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KY Public Service Commission

Utility Information

General	Address	Comments	Counties	Groups
<p>Comments for Utility ID: 9002600 Red Barn Waste Management, LLC</p> <p>Added correspondence default contact 12/1/2009. Updated contacts per 2/17/2010 notice. Changed contact and address per 6/22/2010 notice. Changed address per info submitted by USPS 2/11/2011. Added Correspondence contact 5/17/2011. Made inactive per Final Order in Case 2017-00165 approving transfer to Mercer County Sanitation District; Transaction effective 3/13/2017 per 11/3/2017 and 11/13/2017 notices.</p> <p style="text-align: right;"><i>Last Changed: GR_Rpt 12/12/201.</i></p>				

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF RED BARN WASTE)
MANAGEMENT, LLC TO TRANSFER)
OWNERSHIP AND CONTROL TO) Case No.
THE MERCER COUNTY SANITATION) 2017-00165
DISTRICT)

ORDER

Red Barn Waste Management, LLC (“Red Barn”) has applied for the transfer of its wastewater collection system and package plant in Mercer County, Kentucky, to Mercer County Sanitation District (“MCSD”). In support of this request, Red Barn has submitted an Agreement for the Transfer of Assets (“Agreement”) containing the terms of the transfer. No person has sought to intervene in this proceeding, and Red Barn has not requested a formal hearing. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Red Barn was formed on December 21, 2005, and operates facilities used for the collection, transmission, and treatment of sewage for the public compensation, and is therefore a utility subject to the Commission’s jurisdiction pursuant to KRS 278.010(3)(f) and KRS 278.040.

2. Red Barn serves approximately 18 customers located on Chimney Rock Road, Arthur Court, Klein Court and Ragona Court.¹

¹ Application at 2.

3. Red Barn does not operate any facilities other than those used to provide wastewater service.

4. MCSD is a sanitation district established on July 26, 2005, by Mercer County Fiscal Court Ordinance No. 2005-8 pursuant to KRS Chapter 67.²

5. The service area of MCSD encompasses Mercer County, excluding the City of Harrodsburg Planning Area.³

6. Pursuant to the Agreement, Red Barn agrees to sell MCSD, its wastewater collection system and package plant, located in Mercer County, Kentucky, for one dollar.⁴

7. Red Barn charges a monthly fee of \$40 per customer for the first 2,000 gallons and \$6.50 per 1,000 gallons for sales in excess of 2,000 gallons.⁵ If the proposed transfer is approved, MCSD will charge the same rate.⁶

8. Red Barn submitted with its Application an Agreed Order and an Amended Agreed Order between MCSD and the Kentucky Energy and Environmental Cabinet (“Cabinet”) in Case No. DOW 160092. The Orders provide that MCSD shall take specified remedial measures if it acquires the Red Barn wastewater collection system and package plant.⁷

² *Id.*

³ *Id. at 2*

⁴ *Id.*

⁵ *Id.*, Exhibit E.

⁶ *Id. at 3.*

⁷ *Id.*, Exhibit E, and Exhibit F.

9. The Agreed Order states that MCSD plans to replace the existing treatment plant and provides that MCSD shall submit plans for a new wastewater treatment plant to the Cabinet and a closure plan for the present wastewater collection system and package plant.⁸

10. Red Barn submitted with its application a Preliminary Engineering Report dated May 14, 2015, that recommends replacing the existing wastewater treatment plant because the existing plant is “operating beyond its design life, and repairing/upgrading components of the existing plant will not match the useful life and improved treatment of a new plant.” The proposed new plant will have a treatment capacity of 18,000 gallons per day, and will accept and treat wastewater from Red Barn’s existing customers as well as an additional 35 properties that do not now have sewer service.⁹

11. The Cabinet, Division of Water, approved by letter dated February 7, 2017, the plans and specifications for the proposed wastewater treatment plant.¹⁰

12. MCSD has secured financing to construct the proposed wastewater treatment facilities. Specifically, Kentucky Infrastructure Authority has approved a loan to MCSD of \$423,500, or one approximately half of the approved cost of the new facilities,¹¹ and the Kentucky Department of Local Government has awarded a grant to

⁸ *Id.*

⁹ *Id.*, Exhibit G.

¹⁰ *Id.*, Exhibit H.

¹¹ *Id.*, Exhibit I.

Mercer of \$424,000 for the remaining cost of the proposed wastewater treatment facilities.¹²

13. According to its most recent Financial Audit, MCSD had, as of June 30, 2016, total assets of \$3,055,399, including \$64,393 in total current assets, \$2,969,878 in net property and equipment, and \$710,937 in total liabilities.¹³

14. KRS 278.020(6) provides that “[n]o person shall acquire or transfer ownership or, or control, or the right to control, any utility under the jurisdiction of the commission . . . without prior approval by the commission. The commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.”

