

LAW OFFICES
MOYNAHAN, IRVIN & SMITH, P.S.C.
110 NORTH MAIN STREET
NICHOLASVILLE, KENTUCKY 40356
(859) 887-1200
FAX (859) 885-2307

BRUCE E. SMITH
bsmith@mislaw.com

January 31, 2005

RECEIVED

FEB 01 2005

PUBLIC SERVICE
COMMISSION

VIA FEDERAL EXPRESS

Office of the Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

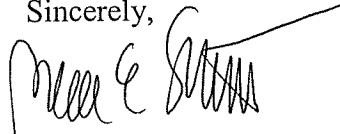
Re: Troy Seale v. Jessamine-South Elkhorn Water District
Case No. 2005-00011

Dear Madam:

Enclosed please find 10 copies of my client's Answer. As you know the original was mailed to you on January 18, 2005.

Please call me if you have any questions.

Sincerely,



Bruce E. Smith

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RECEIVED

TROY SEALE)
)
COMPLAINANT)
)
v.)
)
JESSAMINE-SOUTH ELKHORN)
WATER DISTRICT)
)
DEFENDANT)

FEB 01 2005

PUBLIC SERVICE
COMMISSION

CASE NO. 2005-00011

ANSWER

In accordance with the Commission's Order, the Defendant, Jessamine South Elkhorn Water District (hereinafter "District", by counsel, hereby tenders the following Answer:

Not only is the Complaint filed by Troy Seale grossly inaccurate as to what he terms as the "relevant facts", his characterization of the District's actions as "very heavy handed and oppressive" is completely without basis. The District will by this response, as supported by the attached exhibits, give the Commission and its staff a more objective and accurate version of the events which took place.

FACTS

First, the timeline for this dispute starts in the Summer of 2003, not 2004 as Seale alleges. It began with a request on July 29, 2003 from Seale, that the water main be flagged on his farm in the area where he was planning to repair the fence. The District's flagging is done by its maintenance contractor, Stephenson Construction Company, and

Stephenson's billing to the District reflects the date the flagging was done. **See Exhibit 1.** Stephenson was also called to Seale's farm to repair the water main when it was broken by the fencing contractor hired by Seale to repair his fence. This break occurred on August 13, 2003, again as evidenced by **Exhibit 1**, wherein it reflects a charge to the District for repairing the break on August 13, 2003 and the cleanup after the break on August 18, 2003. The District initially invoiced the fencing contractor, Earlywine Fencing, for the costs of repairing the break, the water loss (**see Exhibit 2**) and the cost of testing the main for contamination after it was placed into service. **See Group Exhibit 3** for the invoice which was mailed September 10, 2003 along with the supporting invoice from the testing lab¹. Earlywine Fencing responded by calling the District office and advising that Seale should have been sent the bill. Shortly thereafter, the District's office manager was also advised by the Kentucky Public Service Commission staff to send the invoice to Seale. The office manager did this. **See Exhibit 4.** Seale refused to pay the invoice, and he called the District's office with an explanation of why he should not be responsible for the charges. At the District's regular monthly meeting on December 3, 2003, it was brought to the Board of Commissioners' attention that Seale refused to pay the bill for the reasons that (1) he was out of town when it happened; and (2) he did not break the line, but the fence contractor that he hired to do the job did. The Board determined that Seale should be responsible for the bill. **See Exhibit 5.** On December 8, 2003, the District's office manager, following the Board's instructions, wrote Seale advising him of the Board's decision and inviting him to the January, 2004 meeting to

¹ Dontro Farm is the name of Mr. Seale's horse farm.

discuss the matter. **See Exhibit 6.** Again no payment or contact from Seale was forthcoming. The matter was again discussed by the Board at its February 4, 2004 meeting. **See Exhibit 7.** The office manager was again directed to write Seale, this time requesting his presence at the March, 2004 meeting to discuss the matter. **See Exhibit 8.** It was anticipated that Seale would come to the next regularly scheduled meeting of the District on March 3, 2004. As the minutes of this meeting reflect, Seale did not attend nor did he advise in advance that he would not attend. **See Exhibit 9.** The District's counsel was directed by the Board at the March meeting to write Seale demanding payment under threat of termination of service. **See Exhibit 10.** Sometime after the letter was mailed on April 14, 2004, Seale's lawyer called requesting that termination of service not occur until he and Seale could come to a meeting. It was agreed that they would appear at the May 5, 2004 meeting and that service would continue until that meeting. On May 5, 2004, Seale's counsel appeared, but Seale did not. The minutes of this meeting reflect that there was a discussion with Seale's counsel about Seale contacting his fencing contractor and that the matter would be discussed between the parties at the regular July, 2004 meeting. **See Exhibit 11.** Water service was to be continued in the meantime. On July 17, 2004, counsel for Seale came late to the meeting, again without his client, and as a result of the Board's counsel having to leave the meeting before it was concluded, no discussion was held. Another meeting was tentatively scheduled for the regular August meeting. **See Exhibit 12.** The Board, nor the District office received any contact from Seale through the months of August and September, 2004, but service to Seale continued without interruption. At the October, 2004 meeting, Board counsel was directed to

contact Seale about a resolution of the bill that was owed. **See Exhibit 13.** On November 11, 2004, Board counsel wrote Seale's counsel proposing the December, 2004 meeting as a time to meet. **See Exhibit 14.** On December 1, 2004, the Board met; however, Seale and his counsel arrived after the meeting began and after the Board had already begun discussing another on its agenda. When the Board was ready to discuss the Seale matter at or around 1:45 PM (the meeting started at 1:00 PM), it was discovered that Mr. Seale and his counsel had left the reception area and would not be returning. The minutes of the meeting (see **Exhibit 15**) reflect the Board's decision to send Seale an additional invoice for an amount incurred by it for clean up of the work site, which had not previously been forwarded to him, along with a letter advising him that service would be discontinued in January, 2005. This letter was mailed by the office manager on December 2, 2004 along with the original invoice, the additional invoice and the District's tariff section addressing damage to the water mains. **See Group Exhibit 16.** Seale's counsel responded to the December 2, 2004 correspondence with a letter dated December 9, 2004 (see **Exhibit 17**) and thereafter filed a Complaint with the Kentucky Public Service Commission.

ISSUES

1. Were the District's actions toward Seale "very heavy handed and oppressive"?
2. Did the District prevent Seale from repairing his fence until the District flagged the waterline?
3. Did the District timely flag the line after it was requested to do so?
4. Was the waterline accurately flagged by the District?

5. Is Seale responsible to the District under Rules and Regulations No. 23 for its loss, cost and expenses, including attorney's fees, for the actions of Seale's fencing contractor in damaging the waterline?

ARGUMENT

1. The District treated Seale fairly and reasonably.

The Commission may judge for itself from the exhibits whether or not Seale was treated in a "very heavy handed and oppressive fashion". The District would submit that it did not and that the history of the events leading to the Complaint support this assertion. It should be noted that the District gave Seale every opportunity to appear and resolve the dispute. It was Seale who declined to appear personally before the Board for a period exceeding one year. When he finally came to a meeting, he became impatient and left before he had the opportunity to discuss the matter with the Board.

