARTICLE 8.
MISCELLANEOUS

- 8.1 Creditors. A Participant may not assign, transfer, sell, hypothecate, or otherwise dispose of any or all of the Benefits or any right which is provided under the Plan, and any attempt to do so shall be void.
- 8.2 Participant's Rights. Participation in the Plan shall not be construed as giving any Participant any right to continue employment with the Employer, nor shall the Participant have any right to or interest in the Grantor Trust other than as specifically provided under the Plan and the Grantor Trust.
- 8.3 Successors and Assigns. The Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns, all Participants and their heirs and legal representatives.
- 8.4 Written Notice. Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Employer shall be sent to the designated office of the Employer, and, if directed to a Participant, shall be sent to such Participant at either the last known address as it appears on Employer's records or at the work site, at the Employer's option.
- 8.5 Total Agreement. This Plan and the Grantor Trust, and any subsequently adopted amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

- 8.6 Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of the Plan, and the Plan will be construed and enforced as if such provision had not been included therein.
- 8.7 Controlling Law. This Plan is created and shall be interpreted under the laws of the Commonwealth of Kentucky, without regard to principles of conflicts of laws.

The Edmonson County Water District hereby adopts this Edmonson County Water District Retiree Health Plan, this 8 day of March, 2005, to be effective March 1, 2005.

EDMONSON COUNTY WATER DISTRICT

By: Harold Stewart

Title: Chairman

Receipt of a copy the
Edmonson County
Water District Retiree
Health Plan is hereby
acknowledged.

THE TRUSTEES:

Harold Stewart
Harold Stewart

Jackie McCombs
Jackie McCombs

Jimmy Mills
Jimmy Mills

30361193.0

the increased rates. A motion was made by Jimmy Mills to adjust the Retirement Insurance pool to \$32,400.00 for each employee. Second by Jackie McCombs. Barry Rich agreed. Motion Carried.

30-DAY EVALUATIONS

30-day evaluations for Dora Cowles and Tiffany Mayfield were reviewed by the Board.

3.2 PROJECT

David Fincher reported all punch list items have been taken care of. They are supposed to pick up some rocks around the tank.

Estimates were submitted for approval and signature. (Caldwell Tanks-44,370.00), (GRW Engineers, Inc.-4,381.19), (Local Attorney-1,399.13), (ECWD-20,449.98). A motion was made by Jackie McCombs to approve and sign the estimates. Second by Barry Rich. Motion Carried.

3.380 PROJECT

Terry Loper informed the Board that he needs minority letter, plans and specs and this project will be getting well on its way. Louis is working on this.

HART COUNTY PROJECT

Nelson informed the Board that two roads have been added in on this project as an amendment and adjusted the cost. Terry Loper informed Nelson and the Board to look at additions during the environmental study and then all the Water District would have to do is to ask for a change order and keep on working. Nelson informed Terry that all roads in Hart County should have water after this project.

KENTUCKY INFRASTRUCTURE AUTHORITY

Melissa Melton informed the Board that KIA may be requiring additional paperwork and when funds are requested they need to be submitted immediately.

JUDGE REED LETTER/REQUEST

Nelson read a letter from Judge Reed to the Board concerning giving customer names and addresses out to the county. Per Attorney Robert Meredith, names and addresses can be given out but no other information is allowed to be given out. After some discussion, A motion was made by Barry Rich to give the list to the Judge. Second by Jimmy Mills. Motion Carried.

ED MOODY COMPLAINT

Mr. Moody informed the Board that his daughter had been at his mother's house and when she left he went over to the house and cut the water off and made sure everything was off. His daughter received a large bill. The Distribution crew had repaired the angle valve and Mr. Moody had replaced his cut off valve that had frozen and burst. He was requesting any adjustment the Board could give. A motion was made by Jimmy Mills to give the adjustment as the Leak Adjustment Policy. Second by Barry Rich. Jackie McCombs agreed. Motion Carried.

