

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

CARROLL COUNTY WATER DISTRICT NO. 1)
COMPLAINANT)

VS.)

CASE NO. 2007-00202

GALLATIN COUNTY WATER DISTRICT)
DEFENDANT)

DEFENDANT GALLATIN COUNTY WATER DISTRICT'S
(HEREINAFTER GALLATIN) REPONSES TO COMMISSION
STAFF'S FIRST DATA REQUEST

1. See attached. Response compiled by Stephen P. Huddleston, counsel to defendant.
2. See attached. Response compiled by Stephen P. Huddleston, counsel to defendant.
3. (a) No. Land area in Owen County was added to Carroll. Land area in Gallatin County, formerly part of Carroll's territory, was added to Gallatin.
4. See attached information provided to aforesaid counsel to defendant by legal counsel to owners of the "new commercial development."
5. See attached. Answering witness; Morris R. Courtney. Maps attached are all that are at defendant's disposal at this time.

6. (a) A master meter will probably need to be installed upon Kentucky Speedway property in order to measure its usage.

(b) the cost of installation of a master meter is estimated to be \$4,500.00.

(c) one week after regulatory approval.

Answering witness: Morris R. Courtney

7. See attached. Answering witness: Morris R. Courtney

8. In November 2005, the Gallatin Chairman Denny French was first contacted by Whitehorse Development Group, LLC about the prospect to acquiring water service upon subject site.

Since January 2007, Morris R. Courtney, Manager of Gallatin, has received, in addition to the letters disclosed in the answer to No. 9 below, approximately 5 phone contacts with Adam Chaney, who purports to be an office of the developer. These conversations lasted about 20-30 minutes each. Mr. Chaney's expressed concern on each contact was desire to obtain water service as soon as possible at as economical a rate as possible.

9. See attached. Answering witness: Morris R. Courtney

10. See attached. Answering witnesses: Morris R. Courtney, Tammy Hendren

11. Answer by Stephen P. Huddleston, Counsel to defendant;

Gallatin takes the position that, under the prevailing circumstances, Carroll does not have any claim of right to serve the unserved property

at issue superior to the claim of Gallatin. While the property in question is within Carroll's defined boundaries, the equities, efficiencies, and applications of common sense at play here support the idea that Gallatin should serve the area.

KRS 278.016, et seq., provides for the establishment of certified territories to be assigned to electric providers, wherein the designated provider shall have the exclusive right to service.

No such corresponding statutory provisions creating exclusive territorial rights relative to water districts exists in KRS Chapters 278 or 74. Had the legislature intended to assign exclusive territorial rights to water districts, it would have done so, in the same manner it chose to do with respect to electric utilities.

The Courts have recognized that existing utilities have no right to be free from competition. Ky. Utilities Co. v. PSC, 390 S.W.2d.168 (Ky. 1965), and that a grant of territory to a water provider is not a grant of an exclusive right to serve City of Cold Spring v. Campbell Co. Water District, 334 S.W.2d.269 (Ky. 1958).

Indeed the PSC seems to have taken the same position. Auxier Water co. v. City of Prestonburg, Case No. 96-362 (April 2, 1997)

12. Answer by Stephen P. Huddleston, Counsel to defendant;

Gallatin takes no position as to whether a geographical area can be within the territory of more than one water district.

Gallatin does take the position that, when considering service to an unserved user, one course of action promotes the intent and purpose of utility regulation and another course of action conflicts with that intent and purpose, the former course is clearly indicated.

The prospective user is situated on parts of a farm served by Gallatin since 1997. Gallatin has no intention of taking any existing customer from Carroll.

13. It is not. Answering witness; Morris R. Courtney

14. Answering witness; Morris R. Courtney

A. (1) A 4" water line was installed in 1995-1996, approximately 3 miles in length, placed in service in 1996, serving approximately 18 customers west of and along Ky. Hwy. 35 to near its intersection with I-71. A fill station was also installed.

Kentucky Speedway later became located in this area.

Labor was performed by Gallatin and the Gallatin County Road Dept. Gallatin purchased the pipe. We are unable to ascertain the cost of this project at present, as those records appear to have been archived or destroyed. Cost of the pipe was paid from Gallatin funds. No financing was involved.

In 1998, this area was ceded to Gallatin by Carroll.

(2) In 1996 a 4" water line was installed a distance of about 7 miles along Park Ridge Road, Hwy. 1130 and Hwy. 465.

