

RESOLUTION 2007 - 2

WHEREAS, Jennings Northwest Regional Utilities (hereinafter "JNRU"), a regional water and sewer district, which owns and operates a water utility and a sewer utility serving primarily the residents of Country Squire Lakes in Jennings County, Indiana; and,

WHEREAS, JNRU has entered into an employment agreement with Jeffrey A. Fish dated May 15, 2006, to serve as the district's certified operator of both utilities, which agreement is to expire December 31, 2009; and,

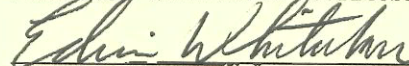
WHEREAS, in recognition of the ongoing fiscal difficulties of the district and the Board of Trustees intention to resign effective March 1, 2008, the Board desires to re-negotiate an employment agreement with Jeffrey A. Fish to ensure the continued operation of said utilities, effective January 1, 2008, and continuing until December 31, 2011; and,

WHEREAS, there is presented an Employment Agreement, including terms mutually agreed to by said Jeffrey A. Fish and the Board of Trustees.

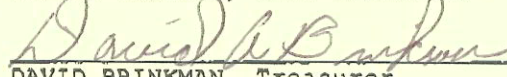
BE IT, THEREFORE, RESOLVED that the Board of Trustees of JNRU hereby approves the proposed Employment Agreement with Jeffrey A. Fish and authorizes its execution.

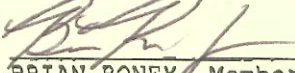
SO RESOLVED this 19 day of November, 2007.

JENNINGS NORTHWEST REGIONAL UTILITIES


EDWIN WHITAKER, President


THOMAS TRULOCK, Vice President


DAVID BRINKMAN, Treasurer


BRIAN RONEY, Member

ATTEST:


LINDA CLERKIN WOOTON, Secretary



Mary Ann Gay
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Versailles, IN 47042

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812-689-5170

November 19, 2007

Board of Trustees
Jennings Northwest Regional Utilities
P. O. Box 18
North Vernon, IN 47265

Re: Employment Agreement with
Jeffrey A. Fish

Gentlemen:

I have reviewed both the original Employment Agreement with Jeffrey A. Fish, the certified operator of the district's utilities, and the proposed draft of the new agreement and find that there appears to be no problem with the board executing the renegotiated agreement. This renegotiated agreement sets a specified period of time for Mr. Fish's employment with the district. These agreements are similar to a school superintendent's employment agreement and are considered to be valid and binding agreements. Therefore, I believe the board would be fully authorized to enter into this agreement with Jeffrey A. Fish effective January 1, 2008, and expiring December 31, 2011.

If you have any questions or desire to discuss this matter with me more fully, please feel free to contact me.

Sincerely yours,

A handwritten signature in cursive script that reads "Mary Ann Gay".

Mary Ann Gay

MAG/dnn



3847 Country Manor West - P.O. Box 18 - North Vernon, Indiana 47265

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MEMO

November 19, 2007

Re. **Utility Manager's Employment Agreement: Buy-Out and Renewal**

To whom it may concern:

On August 6, 2007, the JNRU board notified State and County officials and utility staff that they would be resigning their board positions within the next six to twelve (6-12) months due to an anticipated default on the sewage works bonds funded through the State Revolving Fund (SRF) program. After being notified, the Utility Manager, Jeffrey Fish, felt the only way he could secure himself financially was to find new employment and resign his position prior to the utility board resigning. Given the board's position and the utilities' financial crisis, Mr. Fish entered into discussions with the utility board expressing his concerns about the high probability of losing his employment after the board resigns (*with the typical administrative turnover after a complete board change*) and his only safe-guard being the *severance pay* built into his *current* employment agreement.

After many discussions between individual board members and Mr. Fish, and subsequently during an executive board meeting, it is understood that Mr. Fish has no immediate interest in leaving his position with the utility. In fact, Mr. Fish expressed interest in continuing his employment as utility manager indefinitely and the utility board concurred that retaining Mr. Fish would be in the utilities best interest. Thereafter, a majority of the utility board concluded that the best course of action to protect its investment in Mr. Fish's experience, tenure with the District and success with rebuilding the District staff and the public's trust and awareness of District matters, would be to *buy out* Mr. Fish's *current* employment agreement and renegotiate a similar employment agreement that would not include a severance pay provision.

To that end, the board has prepared a resolution to adopt the employment agreement changes stating that effective Tuesday, January 1, 2008 Mr. Fish's *current* employment agreement will be mutually terminated and a *new* employment agreement will be enacted to re-establish Mr. Fish's ongoing employment as utility manager.

Respectfully,

Edwin Whitaker, President
Jennings Northwest Regional Utilities