15. KRS 278.020(7) provides that “[n]o individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust, or other entity (an “acquirer”), whether or not organized under the laws of this state, shall acquire control, whether directly or indirectly, of any utility furnishing utility service in this state, without first having obtained the approval of the commission.” KRS 278.020(7) further provides that the “commission shall approve any proposed acquisition when it finds that the same is to be made in accordance with law, for a proper purpose and is consistent with the public interest.”

16. The transfer of Red Barn to the MCSD is a transaction subject to the jurisdiction of the Public Service Commission and requires Commission approval.

¹² Application Exhibit J DLG CDBG Agreement (April 24, 2017).

¹³ Application Exhibit C MCSD Financial Audit–June 30, 2016 (April 24, 2017).

17. MCSD has the legal authority to provide wastewater service in the territory currently served by Red Barn.

18. In view of its financial assets and its status as a sanitation district, MCSD has sufficient financial integrity to ensure continuity of service.

19. MCSD will have the financial, technical, and managerial abilities to provide reasonable service to those persons located in the area now served by Red Barn treatment and package plant.

20. KRS 224A.300(1) provides that the regionalization and consolidation of water and wastewater systems should be encouraged, and the transfer of ownership and control of Red Barn wastewater treatment and package plant to MCSD is consistent with this goal.

21. The transfer of Red Barn wastewater treatment system and package plant is in accordance with the law, for a proper purpose, and is consistent with the public interest.

22. As a Sanitation District, MCSD is not subject to the Commission's jurisdiction over rates and service.¹⁴

23. Upon MCSD's acquisition of the Red Barn wastewater treatment system and package plant, that system and its customers will no longer be subject to the Commission's jurisdiction.

IT IS THEREFORE ORDERED that:

1. The proposed transfer of ownership and control of the Red Barn wastewater treatment system and package plant, pursuant to the terms of the agreement, is

¹⁴ See Boone County Water & Sewer District b. Public Service Comm'n 949 S.W.2d 588 (Ky. 1997).

approved, subject to the conditions set forth in ordering paragraphs 2 through 6, as of the date of this Order.

2. Red Barn shall notify the Commission in writing of the closing of the transaction with ten days of the closing.

3. If the transaction does not close within 90 days of the date of this Order, Red Barn shall file with the Commission a report on the status of the efforts to complete the transfer.

4. Any material revision to the proposed transaction shall be approved by the Commission in order for the amendment to be effective.

5. No later than July 1, 2017, Red Barn shall submit its Gross Report and an annual report for the calendar year ending December 31, 2016, and its Gross Report and an Annual Report for the period January 1, 2017, through the date of the transfer.

6. Any documents filed pursuant to ordering paragraphs 2, 3, and 5 shall reference this case number and shall be retained in Red Barn's general correspondence file.

7. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon a showing of good cause for such an extension.

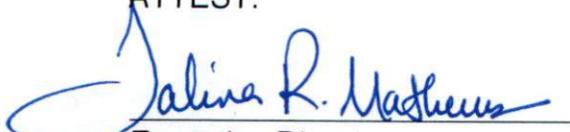
8. A copy of this Order shall be served on the Kentucky Division of Water, Mercer County Judge Executive, and the MCSD.

9. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
MAY 31 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2017-00165

*Christopher K Herron
Attorney at Law
430 West Main Street
Danville, KENTUCKY 40422

*Jeff Ruttenburg
Red Barn Waste Management, LLC
P. O. Box 1047
Lexington, KENTUCKY 40588

*Red Barn Waste Management, LLC
1476 Hartland Woods Way
Lexington, KY 40515-2011

*James W Carpenter
Mercer County Sanitation District
P.O. Box 303
Burgin, KENTUCKY 40310

*Mike D Sanford
Executive Director
Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

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NOV 03 2017

Mercer County Sanitation District

PUBLIC SERVICE
COMMISSION

801 Pleasant Hill Drive
P.O. Box 303
Burgin, Kentucky 40310
(859) 748-9654

November 2, 2017

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602

Re: Red Barn Waste Management, LLC
Case No. 2017-00165

To Whom It May Concern:

The Mercer County Sanitation District began operating the wastewater collection system and package treatment plant on March 13, 2017. An Agreement for Transfer of Assets and an Operation & Management Agreement was executed with between the two bodies on March 13, 2017. The District operated the system and provided service to the existing customers under the Commission approved tariff for Red Barn Waste Management until May 31, 2017 when the Commission approved the transfer application. Upon approval, the collection system and service to the customer base were governed by the Mercer County Sanitation District Sewer Use Ordinance, adopted in 2008.