Approximately 15 customers are served. The cost of the project

has not been ascertained for the reasons stated above, but was paid from Gallatin's funds, without financing. This line serves the properties on which the new development is located. It was put into service in January 1997.

(3) An 8" line was installed from Kentucky Speedway property to its termination point at the east side of Hwy. 1039, in 2002. The cost, approximately \$61,000.00, was paid from Gallatin funds. No financing was involved. No customers are served by this line. Its termination point is some 1071' north of the "new commercial development" property. This is the line which appears to be the focus of this dispute. It was constructed in order that Gallatin might be prepared to serve prospective commercial users which might locate upon farms currently served by it, through its aforesaid line extension done in 1997. Those farms had been severed by the new road, leaving portions unserved. Gallatin sought to move to meet that anticipated need.

(4) In the summer of 2005, Gallatin extended its 4" lines a distance of 6700' along Hwy. 465 to pick up 4 customers unserved by Carroll, at a cost of \$32,768. Funds were provided by a grant from the Ky. Infrastructure Authority (tobacco settlement proceeds).

B. Answering witness; Morris R. Courtney

No. It was our understanding that those extensions represented ordinary extensions of existing service in the usual course of business.

C. Answering witness; Morris R. Courtney, with assistance of Stephen P. Huddleston

(1) The 1995-1996 extension to what is now Kentucky Speedway was done pursuant, it is believed, to discussions between former Gallatin County Judge/Exec. Clarence Davis and Mr. Jim Smith. It is believed that Carroll had knowledge of the line at the time of its construction; and has made no complaint regarding same until now.

(2) The 1997 extension was done in order to pick up unserved customers residing in Gallatin County which Carroll, as conveyed to Gallatin by Mr. Smith, did not want to serve or could not serve due to economic considerations. No complaint about this line has ever been heard until now.

The impression conveyed to Gallatin by Mr. Smith was that Carroll was glad to have Gallatin take on those unserved properties. One of which now contains the prospective new commercial user.

The same can be said about the 2005 extension further along Hwy. 465, picking up 4 customers not served by Carroll.

(3) It is believed that Carroll had actual knowledge of the 2002

extension at the time of its construction 5 years ago, and registered no objection until it became apparent, five years later, that a commercial user might be arriving. Again, let it be noted that this "new commercial development" is situated on a portion of a farm served by Gallatin since the aforesaid 1997 extension.

Having failed to object to the aforesaid extensions, having encouraged same, and having taken advantage of same by relieving itself of its uneconomical responsibility to serve all within its territory, Carroll has thus acquiesced to those extensions, and thus approved of and consented to same, if by no other reason than by its silence.

D. Answering witness, Morris R. Courtney, with assistance of Stephen P. Huddleston;

In addition to the points made above, Carroll derived benefit from the subject line extensions, and its superintendent, Mr. Lykins, was personally involved in the installation of the 1997 and 2002 line extensions, which form the basis of the herein dispute.

15. Answering witness; Morris R. Courtney

According to Mr. Jim Smith, as stated to Morris R. Courtney, Vic Satchwell, Denny French, Allen Faulkner and Carroll County Judge/Exec. Harold Tomlinson, at the Gallatin County Public Library in January, 2002, in order to serve the subject area, Carroll must

construct a water tower, additional line, and upgrading of lines at an estimated cost of \$400,000.00.

16. See attached response to No. 10. Answering witnesses; Morris R. Courtney, Tammy Hendren.

17. See answers to nos. 8 and 9.

18. Answered by Stephen P. Huddleston Counsel for Gallatin;

Gallatin does not agree that a water district may provide service outside of its territory only as provided in KRS 74.414. That statute sets forth one procedure for extra-territorial service. It is not stated therein, or elsewhere, that such procedure is exclusive.

In this case, where Gallatin has been providing water within Carroll's territory since 1996 with Carroll's consent, and the area now sought to be served by Gallatin is part of farms served by Gallatin since 1997, and service by Gallatin will not require the installation of any line not already in place since 2002, Gallatin should serve the area.

When one district invites another in, that other district should be able to serve extra-territorial users who later crop up next to, or in this case upon, properties already served by that other district, especially when, as in this case, the home district cannot expeditiously or economically provide service and Gallatin has expended and invested monies to develop service to parts of Carroll's territory which Carroll didn't want to serve, until now.

