



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

March 21, 2012

Robert B. Frazer, Esq.
Frazer, Rogers & Peek
P.O. Box 361
Marion, Kentucky 42064

Mr. Ronnie Slayden
Crittenden-Livingston County Water District
P. O. Box 495
Salem, Kentucky 42078

Mr. John Herring
Pennyrile Area Development District
300 Hammond Drive
Hopkinsville, Kentucky 42240

Re: Case No. 2012-00077
Crittenden-Livingston Water District

Gentlemen:

The enclosed memorandum has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to Gerald Wuetcher, Executive Advisor/Attorney, at (502) 564-3940, Extension 259.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2012-00077

FROM: Gerald Wuetcher **GEW**
Executive Advisor/Attorney

DATE: March 21, 2012

RE: Informal Conference of March 14, 2012

On March 14, 2012, Commission Staff conducted a telephone conference call conference in this matter to the Application of Crittenden-Livingston Water District ("Crittenden-Livingston) for a Certificate of Public Convenience and Necessity. Participating were:

Eddie Beavers	-	Commission Staff
Mark Frost	-	Commission Staff
Bob Robards	-	Commission Staff
George Wakim	-	Commission Staff
Gerald Wuetcher	-	Commission Staff
John Herring		Pennyrile Area Development District
Ronnie Slayton		Crittenden-Livingston
Robert B. Frazer		Crittenden-Livingston

Prior to the conference call, Commission Staff provided a proposed agenda for the call to Crittenden-Livingston. A copy of this agenda is attached.

Beginning the conference, Mr. Wuetcher also stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon those minutes.

Mr. Wuetcher noted that in its review Commission Staff had been unable to discover certain required information in Crittenden-Livingston's Application. He listed the information and requested that Crittenden-Livingston indicate the location of the information in its Application. Based upon this discussion, Commission Staff and Crittenden-Livingston's representatives determined that the Application failed to meet two filing requirements. First, it did not contain a financial exhibit that covered a 12-month period that ended within 90 days of the Application's filing. Second, it did not contain an estimate of the cost of the equipment that Crittenden-Livingston proposed to purchase and arranged according to the Uniformed System of Accounts. As Crittenden-

Livingston had requested a deviation to submit a financial exhibit that covered a period more than 90 days from the date of filing of its Application, only the second item prevented the acceptance of its Application for filing. Mr. Herring stated that Crittenden-Livingston would make the filing as soon as possible.

Commission Staff then inquired about the terms of the proposed loan from the Kentucky Infrastructure Authority. Mr. Herring and Mr. Slayton stated the proposed loan contains no loan forgiveness provisions. They further stated that the Water District was only required to pledge its revenues as security for the proposed loan.

Mr. Robards and Mr. Wakim inquired about the proposed purchase of meters. Mr. Slayton stated that the meter manufacturer had warranted the meters for a 25-year period and its radio equipment for a 20-year period. The battery on the radio equipment is warranted for a 10-year period and Mr. Slayton noted that the meter that Crittenden-Livingston proposes to purchase are not Itron Flowstar Single Jet Meters but Mastermeter Bottom Load Multijet Meters ("Mastermeter"). He stated that during the bidding process, United Systems proposed to substitute Mastermeter meters for the Itron meters. The Itron meters are no longer sold. Mr. Slayton further stated that Crittenden-Livingston found the Mastermeter meters to be an adequate substitute for the Itron meters.

Mr. Slayton described the process that Crittenden-Livingston used to award the purchase contract. He noted that three of the four bidders made presentations to the Crittenden-Livingston Board of Commissioners. Neptune was the only firm that did not make a presentation to the Board. Price and data storage capacity, Mr. Slayton stated, were the decisive factors in the selection process. He noted that the Mastermeter meters had greater data capability than other manufacturers' models. Mr. Slayton also stated that the Mastermeter meters were NSF-61 compliant.