At this time, the package plant and collection system are in compliance with the Division of Water and the bid advertisement was released on October 19, 2017 to replace the existing package plant with a new plant.

The Operation & Management Agreement and the Agreement for Transfer of Assets are attached. If further information is necessary pertaining to the close of the transaction with Red Barn Waste Management, LLC, please let me know and the information will be forwarded immediately.

Sincerely,



Mike D. Sanford, MPA
Executive Director
Mercer County Sanitation District

COPY

OPERATION AND MANAGEMENT AGREEMENT

This **OPERATION AND MANAGEMENT AGREEMENT** (the "**AGREEMENT**") dated March 13, 2017, is entered into between **RED BARN WASTE MANAGEMENT, LLC**, a Kentucky Limited Liability Company, hereinafter referred to as **FIRST PARTY**, and **MERCER COUNTY SANITATION DISTRICT**, hereinafter referred to as **SECOND PARTY**. **FIRST PARTY** is the owner of **ASSETS** located at 220 Chimney Rock Road, Harrodsburg, KY 40330, and **FIRST PARTY** wishes to enter into the **AGREEMENT** with **SECOND PARTY** to operate and manage said **ASSETS**. Both parties mutually agree to the following terms and conditions.

TERMS AND CONDITIONS:

- (1) WHEREAS **SECOND PARTY** will become the responsible party for KPDES No. KY0092631 as described in the Agreed Order for Energy and Environment Cabinet, Division of Enforcement, Case No. 160092, effective April 1, 2017.
- (2) WHEREAS **SECOND PARTY** agrees to maintain sanitary sewer service to 18 existing customers located on Chimney Rock Road, Arthur Court, Klein Court and Ragona Court, effective April 1, 2017.
- (3) WHEREAS **SECOND PARTY** agrees to operate the wastewater facilities under the provisions of the Public Service Commission approved Red Barn Waste Management, LLC Rate & Charges and Rules & Regulations issued on October 16, 2006, until which time that the Transfer Application is approved by the Public Service Commission.
- (4) WHEREAS **FIRST PARTY** agrees that **SECOND PARTY** will collect all sewer user fees for the existing customers effective April 1, 2017.
- (5) WHEREAS **SECOND PARTY** agrees to assume all operational expenses effective April 1, 2017.
- (6) This agreement is construed under the laws of the Commonwealth of Kentucky. Any cause of action resulting from this agreement between First Party and Second Party shall be resolved in the Mercer Circuit Court, Harrodsburg, Kentucky.

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**PUBLIC SERVICE
COMMISSION**

THIS BINDING AGREEMENT IS HEREBY ACCEPTED BY THE UNDERSIGNED PARTIES:

REDBARN WASTE MANAGEMENT, LLC,
A KENTUCKY LIMITED LIABILITY COMPANY,
FIRST PARTY,



BY AND THROUGH:
JEFFREY C. RUTTENBURG,

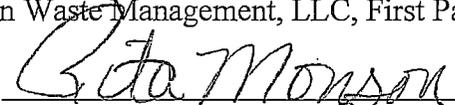
MERCER COUNTY SANITATION DISTRICT
SECOND PARTY,



BY AND THROUGH:
JAMES CARPENTER, CHAIRMAN

STATE OF KENTUCKY
COUNTY OF BOYLE

Subscribed, sworn, and attested to before me by Jeffrey C. Ruttenburg, Manager of Redbarn Waste Management, LLC, First Party, this 13th day of March, 2017.



NOTARY PUBLIC,
KENTUCKY STATE AT LARGE

MY COMMISSION EXPIRES: 7-30-2020

ID NO: 560273

STATE OF KENTUCKY
COUNTY OF BOYLE

Subscribed, sworn, and attested to before me by James Carpenter, Chairman of Mercer
County Sanitation District, Second Party, this 9 day of March, 2017.

Gita Monson

NOTARY PUBLIC,
KENTUCKY STATE AT LARGE

MY COMMISSION EXPIRES: 7-30-2020

ID NO: 560273

DOCUMENT PREPARED BY:

Christopher K. Herron

CHRISTOPHER K. HERRON
CHRISTOPHER K. HERRON, PLLC
P.O. BOX 459
DANVILLE, KY 40423
(859) 236-3777

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NOV 03 2017

PUBLIC SERVICE
COMMISSION

**AGREEMENT FOR TRANSFER OF
ASSETS**

This **AGREEMENT FOR THE TRANSFER OF ASSETS** (the "**AGREEMENT**") dated March 13, 2017, is entered into between **RED BARN WASTE MANAGEMENT, LLC**, a Kentucky Limited Liability Company, hereinafter referred to as **SELLER**, and **MERCER COUNTY SANITATION DISTRICT**, hereinafter referred to as **PURCHASER**. **SELLER** is the owner of certain **ASSETS** located in **MERCER COUNTY, KENTUCKY**, and **SELLER** wishes to convey the certain **ASSETS** to **PURCHASER**, and **PURCHASER** wishes to acquire same from **SELLER**. Both parties mutually agree to the following terms and conditions.