19. Answered by Stephen P. Huddleston Counsel for Gallatin;

Gallatin does not agree that facilities constructed to serve areas outside a districts boundaries are necessarily not extensions in the ordinary course of business.

KRS 278.020, which exempts from the Certificate of Convenience and Necessity requirement ordinary extensions of existing systems in the usual course of business, contains no such language of limitation. Indeed, in the preceding clause, the exemption for electricity connections is limited to those made in the utility's certified territory. No such limitation is attached to the ordinary extension exemption.

807 KAR 5:001(9)(3) speaks to the subject of ordinary extensions in terms of:

(a) wasteful duplication

(b) conflicts with existing certificates or service (emphasis added),

and

(c) costs adversely affecting the utility's financial condition or resulting in increased rates.

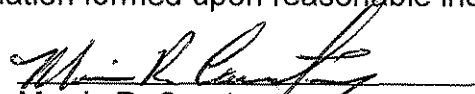
None of the disqualifying factors set out in the regulation apply to Gallatin's extensions into Carroll territory. Nor does the regulation disqualify out of hand extensions into another district's territory. If such was its intent the reference concerning conflict with another utility operating in the same area contained in the regulation would be

unnecessary. The regulation would simply disqualify any extension into the territory of another. It does not.

20. Answered by Stephen P. Huddleston Counsel for Gallatin;

Gallatin does not agree facilities constructed to serve the area in question constitute excessive investment. The cost was paid with cash. No finance charges were incurred. The cost did not adversely affect the district's financial condition nor cause an increase in rates to consumers. The line was laid in order to connect to a part of the Stewart farm, which had been severed by the construction of a new road. In anticipation that this portion of the Stewart farm might develop due to the new road, Gallatin took steps to provide it service when such need arose. By so doing, Gallatin has not only brought water availability to its user, where none existed before, but placed itself in position to supply water to the area at either retail and/or wholesale, thereby enhancing its business position in either event.

This is to certify that I, Morris R. Courtney, am the Manager of Gallatin County Water District, and being duly sworn, state that the above responses, preparation of which having been supervised by me, are true and accurate to the best of my belief, knowledge and information formed upon reasonable inquiry.


Morris R. Courtney

STATE OF KENTUCKY)
COUNTY OF GALLATIN)

Subscribed and sworn to before me by Morris R. Courtney, Manager of Gallatin County Water District, who being duly sworn, stated before me that each

above answer and response is true and accurate to the best of his knowledge, information and belief, formed upon reasonable inquiry, on this the 28th day of September, 2007.

My commission expires: 5/23/09

Jammy Hendon
Notary Public, State at Large, Ky.

PREPARER'S CERTIFICATE

I, Stephen P. Huddleston, hereby certify that I am counsel for defendant herein and did prepare the foregoing response and that the same are true and accurate to the best of my belief and knowledge based upon reasonable inquiry.

SP Huddleston
Stephen P. Huddleston
Attorney for Gallatin County
Water District
P.O. Box 807
Warsaw, Kentucky 41095
859-567-2818

CERTIFICATION

This is to certify that the foregoing was served by ~~mailing~~ ^{delivering} a true copy of same by ~~first class mail, postage prepaid~~ ^{hand} to Hon. Ruth H. Baxter, P.O. Box 353, Carrollton, Kentucky 41008, this the 1st day of October, 2007.

SP Huddleston

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CARROLL COUNTY WATER)	
DISTRICT NO. 1)	
)	
COMPLAINANT)	
)	
V.)	CASE NO. 2007-00202
)	
GALLATIN COUNTY WATER DISTRICT)	
)	
DEFENDANT)	

COMMISSION STAFF'S FIRST DATA REQUEST
TO GALLATIN COUNTY WATER DISTRICT

Gallatin County Water District ("Gallatin District"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 1, 2007. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, shall be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Gallatin District shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which Gallatin District fails or refuses to furnish all or part of the requested information, Gallatin District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide a copy of all ordinances and resolutions of Gallatin County Fiscal Court that address the territory of Gallatin District.

2. Provide a copy of all orders of the Gallatin County Judge/Executive that address the territory of Gallatin District.

3. a. State whether, prior to October 8, 1998, Gallatin District territory included any of the geographical area that the County Judge/Executives of Carroll, Gallatin, and Owen counties added to Carroll County Water District's ("Carroll District") territory by their Order of October 8, 1998.

- b. If the response to Item 3(a) is yes, provide a copy of the Order of the Gallatin County Judge/Executive striking off the territory from Gallatin District's territory.