2. The District did not prevent Seale from having the fence repaired before it could be flagged.

As the District's tariff reflects in Rule No. 23, it is left to the customer's discretion whether or not he has the water main marked before working in the area of the line. It has never been the District's practice, nor would it be practical for the District to attempt to prevent work being done near its lines before they were flagged.

3. The District timely flagged the waterline after it was requested to do so.

Seale's line was flagged the very same day he called requesting that it be done. Even if Seale's story, that there was a three-week delay between the request and the

actual marking, was accepted as true, he was not required to wait under the provisions of Rule 23.

4. The waterline was accurately flagged by the District.

The waterline was flagged such that Seale could have avoided damaging the main and the proof will be that the personnel from Stephenson Construction Company noticed that some of the flags had been moved after the fence holes had been excavated. Furthermore, Rule No. 23 absolves the District of any responsibility for marking the line inaccurately.

5. Seale is financially responsible to the District under its Rules and Regulations (No. 23) for its loss, cost and expenses, including attorney's fees, for the damage done by his contractor.

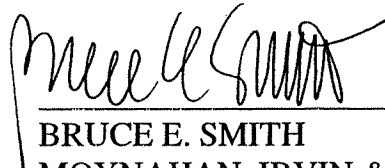
Rule No. 23, approved by the Commission on March 21, 1983, is applicable to all of the District's customers by virtue of their receipt of water service and by virtue of the Commission's approval. As written, Rule No. 23 states that "any damage or injury to persons or property caused by or resulting from the acts of the customer or any other individual in relation to the District's property shall be paid by the customer or other individual including but not limited to all loss, cost and expenses, including attorney's fees and court costs. This same Rule also provides that flagging of a water main by the District "does not relieve such person of complete responsibility and liability for any and all damages, liability and loss to the District's property resulting from any act of such person or his assigns and/or agent. The District first sent the invoice to the fencing

contractor, but was later advised by Commission staff to send it to Seale pursuant to the District's Rules and Regulations.

Seale acted by hiring a contractor to repair his fence. The contractor damaged the District's water main. The District has the option under Rule No. 23 to proceed against either its customer or the contractor and the Rule specifically provides that the customer is liable for the acts of his "assigns and/or agent". The District followed the Commission staff's directions and has pursued Seale for payment.

WHEREFORE, the District requests the following relief:

1. An order directing Seale to pay all of the District's loss, costs and expenses, including attorney's fees and costs, associated with the damage to its watermain and the ensuing dispute; and
2. All other appropriate relief to which it may appear entitled.

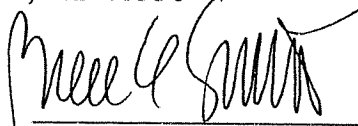


BRUCE E. SMITH
MOYNAHAN, IRVIN & SMITH, P.S.C.
110 NORTH MAIN STREET
NICHOLASVILLE, KENTUCKY 40356
(859) 887-1200
**ATTORNEY FOR JESSAMINE- SOUTH
ELKHORN WATER DISTRICT**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was duly served by mailing same, postage prepaid, on this the 28th day of January, 2005, to the following:

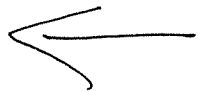
David Russell, Marshall, Esq.
109 Court Row
Nicholasville, KY 40356



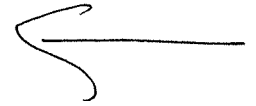
BRUCE E. SMITH

g:\...USEWD\Seale\Answer

7-24-03	INSTALLED NEW ¾" SERVICE 2428 JOHN WATTS LN. LYNN KRISHEAUM. SN 61796112 READING 0 3 FT. FROM RD. 6 FT. FROM DRIVEWAY. \$600.00 + 20 FT. OF 1 ½" CASING PIPE = \$30.00	TOTAL = \$630.00
7-25-03	HAULED DIRT AND FILLED IN SUNKEN DITCH AT BLUEGRASS VET CLINIC AND RESET VALVE BOX AS INSTRUCTED BY TOM SMITH. 2 MEN 2 HOURS = \$144.00 BACKHOE 2 HOURS = \$144.00 2 - BAGS CONCRETE MIX = \$20.00 1 - 8 FT. 2 X 4 = \$5.00 SEED AND STRAW = \$10.00	TOTAL = \$323.00
<u>7-28-03</u>	FLAGGED LINES AT CAVE SPRINGS ON KEENE RD. FOR TIM WHITE. \$45.00 + FLAGS \$5.00	TOTAL = \$50.00
7-29-03	FLAGGED LINES 3325 KEENE RD. FOR TROY SEALS. \$45.00 + FLAGS \$5.00	TOTAL = \$50.00
7-29-03	FLAGGED LINES SOUTHLAND CHRISTIAN CHURCH BALL FIELD FOR TRIPLE D. \$45.00	TOTAL = \$45.00
7-29-03	FLAGGED LINES 119 CAMBRIDGE ESTATES BRIAN WORTON. \$45.00	TOTAL = \$45.00
7-30-03	9:00 P.M. TRAVIS MORGAN 101 CARDINAL LN. CALLED SAID LEAK IN YARD. WE FOUND SMALL LEAK ON SERVICE WILL REPAIR TOMORROW. 1 MAN 1 HOUR O.T. \$67.50	TOTAL = \$67.50
7-31-03	REPAIRED LEAK AT 101 CARDINAL LN. TRAVIS MORGAN. 1 MAN 3 HOURS = \$135.00 BACKHOE 2 HOURS = \$144.00	



	1 - 7" X 3/4" RE-SETTER = \$60.00	TOTAL = \$204.00
8 - 11 - 03	310 W. BRANNON INSTALLED 2" BOX EXTENSION. 2 MEN 1 HOUR = \$72.00	
	1 - 18" X 2" BOX EXTENSION = \$15.00	TOTAL = \$87.00
8 - 11 - 03	307 W. BRANNON INSTALLED 7" RE-SETTER. 2 MEN 2 HOURS = \$144.00	
	1 - 7" X 3/4" RE-SETTER = \$60.00	TOTAL = \$204.00
8 - 12 - 03	MET WITH JOHN FOR C&R CABLE AT 100 CAMBRIDGE AND FLAGGED MAIN. \$45.00	TOTAL = \$45.00
8 - 12 - 03	CLEAN UP AT 101 CARDINAL LN. WHERE WE REPAIRED LEAK LAST MONTH. 2 MEN 1 HOUR = \$72.00	
	SEED AND STRAW = \$10.00	TOTAL = \$82.00
8 - 12 - 03	CLEAN UP AT 109 RAINTREE WHERE WE REPAIRED MAIN LINE EARLIER IN THE MONTH. 2 MEN 1 HOUR = \$72.00	
	SEED AND STRAW = \$10.00	TOTAL = \$82.00
8 - 12 - 03	CLEAN UP AT 480 CAVES SPRINGS ESTATES DALE THOMAS WHERE WE REPAIRED MAIN LINE LEAK LAST MONTH. 2 MEN 1 HOUR = \$72.00	
	SEED AND STRAW = \$10.00	TOTAL = \$82.00
8 - 13 - 03	REPAIRED MAIN LINE BREAK AT 3325 KEENE RD. TROY SEALS INSTALLING FENCE AND BROKE MAIN. 2 MEN 3 HOURS = \$216.00	
	BACKHOE 3 HOURS = \$216.00	
	2 - 6" X 7 1/2" FULL CIRCLE CLAMPS = \$220.00	
	5 FEET 6" PVC PIPE = \$15.00	TOTAL = \$667.00
8 - 14 - 03	1407 SOUTH ELKHORN RD. AIR RELIEF VALVE HAD BEEN BROKEN. REPLACED 1" HAND VALVE	



AND BACKFILLED.