DESCRIPTION OF ASSETS

PURCHASER agrees to buy and **SELLER** agrees to sell certain tangible and intangible business assets and services of **SELLER**, as further provided herein, (the "**ASSETS**") related to **SELLER'S** business (the "**BUSINESS**"), free and clear of any liens, claims or other encumbrances. This transaction shall be herein referred to as the "**TRANSFER**". The **ASSETS** which will be sold are as follows:

I. Building, Inventory, and Miscellaneous Items:

- Building and all of its contents located at the following described location in Mercer County, Kentucky:

BEING a 30 feet by 53 foot tract of land encompassing an existing sanitary sewer treatment plant as shown on exhibit attached to the deed of easement recorded in Deed Book 167, Page 239, in Mercer County Clerk's Office, and also a 10 foot wide strip surrounding said plant, and being located near the west shoreline of Herrington Lake approximately 700 feet north of the Chimney Rock Marina and more particularly described as follows:

BEGINNING at a point located 35.4 feet on a bearing of north 10 degrees 20 minutes west from an iron pin with identification cap (LS 3096) located at the northeast corner

of the Klein property; thence 10 feet west of the parallel of the west edge of the existing treatment plant north 02 degrees 04 minutes west 53.0 feet to a point; thence 10 feet north of and parallel to the north edge of the existing treatment plant north 87 degrees 56 minutes east 30.0 feet to a point; thence 10 feet east of and parallel to the east edge of the existing treatment plant south 02 degrees 04 minutes east 30.0 feet to a point; thence 10 feet south of and parallel to the south edge of the existing treatment plant south 87 degrees 56 minutes west 30.0 feet to the point of beginning and containing 1590 square feet, and

BEING the same easement conveyed by Deed of Correction to Red Barn Waste Management, LLC, a Kentucky limited liability company, from Red Barn Waste Management, LLC, a Kentucky limited liability company, dated November 6, 2009 and of record in Deed Book 321, Page 709, all records Mercer County Clerk's office. (See also Deed Book 319, Page 323 and Deed Book 309, Page 279, and DB 167, 239, in the Mercer County Clerk's office.)

- All chemicals and other treatment material.
- All instructional material.
- All customer lists and contact information.
- All documents necessary for compliance purposes including historical documentation.

II: Assignment of Easement:

No transfer of real estate shall be a part of this agreement. Seller agrees to assign the current easement it possesses regarding the operation of the current wastewater package plant and collection system located on the real property owned by Kentucky Utilities which is described above. **The agreement is contingent upon the receipt of Environmental Clearance from the Department for Local Government for the Kennedy Bridge Road Sewer Project.**

PRICE AND TERMS

The price of the **ASSETS** purchased is **ONE DOLLAR AND 00/100 (\$1.00) DOLLAR.**

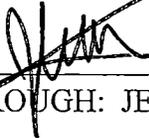
ADDITIONAL TERMS AND CONDITIONS

1. Buyer will become the responsible party for KPDES No. KY0092631 as described in the Agreed Order for Energy and Environment Cabinet Division of Enforcement Case No. 160092.
2. Buyer agrees to maintain sanitary sewer service to 18 existing customers located on Chimney Rock Road, Arthur Court, Klein Court and Ragona Court.

3. Seller agrees to transfer to the Buyer all assets and infrastructure related to the wastewater package plant and collection system as described in KPDES No. KY0092631
4. Buyer will not be liable for debts or other obligations incurred by Seller prior to the transfer of ownership.
5. The electric and water service will be transferred to the Buyer at the time of the ownership transfer.

The undersigned agree to the terms of this agreement.

SELLER: RED BARN WASTE MANAGEMENT, LLC



BY AND THROUGH: JEFFREY C. RUTTENBERG,
MANAGER

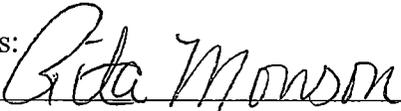
3/13/17
Date

BUYER: MERCER SANITATION DISTRICT



BY AND THROUGH: JIM CARPENTER, CHAIRMAN

3-9-17
Date

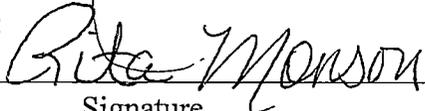
Witness: 

Signature

3-13-17
Date

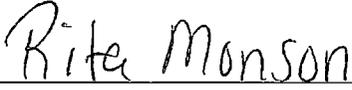


Printed Name

Witness: 