Mr. Wakim noted that the Commission has recognized in 807 KAR 5:066 that the use of multijet meters was acceptable. He stated that, as a result of this recognition, the Commission was unlikely to require Water District to develop a sample testing program or to provide additional information regarding the reliability of this metering type.

Mr. Wuetcher inquired how the Water District would deploy the purchased meters. Mr. Slayton stated that Crittenden-Livingston would first deploy the meters in Crittenden County. The age of the existing meters would not be determinative. Existing meters that are replaced would be redeployed to Livingston County if necessary.

The participants briefly discussed whether Crittenden-Livingston would need to provide any additional information to support its application. Mr. Wuetcher indicated that the following information should be provided: the minutes of the meetings of the Crittenden-Livingston Board of Commissioners' meetings in which the purchase of the meters was discussed and the request for bids. Commission Staff agreed to inform

Crittenden-Livingston by electronic mail of any additional information that would be useful to provide. He further stated that Commission Staff would, in lieu of an information request to the Water District, review the manufacturer's website to obtain information regarding the metering equipment in question. Mr. Slayton identified Mr. Scott Smith of Benton, Kentucky as the most appropriate person to contract should Commission Staff have any questions regarding the specifications of the meters or their reliability. Mr. Herring confirmed that the accepted bid expires on April 1, 2012 and that the Water District requests a decision on its application no later than March 31, 2012.

The conference then adjourned.

On March 20, 2012, Mr. Herring submitted to Commission Staff by electronic mail the documents that had been discussed during the conference call. These documents are attached.

Attachments

1. Conference Call Agenda
 2. E-Mail Msg from John Herring
 3. Letter from Stacy Boone to John Herring (undated)
 4. Board Minutes of 12//2011
 5. Request for Bids Advertisement
- cc: Parties of Record

AGENDA – CONFERENCE CALL OF 3/14/2012

- I. Review of Application for Deficiencies
 - a. Description of Loan Amount
 - b. Description of Loan Terms
 - c. Interest Rate
 - d. Description of Loan Security
 - e. Estimate of construction/purchase cost according to USOA account number
- II. Questions/Issues Regarding the Purchase of Meters
 - a. Manufacturer's warranty – Length (**Provide copy of warranty.**)
 - b. Reliability/Accuracy of Meters at all settings (especially low flow)
 1. Testing Data
 2. Manufacturer Literature
 - c. What is the source of power for meter transmitters? If battery power used, what is the life expectancy of battery?
 - d. Deployment of meters. To what areas will meters be installed? What criteria will be used to select customers to receive new meters?
 - e. Bids/selection process
 1. Provide a copy of bid notice.
 2. Provide bid specifications.
 3. If not included in the bid specs, provide ranking criteria.
 4. Provide bid evaluations/identify evaluators
 - f. NSF-61 certification (**Provide copy.**)
 - g. Repair manual for meters
 - h. Deployment of single jet and multijet meters – locations/criteria for deployment.

i. Minutes of Board of Commissioners' meetings in which meter purchase discussed (**Provide copies.**)

j. Identify different types of meters considered/Explain decision for selecting this type.

III. Possible conditions on PSC Approval

a. Sample testing program

b. Entity testing meters certified by PSC

Wuetcher, Jerry (PSC)

From: Herring, John M(Pennyrile ADD)
Sent: Tuesday, March 20, 2012 3:45 PM
To: Wuetcher, Jerry (PSC)
Cc: slaydenronnie@yahoo.com
Subject: Crittenden-Livingston Case Number 2012-00077
Attachments: Bid ad.pdf; Board minutes.pdf; Accountants Letter.pdf

Jerry,

Here is the information that you requested during our conference call last week. Please let me know if there is any further information that you require.

John Herring, Water Management Coordinator
Pennyrile Area Development District
300 Hammond Drive
Hopkinsville, KY 42240

(270) 886-9484 Phone
(270) 886-3211 Fax



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Certified Public Accountants

Mr. John Herring
Pennyrile Area Development District
300 Hammond Drive
Hopkinsville, KY 42240

RE: Crittenden-Livingston Water District

Dear Mr. Herring,

As accountant for Crittenden-Livingston Water District, I am responding to your request on Friday March 16, 2012.