1 MAN 3 HOURS = \$135.00

BACKHOE 3 HOURS = \$216.00

TOTAL = \$351.00

8-14-03 OFFICE CALLED SAID LEAK AT FIRE PLUG 300
PONDER WAY. JUST STANDING WATER AT A DRAIN.

1 MAN 1 HOUR = \$45.00

BACKHOE 1 HOUR = \$72.00

TOTAL = \$117.00

8-14-03 CLEAN UP AT 116 CHERRY WOOD WHERE SERVICE
HAD LEAKED.

2 MEN 1 HOUR = \$72.00

SEED AND STRAW = \$10.00

TOTAL = \$82.00

8-15-03 INSTALLED NEW 3/4" SERVICE AT 1025 BECKNELL LN.
JOHN OLSON.

NEW SN 61796110 NEW READING 0

5 FT. FROM ROAD 4 FEET FROM DRIVEWAY.

\$600.00

TOTAL = \$600.00

8-18-03 CLEAN UP ON BICKNELL LN. AFTER HARD RAIN.

2 MEN 2 HOURS = \$144.00

BACKHOE 2 HOURS = \$144.00

SEED AND STRAW = \$10.00

TOTAL = \$298.00

8-18-03 CHECKED ON MATERIALS FOR FIRE PLUGS AT
CLAYS MILL PUMP STATION.

1 MAN 1 HOURS = \$45.00

TOTAL = \$45.00

8-18-03 CLEAN UP AT TROY SEALS 3325 KEENE RD.

1 MAN 2 HOURS = \$90.00

BACKHOE 1 HOUR = \$72.00

SEED AND STRAW = \$10.00

TOTAL = \$172.00

8-20-03 MET TOM AT KEENE AND 169 HIGHWAY ABOUT
FIRE HYDRANT PLACEMENT.

\$45.00

TOTAL = \$45.00

8-20-03 DISASSEMBLED FIRE PLUGS AND VALVES AT



Date of Interruption: Aug - 1-03 75477
Candlewood
Time of Interruption: NONE Service
Duration of Leak: unknown Line
Cause: Service Line Leak Leak
Remedy: Repaired Service Line
Amount of Estimated Water Loss: 6,000 Gallons

Date of Interruption: Aug - 13-03 ~~Donkey~~ Farm
Time of Interruption: 10:00 AM @ Earlywine
Duration of Leak: 1 hr. 30 mins Fencing
Cause: Earlywine Fencing hit MAIN LINE hit Line
Remedy: Repaired MAIN LINE
Amount of Estimated Water Loss: 100,000 Gallons

Date of Interruption: Aug 14-03 Perkins
Time of Interruption: NONE Farm
Duration of Leak: 2 days Air
Cause: Air release valve broke off. Release
Remedy: Replaced Air Release Valve Valve
Amount of Estimated Water Loss: 48,000 Gallons

Date of Interruption: Aug 22-03 C.R. Cable
Time of Interruption: 10:00 AM Co. hit
Duration of Leak: 1 hr. 30 mins MAIN Line
Cause: C.R. Cable Co. hit MAIN LINE Morgant
Remedy: Repaired MAIN LINE at Bellard
Amount of Estimated Water Loss: 120,000 Gallons

Invoice

Invoice Number:
0222

Invoice Date:
9/10/03

Page:
1

JESSAMINE SOUTH ELKHORN WATER DISTRICT
PO BOX 731
117 SOUTH MAIN STREET
NICHOLASVILLE, KY 40340
USA

Voice: 859-881-0589
Fax: 859-881-5080

Duplicate

Sold To:

EARLYWINE FENCING
216 NORTHLAND DR
PARIS, KY 40361

Copy
725-0531 306
207 0974

Customer ID: EARLYWINE

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Net 30 Days		10/10/03

Description	Amount
REPAIR MAIN LINE BREAK - 3325 KEENE RD	667.00
WATER LOSS - 3325 KEENE RD - 100,000 GALS	464.00
WATER SAMPLES - 3325 KEENE RD	26.00
COLLECTING WATER SAMPLES - 3325 KEENE RD	20.00
TRIP TO LAB - 3325 KEENE RD	20.00
ADMIN CHG - 3325 KEENE RD	40.00
<i>Order 3000</i> <i>R.P. 156</i> <i>4/20/03</i>	

Subtotal	1,237.00
Sales Tax	
Total Invoice Amount	1,237.00
Payment Received	
TOTAL	1,237.00

Check No:



INVOICE

2520 Regency Rd.
Lexington, KY 40503
Phone: 859-276-3506
Toll Free: 800-489-3506
Fax: 859-278-5665
Email: info@envirodatagroup.com

Tax ID #: 61-1352664

Jessamine-South Elkhorn Water District
Attn: Ms. Diana Clark
PO Box 731
Nicholasville, KY 40340-0731
cc:

Carlyne

Invoice Number: 22523 **Invoice Date: 08/19/2003**

COC: 23022
Contract Number: 349
Purchase Order:
Project Name:
Project #:

Invoice Total: \$26.00

Project Manager: Lisa Sexton

Details

Item	Matrix	Quantity	Price	Discount	Surcharge	Total
CL2. FREE (Field)	AQUEOUS	2	0.00	0 %	0.00 x	\$0.00
COLILERT QUANT	AQUEOUS	2	13.00	0 %	0.00 x	\$26.00
Grand Total:						\$26.00

Invoice Sample Information

Lab ID:	Client Sample ID	Sample Date
241,547	Dontro Farm	08/13/2003
241,548	Diamond Oak Farm	08/13/2003

Comments:

*****Please reference invoice number when submitting payment*****

This invoice is due net 30 days. We accept credit card payments. As per our standard terms and conditions, late penalties may be applied to your account balance.

Invoice

Invoice Number:
0222

Invoice Date:
9/10/03

Page:
1

JESSAMINE SOUTH ELKHORN WATER DISTRICT
PO BOX 731
117 SOUTH MAIN STREET
NICHOLASVILLE, KY 40340
USA

Voice: 859-881-0589
Fax: 859-881-5080

Duplicate

Sold To:

DONTRO FARM
BOX 156
KEENE, KY 40339

Customer ID: DONTRO

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Net 30 Days		10/10/03

Description	Amount
REPAIR MAIN LINE BREAK - 3325 KEENE RD	667.00
WATER LOSS - 3325 KEENE RD - 100,000 GALS	464.00
WATER SAMPLES - 3325 KEENE RD	26.00
COLLECTING WATER SAMPLES - 3325 KEENE RD	20.00
TRIP TO LAB - 3325 KEENE RD	20.00
ADMIN CHG - 3325 KEENE RD	40.00

Subtotal	1,237.00
Sales Tax	
Total Invoice Amount	1,237.00
Payment Received	
TOTAL	1,237.00

Check No:

December 3, 2003


The Board of Commissioners of the Jessamine South Elkhorn Water District met on December 3, 2003, with the following Commissioners present: Jerry Haws, George Dale Robinson, Leon Taylor, John Blackford, and Kenneth Noland. John Horne, Bruce Smith, Michael Stephenson, Tom Smith, and Diana Clark were also present.