Signature

3-9-17
Date



Printed Name

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NOV 13 2017

PUBLIC SERVICE
COMMISSION

CHRISTOPHER K. HERRON, PLLC
ATTORNEY AT LAW

430 West Main Street, Suite 100
P.O. Box 459
Danville, KY 40423
Phone/Fax: 859-236-3777/3744

November 9, 2017

Dr. Talina R. Matthews, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

IN RE: Mercer County Sanitation District
Red Barn Waste Management, LLC
Case No. 2017-00165

Dear Dr. Matthews:

Please accept this filing on behalf of my client, Mercer County Sanitation District. I have attached a copy of the Agreement for Transfer of Assets between Mercer County Sanitation District and Red Barn Waste Management, LLC dated Mary 13, 2017. In said agreement Red Barn Waste Management, LLC transferred its wastewater package plant and collection system building, inventory, and all other contents in said building. Additionally, I have attached a copy of the Assignment of Easement from Red Barn Waste Management, LLC to Mercer County Sanitation District also dated March 13, 2017. In said document Red Barn Waste Management, LLC assigned the easement it was previously granted to operate a wastewater package plant and collection system in Mercer County, Kentucky.

I hope this letter and attachments shall fully satisfy your request for more information from Mercer County Sanitation District. Thank you.

Sincerely,



Christopher K. Herron

Cc: Encl

RECEIVED

NOV 13 2017

PUBLIC SERVICE
COMMISSION

**AGREEMENT FOR TRANSFER OF
ASSETS**

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PURCHASER agrees to buy and **SELLER** agrees to sell certain tangible and intangible business assets and services of **SELLER**, as further provided herein, (the "**ASSETS**") related to **SELLER'S** business (the "**BUSINESS**"), free and clear of any liens, claims or other encumbrances. This transaction shall be herein referred to as the "**TRANSFER**". The **ASSETS** which will be sold are as follows:

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of the Klein property; thence 10 feet west of the parallel of the west edge of the existing treatment plant north 02 degrees 04 minutes west 53.0 feet to a point; thence 10 feet north of and parallel to the north edge of the existing treatment plant north 87 degrees 56 minutes east 30.0 feet to a point; thence 10 feet east of and parallel to the east edge of the existing treatment plant south 02 degrees 04 minutes east 30.0 feet to a point; thence 10 feet south of and parallel to the south edge of the existing treatment plant south 87 degrees 56 minutes west 30.0 feet to the point of beginning and containing 1590 square feet, and

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- All customer lists and contact information.
- All documents necessary for compliance purposes including historical documentation.

II: Assignment of Easement:

No transfer of real estate shall be a part of this agreement. Seller agrees to assign the current easement it possesses regarding the operation of the current wastewater package plant and collection system located on the real property owned by Kentucky Utilities which is described above. **The agreement is contingent upon the receipt of Environmental Clearance from the Department for Local Government for the Kennedy Bridge Road Sewer Project.**

PRICE AND TERMS

The price of the ASSETS purchased is **ONE DOLLAR AND 00/100 (\$1.00) DOLLAR.**

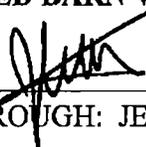
ADDITIONAL TERMS AND CONDITIONS

1. Buyer will become the responsible party for KPDES No. KY0092631 as described in the Agreed Order for Energy and Environment Cabinet Division of Enforcement Case No. 160092.
2. Buyer agrees to maintain sanitary sewer service to 18 existing customers located on Chimney Rock Road, Arthur Court, Klein Court and Ragona Court.

3. Seller agrees to transfer to the Buyer all assets and infrastructure related to the wastewater package plant and collection system as described in KPDES No. KY0092631
4. Buyer will not be liable for debts or other obligations incurred by Seller prior to the transfer of ownership.
5. The electric and water service will be transferred to the Buyer at the time of the ownership transfer.

The undersigned agree to the terms of this agreement.

SELLER: RED BARN WASTE MANAGEMENT, LLC



BY AND THROUGH: JEFFREY C. RUTTENBERG,
MANAGER

3/13/17
Date

BUYER: MERCER SANITATION DISTRICT



BY AND THROUGH: JIM CARPENTER, CHAIRMAN

3-9-17
Date

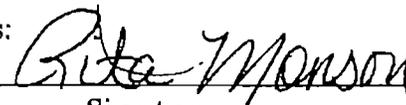
Witness: 

Signature

3-13-17
Date

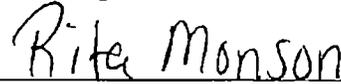


Printed Name

Witness: 