The current Kentucky Infrastructure project related to radio read meters will be processed through the accounting system as follows:

<u>Item Description</u>	<u>Account</u>
Meters	331.1501.06
Software Upgrade	340.1503.00
Radio-Read Units	346.1501.12
Administrative Loan Fees	181.1700.00
Annual Amortization of Loan Fees	181.1700.99

Should you need additional information please don't hesitate to contact me.

Sincerely,

Stacy Boone, CPA



CRITTENDEN-LIVINGSTON County Water District

PO Box 495 • Salem, Kentucky 42078

Phone (270) 988-2680 • Fax (270) 988-3852

REGULAR MONTHLY MEETING November 28, 2011 7:00 p.m.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Meeting called to order by Randell O'Bryan, Chairman. Minutes of regular October 24, 2011 meeting were read and approved as read.

Motion by Bill Barrett, 2nd by Joe Kaiser, vote.....unanimous to accept minutes as read.

RECOGNITION OF GUEST:

Scott Smith – United Systems

REPORTS:

Financial report –
(see attached sheets)

Randell will talk to Farmers bank to inquire about bank charges.

Motion made by David Travis, 2nd by Bill Barrett, vote.....unanimous, to accept financial report.

OLD BUSINESS:

Scott Smith, United Systems – Radio Read Meters

Scott will reprint contract and change wording from Itron Meter to Master Meter.

Motion by David Travis, 2nd by Joe Kaiser, vote.....unanimous, to change Itron Meter to Master Meter at the same price stated in contract.



CRITTENDEN-LIVINGSTON County Water District

PO Box 495 • Salem, Kentucky 42078

Phone (270) 988-2680 • Fax (270) 988-1692

NEW BUSINESS:

Budget 2012 – discussion on what the actual amount of interest should be was concluded with the intention of Ronnie calling Stacy at Thurman Campbell to come up with the corrected amount.

Motion made by Joe Kaiser, 2nd by David Travis, vote.....unanimous, to inact budget. subject to change in interest amount.

Discussion on changing December's meeting date. Joe Kaiser cautioned board on changing Regular Monthly Meetings and reminded everyone of the guidelines for calling a special meeting. Meeting was kept as set in prior monthly meeting for Dec. 20, 2011.

Ronnie brought up vacation time. Question asked to the board was "Can employees be paid for unused vacation time"? The Board said yes as long as no one abuses the rule. If all efforts have been made by the employee to take the vacation time off with no success then the employee can receive the vacation time in payment.

The Board asked for a report next month from the office manager that pertained to Bad Debt recovery and how much the district collected this past year.

Motion made by _____, 2nd by _____, to adjourn, vote...unanimous.

Randell O'Bryan, Chairman

Bill Barrett, Sec. /Treas.

Thursday, September 8,

on, KY Men's, women's and kids' clothes, toys, washer, dryer and miscellaneous furniture items. (1t-10-p)

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131 N. Yandell St., Thurs.-Fri., 8 a.m.-7 Dishes, Christmas and Halloween decorations, comforter sets, Harley Davidson motorcycle phone, men's and women's clothes, tricycle, lots of misc. Cancel in case of rain. (1t-10-p)

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Hunter Motor Sports Cafe in Salem is looking for a waitress to work shifts on weekdays and weekends. Come by and pick up application. (1t-10-c)

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Weiner dog found near Ron's Sport Shop on U.S. 60E. Call 704-0739. (1t-10-nc)

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No hunting or trespassing on the Tom Johnson, Jr. property located on Rieters View Rd., located in Crayne. (12t-25-p)

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RADIO READ METER PROJECT REQUEST FOR BIDS