There was a discussion on the letter from the Ky Transportation Cabinet concerning additional reimbursement funds on the **US 68** project. Mr. Smith was instructed to write a letter giving the State authorization to apply the credit of \$40,000 the District received from the forfeit bond and to inform the State that Horne Engineering would be sending a closeout for the project.

Mr. Haws submitted his resignation as Chairman effective immediately and opened the floor for nominations for the position. Mr. Blackford nominated Mr. Taylor as Chairman, seconded by Mr. Noland - approved. Mr. Smith informed the Board that the election for Chairman is being held due to Mr. Haws' resignation. The Secretary position would remain with Mr. Robinson and the Treasurer position would need to be filled if Mr. Taylor resigns that position. Upon Mr. Taylor's resignation as Treasurer, Mr. Robinson nominated Mr. Blackford as Treasurer, seconded by Mr. Noland - approved. A motion for these commissioners to serve in the same positions for 2004 was made by Mr. Robinson, seconded by Mr. Noland - approved.

Mr. Haws left the meeting at this time.

Mr. and Mrs. Curtsinger, Chrisman Mill Rd, addressed the Board concerning an invoice they received for damage to a main line broken by his contractor, Johnnie Hager. Mr. Curtsinger thought the bill was excessive. There was no request for the District to mark the line. After a lengthy discussion, the Board informed the Curtsingers that the invoice would stand as issued and the Curtsingers would report back to the District with their intentions for payment before the January meeting.

There was a discussion on two other invoices (Dontro Farm and Kevin Kruer) for repairs which have not been paid. The Board agreed that the invoices would stand as issued. 

Mr. Horne gave an update on the proposed **tank site** (Switzer). The contract had been prepared and delivered to Mrs. Switzer. There were several questions that Mrs. Switzer had on the contract and Mr. Horne was hopeful that by the January meeting, the District would have a signed contract.

Tom reported to the Board that according to DOW and PSC, the District did not have to have a certified operator for sewers at this time. He was also told that if there was a problem, DOW would address the operators of the treatment facility.

Mr. Horne clarified the agreement between the City of Wilmore and the District's boundaries. He suggested including both the memo to the Commissioners on the agreed upon boundary change and the description of the boundaries with the November minutes. A motion to accept the description as recommended by Horne Engineering and instruct Mr. Smith to draw up an agreement was made by Mr. Blackford, seconded by Mr. Robinson - approved.

A motion to accept the amended minutes of the November meeting was made by Mr. Blackford, seconded by Mr. Noland - approved.

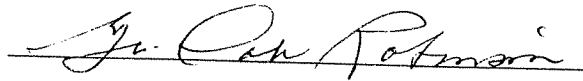
A motion to approve the November bills was made by Mr. Blackford, seconded by Mr. Noland - approved.

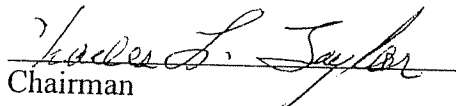
There was a discussion on the sewer project. Mr. Smith suggested taking a strong stand on the interlocal agreement with LFUCG.

Tom informed the Board that Larry Wagoner was having surgery December 5th and would be out for approximately six weeks.

There being no further business to come before the Board, meeting adjourned.

ATTEST:




Chairman

December 8, 2003

Mr. Troy Seale
Dontro Farm
Box 156
Keene, Ky. 40339

Dear Mr. Seale:

Your invoice for \$1,237 was discussed at the December Board of Commissioners meeting. The Commissioners agreed that the invoice will stand as issued. This invoice is past due; therefore, we need for you to make immediate arrangements for payment.

If you have any questions, please notify the office for arrangements to meet with the Commissioners at the next monthly meeting. Thank you for your attention to this matter.

Sincerely,

Diana Clark
Office Manager

February 4, 2004

The Board of Commissioners of the Jessamine South Elkhorn Water District met on February 4, 2004, with the following Commissioners present: Leon Taylor, George Dale Robinson, John Blackford, Kenneth Noland, and Nick Strong. John Horne, Bruce Smith, Christopher Horne, Tom Smith, and Diana Clark were also present.

Jason Banks addressed the Board with a request for an easement release between two five-acre lots on **Stirling Ln** which were consolidated. A motion to grant the release and authorize Mr. Taylor to sign off on the plat was made by Mr. Robinson, seconded by Mr. Blackford - approved.

Ray Duran, **Man O'War Partners**, addressed the Board with a request for sewer service for a development opposite the Ash Grove Pike intersection. A motion to initiate the discussion to provide sewer service at which time it is available was made by Mr. Robinson, seconded by Mr. Blackford - approved.

Sam Sternberg, **Legacy Estates**, addressed the Board with a request for sewer service for a development on Brannon Rd. A motion to initiate the discussion to provide sewer service at which time it is available was made by Mr. Robinson, seconded by Mr. Blackford - approved.

Mr. Horne reported that the contract with Sue Switzer for the new **tank site** had been signed and they had started surveying. He was also starting the process of getting an impact fee in place.

A motion to approve the minutes of the January meeting was made by Mr. Blackford, seconded by Mr. Robinson - approved.

A representative of Christian Ach, **Holloway Dev.**, addressed the Board to have a plat signed. Mr. Horne recommended that the plat be signed with no service turned on until all paperwork was completed. A motion to authorize Mr. Taylor to sign the plat was made by Mr. Robinson, seconded by Mr. Blackford - approved.

A motion to approve the January bills was made by Mr. Noland, seconded by Mr. Robinson - approved.

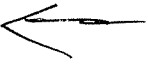
Mr. Horne reported that he was in the process of submitting the application for funds for the **Southeast, Phase 2** project.

A motion to approve the **Keene Manor** (Corman McQueen Golf) extension was made by Mr. Robinson, seconded by Mr. Blackford - approved.

There was a discussion on the Parks Ln tank site agreement (1992) with Corman McQueen Golf (**Harrods Club**). There is a twenty year time frame on the agreement. The meters will be preset with connection fees compensated per agreement.

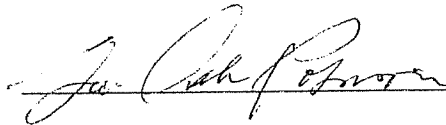
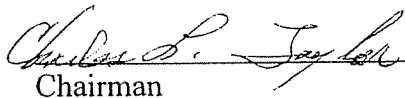
Mr. Horne answered a question that **Southland Christian Church** was going to move the sewer line at their cost before the District takes over the line.

Three invoices from PEH/Strand (**North Jessamine Sewer**) were presented to the Board. There was a discussion on setting up a new bank account and obtaining a line of credit until the Fund A1 money is received. Mr. Smith was going to call Strand to get a projection on invoicing for the next two months and will also check the invoicing against the contract. A motion to pay the invoices contingent on Mr. Smith checking the invoices and authorizing Mr. Smith to set up for a loan from Town Square Bank for payment of the invoices was made by Mr. Noland, seconded by Mr. Robinson - approved.