Signature

3-9-17
Date



Printed Name

ASSIGNMENT OF EASEMENT

This Assignment of Easement made and entered into on this the 13th day of March, 2017 by and between **RED BARN WASTE MANAGEMENT, LLC**, a Kentucky Limited Liability Company, 3616 Humphrey Lane, Lexington, Fayette County, Kentucky 40502, **GRANTOR**, and **MERCER COUNTY SANITATION DISTRICT**, P.O. Box 303, Burgin, Mercer County, Kentucky 40310, **GRANTEE**,

WITNESSETH:

That the Grantor, for and in consideration of \$1.00 and in further consideration of the Grantee assuming operation of the wastewater package plant and collection system located on said property, does hereby quitclaim, convey, and assign its easement, agreement, right, power, and privilege to operate a wastewater package plant and collection system unto the above named Grantee, its heirs and assigns forever, at the location of the following described real estate located in Mercer County, Kentucky, and more fully described as follows:

BEING a 30 feet by 53 foot tract of land encompassing an existing sanitary sewer treatment plant as shown on exhibit attached to the deed of easement recorded in Deed Book 167, Page 239, in Mercer County Clerk's Office, and also a 10 foot wide strip surrounding said plant, and being located near the west shoreline of Herrington Lake approximately 700 feet north of the Chimney Rock Marina and more particularly described as follows:

BEGINNING at a point located 35.4 feet on a bearing of north 10 degrees 20 minutes west from an iron pin with identification cap (LS 3096) located at the northeast corner of the Klein property; thence 10 feet west of the parallel of the west edge of the existing treatment plant north 02 degrees 04 minutes west 53.0 feet to a point; thence 10 feet north of and parallel to the north edge of the existing treatment plant north 87 degrees 56 minutes east 30.0 feet to a point; thence 10 feet east of and parallel to the east edge of the existing treatment plant south 02 degrees 04 minutes east 30.0 feet to a point; thence 10 feet south of and parallel to the south edge of the existing treatment plant south 87 degrees 56 minutes west 30.0 feet to the point of beginning and containing 1590 square feet, and

BEING the same easement conveyed by Deed of Correction to Red Barn Waste Management, LLC, a Kentucky limited liability company, from Red Barn Waste Management, LLC, a Kentucky limited liability company, dated November 6, 2009 and of record in Deed Book 321, Page 709, all records Mercer County Clerk's office. (See also Deed Book 319, Page 323 and Deed Book 309, Page 279, and DB 167, 239, in the Mercer County Clerk's office.)

This property is subject to the following covenants and restrictions:

1. Conditions, covenants, easements and restrictions as shown on the plat of Chimney Rock Resort Subdivision, Section Two, of record in Plat Cabinet 5, Slide 20 (formerly Plat Book A, Page 341), in the Mercer County Clerk's Office.
2. Conditions covenants, easements and restrictions as shown on the plat of Chimney Rock Resort Subdivision of record in Plat Book A, Page 294, in the Mercer County Clerk's Office.
3. Deed of Easement dated January 23, 1974, from D.W. Klein, et al to Chimney Rock Resort of record in Deed Book 179, Page 267, in the Mercer County Clerk's Office.
4. Conditions, covenants, easements and restrictions as set forth in deed dated August 6, 1968, from Kentucky Utilities Company to Sam Berry of record in Deed Book 167, Page 239, in the Mercer County Clerk's Office.
5. Any and all rights created by that Agreed Order dated August 24, 2001, in the matter of Chimney Rock RV Park, LLC, et al vs. Norman Jennings, et al, Mercer Circuit Court, Civil Action No 01-CI-00214 by and between Plaintiffs Chimney Rock RV Park, LLC and Chimney Rock Waste Management, LLC (collectively, the "Plaintiffs") and Norman L. Jennings, granting Plaintiffs access across and through property of Norman L. Jennings for the purpose of operation and maintenance of the sewer treatment facility.
6. Any and all rights created by that Order dated August 6, 2001, in the matter of Chimney Rock RV Park, LLC, et al vs. Norman Jennings, et al., Mercer Circuit Court, Civil Action No. 01-CI-00214, enjoining James M. McGrath (of 320 Ragona Court, Harrodsburg, Kentucky) from restraining the Plaintiffs or their agents from traveling on the gravel road that leads to the sewer treatment facility.

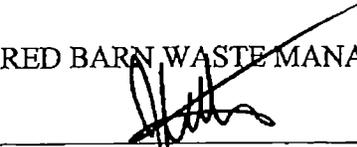
This assignment is made subject to any and all easements, restrictions, reservations, conditions, covenants, and limitations, apparent or of record, in the chain of title.

THE PARTIES HERETO state the consideration reflected in this assignment is the full consideration paid for the property. The Grantee joins in this assignment for the sole purpose of certifying the consideration pursuant to KRS 382.135.