Sealed Bids for Radio Read Meters and related equipment, software and services for Crittenden-Livingston Water District will be received at, 620 E. Main St. Salem, KY. 42078 until 7:00 p.m. CST on September 26, 2011. The bids will be opened and read aloud at this time. Interested bidders should contact Crittenden Livingston County Water District for a bid packet (270)988-2680. (1t-10-c)

Sat., 7
of GE

LEGAL NOTICE
COMMONWEALTH OF

offer for sale to the highest and best bidder, the real estate (hereinafter described and all the right, title, and interest of the parties hereto, to-wit:

All iron pins set are 2 x 24" rebar set with a yellow plastic cap stamped "BJ. MAY L.S. 878". BE-GINNING at an iron pin set on the south side of and 30 feet from the center of Mexico Road a new corner, being N. 43 deg. 10 min. 31 sec. E. 163.68 ft. from the center of the intersection of Mexico Road and View Road, at approximate Kentucky coordinates (south zone) N. 351,100 ft., E. 1,301,800 ft.; thence new division lines S. 41 deg. 41 min. 31 sec. E. 359.94 ft. to an iron pin set, S. 29 deg. 14 min. 10 sec. W. 65.31 ft. to an iron pin set, S. 15 deg. 44 min. 44 sec. E. 331.61 ft. to an iron pin set, S. 57 deg. 57 min. 17 sec. E. 72.40 ft. to an iron pin set, S. 05 deg. 17 min. 03 sec. E. 117.07 ft. to an iron pin set, and S. 28 deg. 17 min. 03 sec. W. 176.30 ft. to an iron pin set on the east side of and 30 feet from the center of Mexico Road, said point being N. 43 deg. 09 min. 46 sec. W. 534.55ft. from the center of the bridge on Mexico road over Claylick Creek; thence with the east side of the road N. 48 deg. 05 min. 35 sec. W. 140.65 ft., N. 45 deg. 43 min. 00 sec. W. 99.48 ft., N. 39 deg. 56 min. 37 sec. W. 55.72 ft., N. 30 deg. 38 min. 34 sec. W. 98.16 ft., N. 20 deg. 09 min. 24 sec. W. 98.40 ft., N. 12 deg. 31 min. 05 sec. W. 80.74 ft. to an iron pin set, N. 07 deg. 25 min. 34 sec. W. 248.46 ft., N. 10 deg. 56 min. 45 sec. W. 87.44 ft., N. 08 deg. 07 min. 58 sec. W. 40.33 ft., N. 15 deg. 11 min. 46 sec. E. 42.73 ft., N. 38 deg. 59 min. 08 sec. E. 68.94 ft., and N. 45 deg. 26 min. 54 sec. E. 37.68 ft. to the beginning containing 4.99 acres, more or less, according to

of 10% of the purchase price of the balance on credit for 30 days. The successful bidder shall be required to give a bona fide good surety for the unpaid purchase price with said bona fide interest at 12 % per annum from the date of the sale. The event Plaintiff is the successful purchaser, Plaintiff shall be entitled to a credit of its purchase price against the purchase price. Plaintiff shall only be obligated to pay Court costs, fees and costs of the Master Commissioner and delinquent real estate taxes payable pursuant to the Kentucky Sale.

2. The Purchaser shall be required to assume and pay any and all ad valorem taxes and all taxes and assessments against said property by the State, County or any school district which are due and payable any time during the year commencing thereafter. Said sale shall be made subject to: all easements, covenants and restrictions of record; assessments for public improvements; and any fact or circumstance which may be disclosed in an inspection and accurate appraisal. Said property shall be sold with the improvements thereon as is.

3. The purpose of this sale is to satisfy the satisfaction of a Judgment Lien Judgement lien pursuant to Order entered on July 27, 2009, on behalf of the Plaintiff, Akridge and Son, Inc., a Kentucky Corporation, against the defendant, William Darrell Pennington, in the amount of \$16,736.93, plus interest at the statutory rate since August 17, 2009.

Dated this the 18 August

ALAN C.
MASTER COMMISS
CRITTENDEN CIRCUIT