There was a discussion on invoices on Kevin Kruer and Dontro Farm were brought to the attention of the Board. The District will send letters requesting both to attend the March meeting to settle these accounts. 

There being no further business to come before the Board, meeting adjourned.

ATTEST:


_____
Chairman

February 5, 2004

Dontro Farm
Box 156
Keene, KY 40339

Dear Mr. Seale:

We still have not received payment for Invoice 0222, dated 9/10/03 in the amount of \$1,237. The Board of Commissioners request your attendance at the March 3rd meeting in order to discuss this item and settle the account. The meeting will be held at 1:00 PM at the District's office, 117 S. Main St.

Thank you for your attention to this matter.

Sincerely,

Diana Clark
Office Manager

March 3, 2004

The Board of Commissioners of the Jessamine South Elkhorn Water District met on March 3, 2004, with the following Commissioners present: Leon Taylor, George Dale Robinson, John Blackford, Kenneth Noland, and Nick Strong. John Horne, Bruce Smith, Christopher Horne, Steve Stephenson, Tom Smith, and Diana Clark were also present.

Jason Banks addressed the Board with a request to sign the final plat for **The Lakes** (formerly known as the **McChesney** Farm). A motion to authorize Mr. Taylor to sign the plat was made by Mr. Robinson, seconded by Mr. Strong - approved.


Mr. Horne requested the signing of the interim agreements for sewer services for **Man O War** and **Brannon Crossing** developments. A motion to authorize Mr. Taylor to sign the agreements was made by Mr. Robinson, seconded by Mr. Blackford - approved.

Mr. Horne presented a proposal from QORE Property Sciences for geotechnical exploration of the Switzer **tank site** in the amount of \$4625. A motion to accept and authorize Mr. Taylor to sign the proposal was made by Mr. Blackford, seconded by Mr. Robinson - approved. Mr. Horne also stated he was working on getting a plat for recording and the encroachment permit which would fulfill the agreement with Mrs. Switzer.

Mr. Horne stated he was completing the **Southeast, Phase 2** application.

Mr. Horne outlined the agreement between Corman-McQueen Golf, Inc and the District for the Parks Lane tank site. He recommended that the connection fees remain at \$150 for each preset meter and the 2/28/92 agreement amount of \$21,875 be applied to the **Harrods Ridge** (formerly Harrods Club) extension invoice. Any cost over the \$21,875 will be paid by Corman-McQueen. Any remaining amount after all reimbursements would be retained by the District. Mr. Horne will present a letter at the next meeting for Board approval.

The April meeting will be changed to the 14th. Randall Wright, the District's insurance agent, will attend that meeting to present options for the health insurance plans.

There was a brief discussion on the invoices for Kevin Kruer and Dontro Farm. Neither responded to the invitation to attend this meeting. The Board instructed Mr. Smith to write letters to each giving ten (10) days from the letter date to pay the invoice or service would be discontinued. 

A motion to accept the minutes of the February meeting was made by Mr. Robinson, seconded by Mr. Noland - approved.

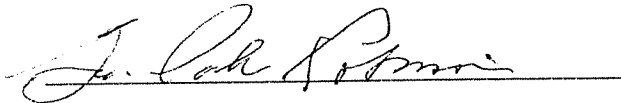
A motion to approve the February bills was made by Mr. Blackford, seconded by Mr. Robinson - approved.


There was a discussion on an aerial flyover requested by PEH on the **sewer** project location. The cost would be from \$8,000 - \$10,000. This is a line item already approved in their contract; however, PEH needs approval for payment up front, before the design is completed and funding in place, in order to complete the flyover while the leaves are off of the trees. Mr. Smith was instructed to obtain an actual amount for the flyover. A motion to approve the payment for the flyover was made by Mr. Robinson, seconded by Mr. Blackford - approved.

Mr. Horne reported that the **Paddock Shops** had been flushed and tested and needed to complete the punchlist. Tom asked about an existing service on the property which needed to be located. This service needs to remain on the property; however, it needs to be locked.

There being no further business to come before the Board, meeting adjourned.

ATTEST:





Chairman

LAW OFFICES
MOYNAHAN, IRVIN & SMITH, P.S.C.
110 NORTH MAIN STREET
NICHOLASVILLE, KENTUCKY 40356
(859) 887-1200
FAX (859) 885-2307

BRUCE E. SMITH
bsmith@mislaw.com

April 14, 2004

Mr. Troy Seale
Dontro Farm
P.O. Box 156
Keene, KYK 40339

Re: Jessamine-South Elkhorn Water District

Dear Troy:

I represent the above referenced Water District. The Board of Commissioners has directed me to advise you that unless you pay the attached bill for \$1,237.00, in full, by no later than the close of business on Monday, April 26, 2004, your water service will be terminated.

Inasmuch as you did not avail yourself of the opportunity to appear at the Board's meeting on March 3, 2004, the Board felt it had no other alternative but to take this action.

Sincerely,



Bruce E. Smith

Enclosure(s)

cc: Ms. Diana Clark

ATTENTION:

PLEASE REFER TO THE VALIDATION NOTICE ENCLOSED HEREWITH.

April 14, 2004

**VALIDATION NOTICE UNDER THE FAIR DEBT COLLECTION
PRACTICES ACT**

TO: Mr. Troy Seale
Dontro Farm
P.O. Box 156
Keene, KY 40339

1. The purpose of this letter is to collect a debt. Any information you provide to Moynahan, Irvin & Smith, P.S.C. or any attorney employed by that firm will be used for that purpose.

2. The amount of the claimed debt is \$1,237.00 as of April 14, 2004.

3. The name of the creditor to whom the debt owed is Jessamine-South Elkhorn Water District, Nicholasville, Kentucky.

4. The above debt will be assumed to be valid by Moynahan, Irvin & Smith, P.S.C. or any attorney employed thereby, unless, within thirty (30) days after the receipt of this Notice, you dispute, in writing, the validity of the debt or some portion thereof.

5. If you notify Moynahan, Irvin & Smith, P.S.C., or any attorney employed thereby, in writing within thirty (30) days of the receipt of this Notice of the debt, or any portion thereof, is disputed, Moynahan, Irvin & Smith, P.S.C., or an attorney employed thereby, will obtain a verification of the debt and a copy of the verification will be mailed to you by Moynahan, Irvin & Smith, P.S.C., or an attorney employed thereby.

6. If the creditor named above is not the original creditor, and if you make written requests to Moynahan, Irvin & Smith, P.S.C., or any attorney named below, within thirty (30) days from the receipt of this Notice, the name and address of this original creditor will be mailed to you by Moynahan, Irvin & Smith, P.S.C., or an attorney employed thereby.

7. Written requests should be addressed to Moynahan, Irvin & Smith, P.S.C., 110 North Main Street, Nicholasville, Kentucky 40356.