IN TESTIMONY WHEREOF, witness the signatures of the Grantors and Grantee herein on the date first above written.

GRANTOR:

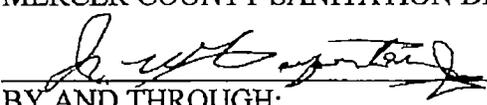
RED BARN WASTE MANAGEMENT, LLC



BY AND THROUGH:
JEFFREY C. RUTTENBERG, MANAGER

GRANTEE:

MERCER COUNTY SANITATION DISTRICT

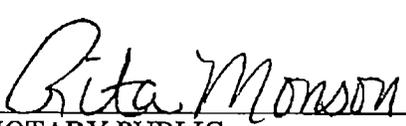


BY AND THROUGH:
JAMES CARPENTER, CHAIRMAN

STATE OF KENTUCKY
COUNTY OF Mercer

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Assignment of Easement was presented before me by JEFFREY C. RUTTENBERG, Manager of Red Barn Waste Management, LLC, a Kentucky Limited Liability Company, and I further certify that he signed and acknowledged the same to be his true act and deed in due form of law.

Done this 13th day of March, 2017.



NOTARY PUBLIC
KENTUCKY STATE AT LARGE
My Commission Expires: 7-30-2020

STATE OF KENTUCKY
COUNTY OF Mercer

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Assignment of Easement was presented before me by JAMES CARPENTER, Chairman of Mercer County Sanitation District, and I further certify that he signed and acknowledged the same to be his true act and deed in due form of law.

Done this 9 day of March, 2017.

Gita Monson
NOTARY PUBLIC
KENTUCKY STATE AT LARGE
My Commission Expires: 7-30-2020

THE FOREGOING PREPARED
BY:

Christopher K. Herron
CHRISTOPHER K. HERRON
ATTORNEY AT LAW
P.O. BOX 459
DANVILLE, KY 40423
(859) 236-3777

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. _____

RED BARN WASTE MANAGEMENT, LLC

OF

220 CHIMNEY ROCK ROAD

HARRODSBURG, KENTUCKY, 40330

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

SEWER SERVICE

AT

CHIMNEY ROCK VILLAGE

IN

MERCER COUNTY

KENTUCKY

LOCATED APPROXIMATELY EIGHT MILES FROM HARRODSBURG

ONE MILE OFF HIGHWAY 152 ON CHIMNEY ROCK ROAD

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE October 16, 2006
Month / Date / Year

DATE EFFECTIVE: October 1, 2006
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE Sole Member

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/17/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 1 SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

CONTENTS

- I. RATES AND CHARGES
 - A. Monthly Rates
 - B. Deposits
 - C. Special Non-recurring Charges

- II. RULES AND REGULATIONS
 - A. Billing and Collection
 - B. Deposits
 - C. Special Non-recurring Charges
 - 1. Late Payment Penalty
 - 2. Returned Check Charge
 - 3. Reconnection Charge
 - 4. Disconnection Charge
 - D. Banned Substances
 - E. Sewer Lines
 - F. Sewer Failure
 - G. Protection by Consumer
 - H. Notice of Trouble
 - I. Discontinuance of Service by the Utility
 - J. Customers Request for Termination of Service

DATE OF ISSUE: October 16, 2006
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ISSUED BY _____
(Signature of Officer)

TITLE Sole Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/17/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

Red Barn Waste Management, LLC
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

A. RATES

Single Family Residential Monthly Sewer Charge	\$40.42
Business Monthly Sewer Charge (Campground)	\$596.21

B. DEPOSITS

All Customers	\$80.00
---------------	---------

C. SPECIAL NON-RECURRING CHARGES

Late Payment Penalty	\$10.00
Returned Check Charge	\$20.00
Reconnection Charge	Actual Cost

Disconnection Charge:

If disconnection is made by the water utility, the amount will be the approved charge that is assessed by the water utility for disconnection of water service. If disconnection is made by the sewer utility, then the amount of the charge will be the actual costs the sewer utility incurs for disconnection of sewer service.

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(Signature of Officer)

TITLE Sole Member

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By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 3 SHEET NO.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

This schedule of Rules and Regulations govern the furnishing of sewerage service by Red Barn Waste Management, LLC, hereafter referred to as the Utility, and applies to all service received from the Utility. No employee or individual director of the Utility is permitted to make an exception to these Rates, Rules, and Regulations. These Rules and Regulations are in addition to, and superceded by, the Rules and Regulations established by the Public Service Commission.

A. BILLING AND COLLECTION

Bills for service will be mailed no later than the 12th of each month and will be due and payable within 21 days.