4. Refer to the Carroll District's complaint at ¶ 4.

a. Provide a detailed description of the "new commercial development." This description should include an estimate of the new commercial development's water supply requirements.

b. Describe the current status of the construction of the new commercial development.

c. State the name and mailing address of the owner of the new commercial development.

d. Provide an exact description of the location of the new commercial development. The description set forth in the complaint does not constitute an exact description.

5. Provide a map of the area within a 4-mile radius of the new commercial development. The scale of this map should not be less than 1 inch = 1000 feet. The map should indicate, at a minimum, the new commercial development, all existing roads, all existing Carroll District and Gallatin District water distribution facilities, and the territorial boundaries of each water district and all political subdivisions in the area.

6. a. List and describe all facilities that Gallatin District must construct or install to provide water service to the new commercial development.

b. State the cost of each facility listed in response to Item 6(a).

c. State the length of time necessary to plan and construct each facility listed in response to Item 6(a).

7. Provide all correspondence between Carroll District and Gallatin District regarding water service to the disputed area.

8. List and describe all contacts between representatives of Gallatin District and the new commercial development regarding water service to that development.

9. Provide all correspondence that Gallatin District has sent to and received from representatives of the new commercial development.

10. Provide the minutes of each meeting of the Gallatin District Board of Commissioners in which water service to the new commercial development was discussed.

11. State whether Gallatin District takes the position that a water district does not have the exclusive right to provide water service within its territory. List the legal authorities upon which Gallatin District bases its position.

12. State whether Gallatin District takes the position that a geographical area can be in the territory of more than one water district. List the legal authorities upon which Gallatin District bases its position.

13. State whether the area in dispute is in the territorial boundaries of Gallatin District.

14. Refer to Gallatin District's answer at ¶ 6.

a. Identify and describe the facilities to which Gallatin District refers. This description should include the cost of the facilities, the number of customers currently served through the facilities, the date(s) on which the facilities were placed into service, and the method through which the facilities were financed.

b. State whether the Commission issued a Certificate of Public Convenience and Necessity for the facilities in questions. If yes, state the case(s) in which the Certificate(s) was issued.

c. State the facts upon which Gallatin District relies to conclude that Carroll District "approved of and consented to" construction of the facilities in question.

d. State the facts upon which Gallatin District relies to conclude that Carroll District "participated in" the construction of the facilities in question.

15. List and describe all facilities that Gallatin District believes that Carroll District must construct or install to provide water service to the new commercial development. For each listed facility, state the basis for Gallatin District's belief for its need.


16. Provide the minutes of each meeting of the Gallatin District Board of Commissioners since January 1, 1996 in which water service to the disputed area was discussed, including any discussions regarding Carroll District's annexation of the disputed area.

17. List and describe all inquiries for water service within the disputed area that Gallatin District has received since January 1, 1999. For each inquiry, state at a minimum the name of the inquiring party, the date of the inquiry, the type of structure to be served, the location of the served structure, and the expected customer demand.

18. State whether Gallatin District agrees that a water district may not provide water service outside its territory except as KRS 74.414 provides. Explain

19. State whether Gallatin District agrees that any water district facilities constructed to serve areas that are not within the district's territory are not extensions in the ordinary course of business. Explain.

20. State whether Gallatin District agrees that any water district facilities constructed to serve areas that the district lacks the legal authority to serve represents "excessive investment."