Invoice

Invoice Number:
0222

Invoice Date:
9/10/03

Page:
1

JESSAMINE SOUTH ELKHORN WATER DISTRICT
PO BOX 731
117 SOUTH MAIN STREET
NICHOLASVILLE, KY 40340
USA

Voice: 859-881-0589
Fax: 859-881-5080

Duplicate

Sold To:

DONTRO FARM
BOX 156
KEENE, KY 40339

Customer ID: DONTRO

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Net 30 Days		10/10/03


Description	Amount
REPAIR MAIN LINE BREAK - 3325 KEENE RD	667.00
WATER LOSS - 3325 KEENE RD - 100,000 GALS	464.00
WATER SAMPLES - 3325 KEENE RD	26.00
COLLECTING WATER SAMPLES - 3325 KEENE RD	20.00
TRIP TO LAB - 3325 KEENE RD	20.00
ADMIN CHG - 3325 KEENE RD	40.00

Subtotal 1,237.00
Sales Tax
Total Invoice Amount 1,237.00
Payment Received
TOTAL 1,237.00

Check No:

May 5, 2004

The Board of Commissioners of the Jessamine South Elkhorn Water District met on May 5, 2004, with the following Commissioners present: Leon Taylor, George Dale Robinson, John Blackford, Kenneth Noland, and Nick Strong. John Horne, Bruce Smith, Christopher Horne, Michael Stephenson, Tom Smith, and Diana Clark were also present.

David Marshall, attorney for Troy Seale, addressed the Board concerning an outstanding invoice. Mr. Seale does not feel he owes for the repairs. There was a brief discussion about the details of the incident. Mr. Marshall was going to contact the fencing contractor concerning their insurance coverage and meet back with the Board during the July meeting. 

William Hall, Tankersley Lane, addressed the Board with a request for water service. Mr. Hall was told it was not feasible for the District to extend the main line for two customers; however, Mr. Hall was given his options in order to obtain water service.

The title search and recording of the **Switzer tank site** plat should be completed by the end of the week.

Mr. Horne stated the owners' names for **Legacy Estates** should be changed to Star Mountain Development, LLC.

A motion to authorize Mr. Taylor to sign the Application for Federal Assistance for the **Southeast, Phase 2** (Project #3470) project was made by Mr. Blackford, seconded by Mr. Robinson - approved.

A motion to authorize Mr. Taylor to sign the Engineering Agreement between Horne Engineering and the District for the **Southeast, Phase 2** project was made by Mr. Strong, seconded by Mr. Blackford - approved.

A motion to authorize the payment of four invoices (30904 / 30232 / 31642 / 31641) from Strand for the **North Jessamine Sewer Project** was made by Mr. Blackford, seconded by Mr. Robinson - approved.

A motion to approve the minutes of the April meeting was made by Mr. Strong, seconded by Mr. Blackford - approved.

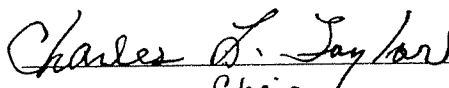
There was a brief discussion on the increase in rates by Ky Am Water Co.

A motion to approve the April bills was made by Mr. Robinson, seconded by Mr. Strong - approved.

Mr. Smith gave Mr. Robinson a review of the discussion on **Legacy Estates** which took place at the April meeting.

There being no further business to come before the Board, meeting adjourned.

ATTEST:




Chairman

July 7, 2004

The Board of Commissioners of the Jessamine South Elkhorn Water District met on July 7, 2004, with the following Commissioners present: Leon Taylor, George Dale Robinson, John Blackford, Nick Strong, and Kenneth Noland. Bruce Smith, John Horne, Michael Stephenson, Tom Smith, and Diana Clark were also present.

Jason Banks, Eagle Engineering, addressed the Board with concerns in **The Lakes (McChesney)** extension project. The issue of the placement of utilities within the general utility easement was raised. Three representatives from Blue Grass Energy were invited into the meeting for this discussion. There was a lengthy discussion on the issue of the electrical transformers and water meters being on the same lot line. Bruce Smith recommended that what has already been placed in Unit 1A would stay as is. He also suggested that he and John Horne should do some research into the National Codes before the Board set or revise the extension policy of setting meters. A motion to allow the transformers and meters in **The Lakes, Unit 1A**, to remain as installed was made by Mr. Robinson, seconded by Mr. Noland - approved. It was suggested to Jason Banks that he makes sure the approved plans with the note that transformers and meters would not be on the same lot line be followed for **The Lakes, Unit 1B**. There was more discussion on the way services should be set in the future. One suggestion was to do away with preset meters. It was suggested that Jason meet with Blue Grass Energy to see where they are with the plans for Unit 1B. If a solution to the problem of setting the transformers and meters on the same lot line is not resolved, Jason will meet back with the Board before beginning construction of Unit 1B. A motion to authorize Chairman Taylor to sign the plat for Unit 1B was made by Mr. Robinson, seconded by Mr. Strong - approved.

Cheryl Harris, Burton Ln (**Southeast**), addressed the Board with a request for water service. Mr. Horne explained that the District was still waiting for funding on the project and was in the design phase. Mr. Blackford explained that all of the property owners on Burton Lane would have to get easements.

David Marshall was in attendance on behalf of Troy Seale; however, Bruce Smith was ordered to be in Danville for a hearing and would have to leave the meeting. He talked to Mr. Marshall about waiting until the August meeting. 

Bruce Smith reported that the negotiations with District #1 concerning **Legacy Estates** is still ongoing. He also reported that Judge Cassity had been contacted by Division of Water and he wants the issue settled. There was a discussion on the level of service each district could provide. Mr. Smith left the meeting. Mr. Robinson suggested that Chairman Taylor set up a meeting with Judge Cassity and the Commissioners to discuss the issue.

There was a brief discussion on the tobacco grant funds for the unserved areas of the county. The Board agreed if the District received both \$800,000 grants, a federal loan would not be necessary.

A motion to require final plats to be submitted for review two (2) weeks prior to the board meeting was made by Mr. Blackford, seconded by Mr. Robinson - approved.

Minutes
July 7, 2004
Page 2

A motion to approve the minutes of the June meeting was made by Mr. Robinson, seconded by Mr. Strong - approved.

Mr. Blackford brought up a question of the mowing at Parks Ln. Tom replied that he would talk to the Bennetts about the frequency of mowing. A motion to approve the June bills was made by Mr. Robinson, seconded by Mr. Strong - approved.

A motion to authorize Chairman Taylor as the voting delegate to the KRWA annual business meeting was made by Mr. Robinson, seconded by Mr. Strong - approved.

An invoice from BGADD was presented; however, the Board requested a detail of the invoice.

Diana informed the Board that **KIA** was restructuring the Fund C loans. The Debt Reserve would no longer be required. Therefore, the money in the Debt Reserve would be applied to the loan and monthly loan payments would be required in the future.

A motion to approve pay estimate #6 (**Barkley Woods**) to ABR Construction was made by Mr. Robinson, seconded by Mr. Strong - approved.

A motion to approve an invoice from Third Rock Consultants for the endangered species survey on the **N J Sewer** project was made by Mr. Strong, seconded by Mr. Noland - approved.

A motion to authorize Chairman Taylor to sign the **KIA Fund A1** resolution was made by Mr. Robinson, seconded by Mr. Strong - approved.

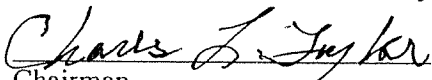
A motion to accept the conveyance of **Barkley Woods** contingent on reimbursement of expenses was made by Mr. Robinson, seconded by Mr. Noland - approved.