B. DEPOSITS

The Utility may require a deposit not to exceed 2/12ths of the estimated annual bill of the applicant for service. Interest will accrue on the deposit at the rate prescribed by law and will be refunded on an annual basis, unless the customer's bill is delinquent on the anniversary date of the deposit.

C. SPECIAL NON-RECURRING CHARGES

1. Late Payment Penalty

A late payment penalty will be assessed on any account not paid by the due date. The penalty will be assessed only once on any unpaid balance.

2. Returned Check Charge

A returned check charge will be assessed when a customer's check is returned, either due to insufficient funds, or other reason due to customer fault.

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(Signature of Officer)

TITLE Site Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

**PUBLIC SERVICE COMMISSION
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By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 4 SHEET NO.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

3. Reconnection Charge

When service has been terminated for nonpayment, a reconnection charge, along with any outstanding balance, must be paid prior to re-establishing service.

4. Disconnection Charge

In the event of non-payment of sewer services, the utility shall mail or otherwise deliver to the delinquent customer five (5) days written notice of intent to terminate service. Under no circumstances shall service be terminated before twenty (20) days after the mailing date of the original unpaid bill

If the customer has been given proper notice and fails to pay the bill, the utility will first attempt to have water service shut-off at customer's location through cooperation with the utility providing water service at the customer's location. If water service is shut-off, the customer will be subject to any and all appropriate charges imposed by the water utility for disconnection and reconnection of service. These charges will be billed by and paid to the water utility.

If the water utility does not cooperate with the aforementioned process, then Chimney Rock Waster Management will be forced to disconnect the sewer service. The amount of the charge to be assessed when the sewer utility disconnects service for non-payment of service shall be the actual cost the sewer utility incurs to disconnect the sewer service. The customer shall be given a billing summary itemizing the amounts of the bill for disconnection.

Once the sewer has been disconnected, the local heath department will be notified to declare the residence uninhabitable.

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By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 5 SHEET NO. 5

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

D. BANNED SUBSTANCES

No substances shall be placed into the sanitary sewer system which will create a combustible, gaseous, explosive or inflammable condition nor shall any substances or objects be placed or discharged into the system which will not dissolve and which will thus cause an obstruction and clogging within the system. No petroleum products shall be placed or discharged into the system. No storm water or surface water drain shall be connected with the sanitary sewer system nor shall any storm or surface water be otherwise introduced into the system.

E. SEWER LINES

A sewer service pipe shall not be laid in the same trench with a water pipe.

If a governmental agency requires an inspection of the customer's plumbing, the Utility shall not connect the customer's service pipe until it has received notice from the inspection agency certifying that the customer's plumbing is satisfactory. When necessary to move or relocate facilities, the cost will be paid by the party or parties requesting such relocation.

Any customers ultimately connected under this arrangement shall be charged according to the utility's current approved rates filed with the Public Service Commission.

For purposes of this provision the term "prospective customer" shall mean any person, firm or corporation which expresses an intent to become an ultimate user or customer of the utility at the time of the contribution in aid of construction is charged. A subdivider, developer or contractor is not considered a "prospective customer" for purposes of this section.

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By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 6

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

F. SEWER FAILURE

The utility is responsible for the maintenance of that portion of the service line installed by the Utility and the customer is responsible for the maintenance of that portion installed by the customer.

G. PROTECTION BY CONSUMER

The Consumer shall protect the equipment of the Utility on his premises and shall not interfere with the Utility's property or permit interference except by duly authorized representatives of the Utility.

H. NOTICE OF TROUBLE

The Consumer shall give immediate notice to the Utility of any irregularities or unsatisfactory service and of any known defects.

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By [Signature]
Executive Director

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 7 SHEET NO.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

I. DISCONTINUANCE OF SERVICE BY THE UTILITY

The Utility may refuse or terminate service for noncompliance with its tariffed rules or commission regulations after having made a reasonable effort to obtain customer compliance. Said customer will be given at least ten (10) days written notice prior to termination.

If a dangerous condition is found to exist service may be terminated without notice. However, the utility will notify the customer in writing and, if possible, orally of the reasons for termination or refusal of service. The notice will be recorded along with the corrective action to be taken by the customer or the utility before service is restored or provided.

The utility may terminate service for nonpayment of tariffed charges after five (5) days written notice of intent to terminate. Service will not be terminated before twenty (20) days after the mailing date of the original bill. If a medical certificate is presented service will not be terminated for thirty (30) days beyond the termination date.

When payments are delinquent the Utility may file a complaint in court. The Utility may request that all court costs be included in any judgement amount awarded to the Utility.

J. CUSTOMER REQUEST FOR TERMINATION OF SERVICE

Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days notice. The notice may be given in writing, in person or via telephone. Notice to discontinue prior to expiration of contract term will not relieve the customer from any minimum or guaranteed payment.

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