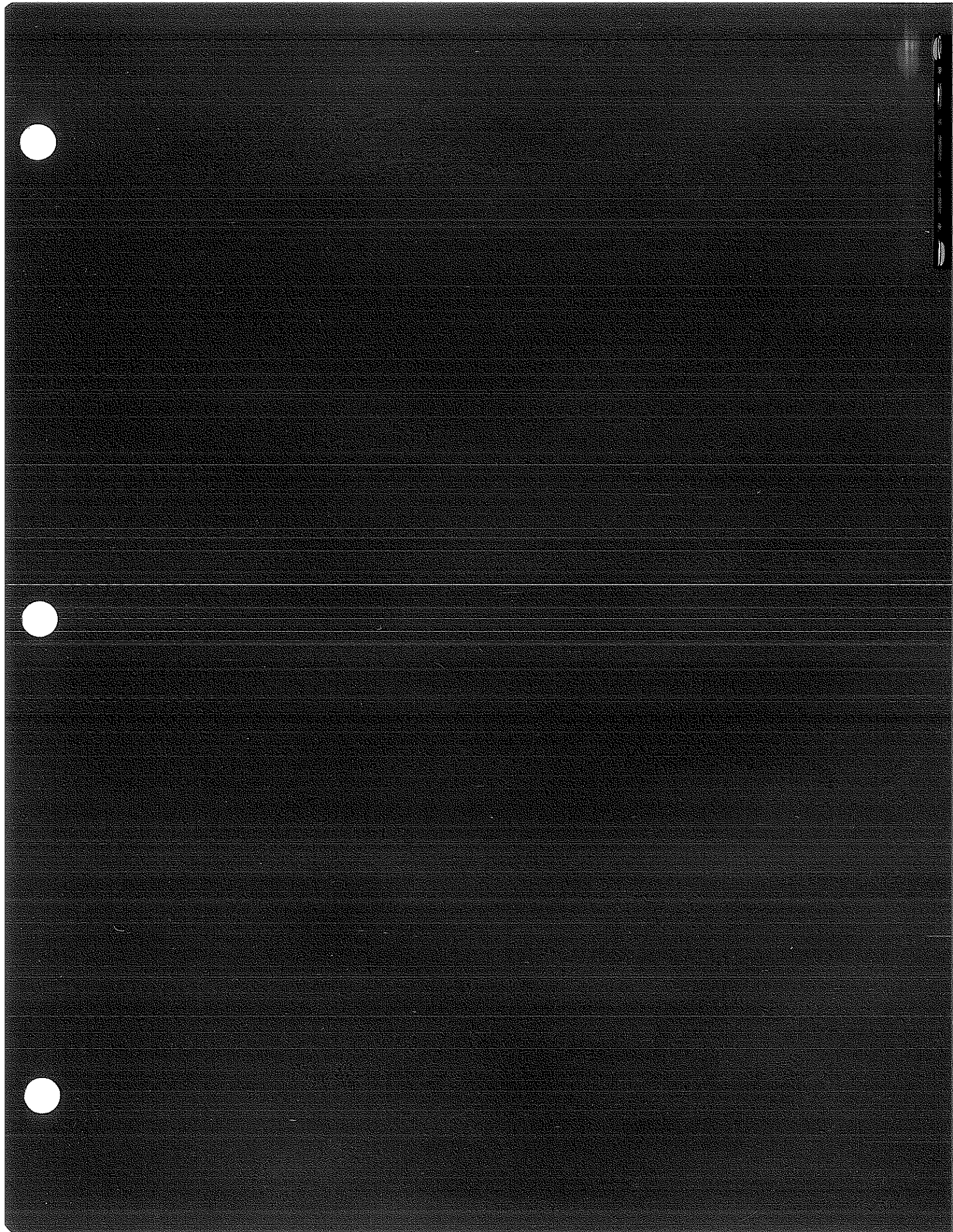

Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

DATED: 9-10-07

cc: Parties of Record

**PSC REQUEST
CONTENTS OF ATTACHMENTS**

TAB COLOR	RESPONSE TO REQUEST #	CONTENTS
Blue	1 and 2	Orders affecting Gallatin boundaries
Purple	4	Information relative to new commercial development
Orange	7	Correspondence between Districts
Green	9	Requests for service from Developers
Red	10	Meeting minutes reflecting discussions relative to serving area in question



GALLATIN COUNTY COURT

IN RE: STRIKING OFF OF CERTAIN TERRITORY OF THE GALLATIN COUNTY
WATER DISTRICT

ORDER STRIKING OFF TERRITORY OF
THE GALLATIN COUNTY WATER DISTRICT
PURSUANT TO KRS 74.110

The Gallatin County Water District (hereinafter GCWD) having filed in the office of the Gallatin County Judge/Executive a petition pursuant to KRS 74.110 seeking to have stricken from its territory certain lands adjacent to the City of Warsaw and which lands currently receive municipal residential and commercial water service from the City of Warsaw; and said matter having come before the undersigned for hearing on February 26, 2004 at 11:00 a.m. after lawful advertisement thereof. The undersigned having considered petition and having conducted the aforesaid hearing and having heard the arguments presented at said hearing, makes the following findings and order:

FINDINGS

1. The petition of GCWD complies with KRS 74.110.
2. The statements contained in the said petition of GCWD are true and accurate.
3. The said hearing was duly advertised in the Gallatin County News newspaper in accordance with law.
4. The public was given due notice by newspaper publication of its right to file written objections to the relief requested in the petition within 30 days after publication of the notice, which occurred in excess of 30 days prior to the hearing.
5. No written objections to the relief requested in the petition have been filed or received.