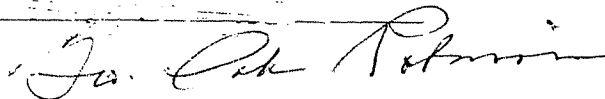
A motion to authorize Chairman Taylor to sign the contract on **Harrods Ridge** was made by Mr. Robinson, seconded by Mr. Blackford - approved.

The Board went into closed session to review the evaluation of Larry Wagoner. After reopening the session, a motion to approve a 5% raise for Larry Wagoner was made by Mr. Robinson, seconded by Mr. Strong - approved. The Board also stated they wanted Larry certified within a year.

There being no further business to come before the Board, meeting adjourned.

ATTEST:


Chairman



October 6, 2004

The Board of Commissioners of the Jessamine South Elkhorn Water District met on October 6, 2004, with the following Commissioners present: George Dale Robinson, John Blackford, and Kenneth Noland. Bruce Smith, Christopher Horne, Steve Stephenson, Tom Smith, and Diana Clark were also present.

Mark Askin, Strand and Associates, (**NJ Sewer**) addressed the Board with a monthly update on the sewer project. The plans had been approved by LFUCG and Division of Water and are ready to go for the EPA grant. There was a brief discussion on obtaining easements for the project.

Cheryl Harrison, Burton Ln (**Southeast**), addressed the Board with an update on her progress of obtaining easements.

There was a discussion on the **Stephenson Construction** contract renewal. Steve submitted the hourly rate increase for review. There were a few items brought to Steve's attention: the paperwork needs to be submitted within two days, all jobs with the exception of emergency and after hour requires a work order from the office, cleanup needs to be included in the cost of the job, and notify the office of tie-ins and anytime any customers would be out of water. Mr. Smith is going to draw up the renewal with the rate increases and an effective date of October 1, 2004. A motion to approve the contract renewal was made by Mr. Blackford, seconded by Mr. Noland - approved.

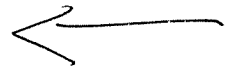
A motion to accept the conveyance of **The Lakes, Unit 1A** was made by Mr. Blackford, seconded by Mr. Noland - approved.

There was a brief discussion on the **Legacy Estates** contract with District #1. The signed contract has not been returned to JSEWD as of this date.

During the review of the bills, Mr. Blackford requested a total expense for the 2004 mowing to be given at the November meeting. He also suggested placing the mowing contract on bid for the 2005 season. A motion to approve the September bills was made by Mr. Noland, seconded by Mr. Blackford - approved.

A motion to approve the September minutes was made by Mr. Noland, seconded by Mr. Blackford - approved.

Mr. Smith is going to write Troy Seale a letter concerning an outstanding balance.



A motion to approve the final pay estimate of \$6,349.78 for JSEWD portion of the **Barkley Woods** loop was made by Mr. Noland, seconded by Mr. Blackford - approved.

A preliminary budget was presented to the Board for review.

Minutes
October 6, 2004
Page 2

A proposal for a new accounting/utility computer was presented for approval. The Board agreed to go ahead with the purchase.

* Diana informed the Board that the PSC annual inspection showed zero deficiencies for the District.

There being no further business to come before the Board, meeting adjourned.

ATTEST: _____

Charles L. Taylor
Chairman

LAW OFFICES
MOYNAHAN, IRVIN & SMITH, P.S.C.
110 NORTH MAIN STREET
NICHOLASVILLE, KENTUCKY 40356
(859) 887-1200
FAX (859) 885-2307

BRUCE E. SMITH
bsmith@mislaw.com

November 11, 2004

David Russell Marshall, Esq.
109 Court Row
Nicholasville, KY 40356

Re: Troy Seale

Dear David:

The dispute between Mr. Seale and the Jessamine-South Elkhorn Water District over the payment of damage caused to our waterline has drifted somewhat from a course towards attempted resolution. The purpose of this letter is to move this dispute towards that goal.

If Mr. Seale is still interested in discussing a resolution short of litigation, would you please make arrangements to attend the District's December 1st, 2004 meeting at 1:00 PM (117 South Main Street). I will have our contractor at the meeting as well.

Sincerely,


Bruce E. Smith

cc: Steve Stephenson
Michael Stephenson

g:\...JSEWD\Marshall ltr 11104

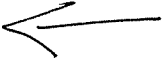
December 1, 2004

The Board of Commissioners of the Jessamine South Elkhorn Water District met on December 1, 2004, with the following Commissioners present: Leon Taylor, George Dale Robinson, Nick Strong, John Blackford, and Kenneth Noland. Bruce Smith, Christopher Horne, John Horne, Steve Stephenson, Tom Smith, and Diana Clark were also present.

Mr. Horne reported that a coordination meeting with LFUCG had been scheduled for Monday, December 13th, 2:00 PM.

Mr. Horne also gave an update on **Brannon Crossing** and suggested a response letter be written to Mr. Hughes' allegations that the District was dragging their feet and causing delays with his project.

There was a discussion on revising the **User Agreement** to address the issue of new meter services, excluding preset meters, not put into immediate use. A motion to give new meter service customers, excluding preset meters, six (6) months to connect and begin water service before starting a minimum billing cycle for 12 months or until service is initiated and continued for the remaining 12-month period was made by Mr. Robinson, seconded by Mr. Blackford - approved.

There was a discussion on the **Troy Seale** invoice. Mr. Seale and his attorney came to the office, but did not wait to address the Board. The Board agreed to bill Mr. Seale for the additional cleanup charge on the repairs and send a letter informing Mr. Seale that full payment for both invoices would be due December 31, 2004, or water service would be discontinued on the January 2005 cutoff date. 

There was some discussion on the cleanup issue and communication charge on the Stephenson contract. A motion to renew **Stephenson Construction** contract was made by Mr. Strong, seconded by Mr. Noland - approved.

A motion to approve the minutes of the November meeting was made by Mr. Strong, seconded by Mr. Blackford - approved.

A motion to approve the November bills was made by Mr. Blackford, seconded by Mr. Robinson - approved.

A motion to reelect the present officers of the Board and to elect Mr. Strong as Vice Chairman and Mr. Noland as Vice Secretary for 2005 was made by Mr. Robinson, seconded by Mr. Blackford - approved.

A motion to accept the conveyance of Delaney Woods, Unit 3, Lot 20 (**Jelka James**) was made by Mr. Robinson, seconded by Mr. Strong - approved.

Minutes
December 1, 2004
Page 2

There being no further business to come before the Board, meeting adjourned.

ATTEST:

Chairman

December 2, 2004

Mr. Troy Seale
Dontro Farm
P O Box 156
Keene, KY 40339

Dear Mr. Seale:

Enclosed please find a copy of invoice #0222, dated Sept 10, 2003 and a new invoice for \$172 for clean up of repairs to damaged water line. Enclosed also is a copy of the District's tariff concerning damage to the water system which is approved by the Kentucky Public Service Commission. The District has tried repeatedly to resolve this issue and again you were not able to attend the monthly meeting. Therefore, the Board of Commissioners is advising you that the enclosed invoices totaling \$1409.00 must be paid by year end close, December 31, 2004; otherwise, water service will be terminated on the cutoff date of January 18, 2005. The District is making a suggestion that you settle the charges with us and then try to receive compensation either through your fencing contractor or insurance.

Thank you for your attention to this matter.

Sincerely,

Diana Clark
Office Manager

Invoice

Invoice Number:
0284

Invoice Date:
12/2/04

Page:
1

JESSAMINE SOUTH ELKHORN WATER DISTRICT
PO BOX 731
117 SOUTH MAIN STREET
NICHOLASVILLE, KY 40340
USA

Voice: 859-881-0589
Fax: 859-881-5080

Duplicate

Sold To:
DONTRO FARM
BOX 156
KEENE, KY 40339

Customer ID: DONTRO

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Net 30 Days		1/1/05
Description			Amount
CLEAN UP OF REPAIRS - 3325 KEENE RD			172.00

	Subtotal	172.00
	Sales Tax	
	Total Invoice Amount	172.00
Check/Credit Memo No:	Payment/Credit Applied	
	TOTAL	172.00

Invoice

Invoice Number:
0222

Invoice Date:
9/10/03

Page:
1

JESSAMINE SOUTH ELKHORN WATER DISTRICT
PO BOX 731
117 SOUTH MAIN STREET
NICHOLASVILLE, KY 40340
USA

Voice: 859-881-0589
Fax: 859-881-5080

Duplicate

Sold To:
DONTRO FARM
BOX 156
KEENE, KY 40339

Customer ID: DONTRO

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Net 30 Days		10/10/03

Description	Amount
REPAIR MAIN LINE BREAK - 3325 KEENE RD	667.00
WATER LOSS - 3325 KEENE RD - 100,000 GALS	464.00
WATER SAMPLES - 3325 KEENE RD	26.00
COLLECTING WATER SAMPLES - 3325 KEENE RD	20.00
TRIP TO LAB - 3325 KEENE RD	20.00
ADMIN CHG - 3325 KEENE RD	40.00

Subtotal 1,237.00
Sales Tax
Total Invoice Amount 1,237.00
Payment Received
TOTAL 1,237.00

Check No:

For Northwestern Portion of Jessamine County

P.S.C. Ky. No. ?

Original Sheet No. 15

Cancelling P.S.C. Ky. No. 1

Original Sheet No. 7

Lexington - South Elkhorn Water District

RULES AND REGULATIONS

23. Damage to District's Water System

No person shall break, damage, destroy, uncover, deface, tamper with, or otherwise alter any structure, appurtenance, equipment, or other property which is a part of the District's water works. Any person violating this provision shall be subject to immediate arrest and/or discontinuation of water service and shall pay all costs of repairing or replacing the property including but not limited to all overhead expenses.

Any person, firm or organization working around or near the District's distribution mains, appurtenances, or other property may request the District to indicate the location of same. However, location by District of same does not relieve such person of complete responsibility and liability for any and all damages, liability and loss to the District's property resulting from any act of such person or his assigns and/or agent.

Any damage or injury to persons or property caused by or resulting from the acts of the customer or any other individual in relation to the District's property shall be paid by the customer or other individual including but not limited to all loss, costs and expenses, including attorneys fees and court costs. Said customer or other individual shall indemnify the District from all loss, cost, and expense, including but not limited to attorneys fees and court costs, resulting from or caused by the aforementioned acts.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

24. Additional Load

MAR 21 1983

The service connection supplied by the District for each customer has a definite capacity, and no addition to the equipment or load connected thereto shall be allowed except by consent of the District. Failure to give notice of additions or changes in load, and to obtain the District's consent for same shall render the customer liable to the District for all loss, cost, and expense, including but not limited to attorneys fees and court costs, for any damage to any of the District's lines or equipment caused by the additional or changed installation.

PURSUANT TO 807 KAR 5:011,
SECTION 1
BY: [Signature]

DATE OF ISSUE August 4, 1982
Month Day Year

DATE EFFECTIVE August 24, 1982
Month Day Year

ISSUED BY

[Signature]
S.J. Stokes, Jr., Chairman

200 W. Maple, Nicholasville, KY 40356
Address

DAVID RUSSELL MARSHALL
ATTORNEY AT LAW

109 COURT ROW
NICHOLASVILLE, KENTUCKY 40356

TELEPHONE: (859) 885-3192
FAX: (859) 887-1557

December 9, 2004

Jessamine-South Elkhorn Water District
P. O. Box 731
Nicholasville, KY 40340-0731
Attention: Ms. Diana Clark, Officer Manager

RE: Troy Seale/Dontro Farm

Dear Ms. Clark:

Be advised that I, through my client, Troy Seale, am now in possession of your December 2, 2004 letter forwarded directly to Mr. Seale. I have read, with interest, paragraph #23 of the Rules and Regulations of the Lexington South Elkhorn Water District dealing with damages to the District's Water System. As the District is well aware, Mr. Seale did not break, damage, destroy, uncover, deface, tamper with, or otherwise alter any structure, appurtenance, equipment, or other property which is a part of the District's water works. In fact, Mr. Seale was out of town on the day the subject water line was damaged. Absolutely no proof exists that Mr. Seale was in any way negligent with respect to the damaged water line. Accordingly and in accordance with the third section of paragraph #23 of the District's Rules and Regulations, any damages or injury to the District's water works must be borne by the "other individual" responsible for the damages and not Mr. Seale. Rather than obligating Mr. Seale to look to a fencing contractor or insurance company for reimbursement of the damages, it is respectfully suggested that the water district heed its own advice "try to receive compensation" from the "other individual" responsible for the damages.

Secondly, with respect to the threatened termination of Mr. Seale's water service, be advised that Mr. Seale is in the business of raising and selling cattle and expensive thoroughbred race horses. The welfare of Mr. Seale's livestock would be severely jeopardized by the termination of his water service. If his water service is terminated, be advised that Mr. Seale will pursue all available remedies against the water district to compensate for all damages sustained by the water district's heavy handed and improper tactics.

Lastly, you have alleged in your December 2, 2004 letter that Mr. Seale has failed to attend your monthly meetings. You know or should know, that I have appeared at two (2) monthly

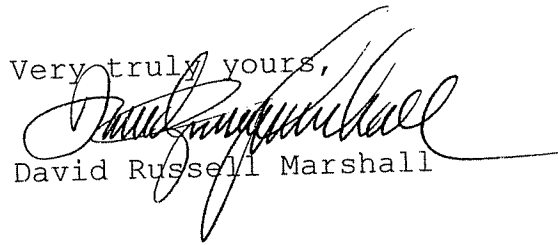
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meetings on behalf of Mr. Seale. Prior to December 1, 2004, Mr. Seale and I were requested to appear for a meeting with the Board on December 1, 2004, at the hour of 1:00 p.m. Mr. Seale and I arrived timely for the meeting, but were made to wait, without explanation, in excess of 45 minutes. When Mr. Seale became exhausted with the Board's rude and condescending behavior, he elected to leave. This fact should be corrected in the Board's minutes in view of what is perceived to be unavoidable litigation in this matter.

If you have any questions or wish to discuss this matter further, please feel free to contact me.

With kindest regards, I remain

Very truly yours,


David Russell Marshall

DRM/shm

cc: ✓ Honorable Bruce E. Smith
✓ Mr. Troy Seale

letters\troy seale-water district.ltrshm