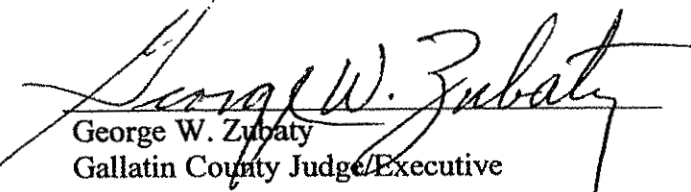
6. No oral objections to the relief requested in the petition were voiced at the hearing.

7. It appears to the undersigned that good cause is shown for granting the relief requested and that no disservice to the county or any of its citizens will result therefrom.

ORDER

On the basis of the foregoing, and by virtue of the authority vested in me under KRS 74.110, IT IS ORDERED that all of those tracts identified in paragraphs 4, 5 and 6 of that certain Water Supply Agreement dated June 9, 2003, by and between the GCWD and the City of Warsaw being Exhibit A to the subject petition of the GCWD and to this Order, be and are hereby stricken from the territory of the Gallatin County Water District.

Done this 26 day of Feb, 2004.


George W. Zubaty
Gallatin County Judge/Executive

CERTIFICATE

State of Kentucky, County of Gallatin, Sct.

I, Tracy Miles, Gallatin County Clerk, do hereby certify that the foregoing is a true and correct copy of the document that appears on record in my office in CO Book 27 Page 178

Witness my hand, this 2 day of March, 2004

Tracy Miles, Clerk

By Tracy Miles
D.C.

WATER SUPPLY AGREEMENT

This Water Supply Agreement ("AGREEMENT"), is made as of the 9th day of June, 2003, by and between the City of Warsaw, Kentucky, a municipal corporation of the Fifth class (hereinafter "Warsaw"), **AND** the Gallatin County Water District, a Kentucky special purpose district (hereinafter "Water District").

WHEREAS Warsaw supplies and delivers municipal water within the city limits of the City of Warsaw, and areas nearby;

WHEREAS the Water District supplies and delivers municipal water within Gallatin County, and in some areas nearby the City of Warsaw;

WHEREAS misunderstandings and uncertainties have arisen relative to whether the City, or the Water District, will supply and deliver municipal water to areas outside the city limits of Warsaw, but within areas nearby;

WHEREAS the City and the Water District wish to resolve any misunderstandings and uncertainties, by setting forth areas and properties to which each will provide municipal water service and delivery in the future.

NOW, THEREFORE, in consideration of the foregoing premises, and according to the terms and provisions set forth below, the City and the Water District do hereby agree as follows:

1. The City may continue to supply and deliver municipal water to those areas and properties which are currently served by the City.
2. The Water District may continue to supply and deliver municipal water to those areas and properties which are currently served by the Water District.
3. In the future, the City may supply and deliver municipal water to all areas and properties currently lying within the corporate limits of the City, except for Gallatin County Property Valuation Administrator's Tax Map Number 13, Parcel Numbers 65, 65.08, 55, 54 and 2.01; and Gallatin County Property Valuation Administrator's Tax Map Number 17, Parcel Numbers 48, 49, 50, 51, 52, 53, 62 and 63; and all subdivisions of said parcels.
4. The City may continue to, and in the future, provide water service east of the City of Warsaw, along and about U.S. 42, and within the unincorporated area of Gallatin County (upriver) as follows:

Gallatin County Property Valuation Administrator's Tax Map Number:	Gallatin County Property Valuation Administrator's Parcel Number:
13	13B
13	13.5
13	53
17	1-37

5. The City may continue, and in the future, to supply and deliver municipal water to those areas and properties west of the City of Warsaw, along and about U.S. 42, and north of the back waters of Craig's Creek, and within the unincorporated area of Gallatin County, (down river) as follows:

Gallatin County Property Valuation Administrator's Tax Map Number	Gallatin County Property Valuation Administrator's Parcel Number
13	1
13	1.01
13	2
13	7.01

13	8.01
8	8-CC
8	45
8	47-52
8	54-65
8	PLATTED

6. The City may continue, and in the future, to supply and deliver municipal water to those areas and properties within and outside the city limits of the City of Warsaw, and within the unincorporated area of Gallatin County, along and about Dry Creek Road and Route 35, as follows:

Gallatin County Property Valuation Administrators Tax Map Number	Gallatin County Property Valuation Administrators Parcel Number
13	56 & 57
13	61-64
13	62.01

****Copies of all maps referred to herein are attached hereto and incorporated herein.****

7. The Water District can serve and supply all other areas and properties within Gallatin County (other than those areas and properties which the Water District agrees with another supplier for such service);

8. The Water District agrees to directly bill customers for City Sewer service, based on water meters the District has in areas where the buildings are connected to the City sewer system, according to the following:

- (a) A one-time set up fee of \$500.00 to be charged to the City (this is a one time charge, not a charge per customer).
- (b) A \$2.50 administrative fee per customer per month, passed on to the customer on the customer's bill.
- (c) Billing and collection will be conducted based on the District's current policies and procedures.
- (d) The City will be responsible for the cost of preparing a legal contract.
- (e) The contract should be re-negotiable after a two-year period and is subject to the approval of the Public Service Commission.
- (f) The District will forward all funds collected during the previous month between the Fifteenth (15th) and the Twentieth (20th) day of each month.
- (g) The District will provide to the City a list of customers and their respective usage meter readings.
- (h) The District shall bill the customers covered by this provision based upon the City's water rates (sewage bill is equal to the water bill, as if the City's water rates were used).
- (i) The District shall bill the customers covered by this agreement for the City's garbage collection.
- (j) The District shall collect from the customers covered by this agreement any applicable City deposit required at the time that it collects its water meter deposit.

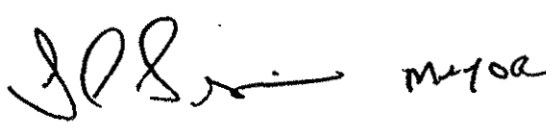
9. The Water District agrees to disconnect water supply to those properties and buildings requested in writing by the City for the sewer users failure to pay the City's sewer charges, all as pursuant to Warsaw's City Ordinance number, Code Section 51.058.

10. Bill adjustments for leaks or other extraordinary circumstances shall be governed by the rules and policies of the Water District for purposes of billing for water and sewer fees. After billing and collection, the City may grant relief for sewer charges at its discretion, to be handled at the offices of the City.

IN WITNESS WHEREOF the City and Water District do hereby execute this
[signatures and notarials on page 4]
AGREEMENT by and through their respective duly authorized officer.

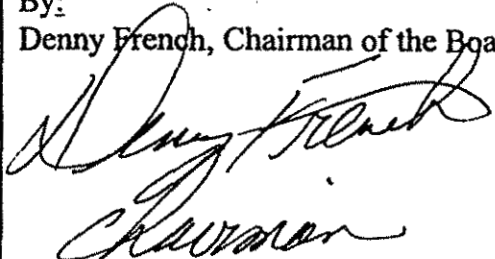
THE CITY OF WARSAW, KENTUCKY

By:
Travis Simpson, Mayor



GALLATIN COUNTY WATER DISTRICT


By:
Denny French, Chairman of the Board



Chairman

COMMONWEALTH OF KENTUCKY
COUNTY OF GALLATIN


The foregoing WATER SUPPLY AGREEMENT was subscribed and acknowledged before me this 17 day of June, of 2003, by Mayor Travis Simpson, pursuant to action taken at the City Council Meeting held on the 9th day of June, 2003.



NOTARY PUBLIC
My Commission Expires: 10/30/05
My Jurisdiction is: Ky. AT Large

COMMONWEALTH OF KENTUCKY
COUNTY OF GALLATIN

The foregoing WATER SUPPLY AGREEMENT was subscribed and acknowledged before me this 18 day of June, of 2003, by Denny French, Chairman of the Board of the Gallatin County Water District, Gallatin County, Kentucky, pursuant to action taken at the Board Meeting held on the 12 day of June, 2003.



NOTARY PUBLIC
My Commission Expires: 10/30/05
My Jurisdiction is: Ky. AT Large

Public
Hearing

EXHIBIT B

Sign In Sheet

February 26, 2004 at

11:00 A.M.

RE: Gallatin County Water District Petition
to Strike Off Territory

Rhonda W. Haselton, Atty. for Gallatin Co. Water District
Jerry Satchell Deputy Judge exec.
George W. Zubaty Cass Martin Co Judge/Exec

CERTIFICATE

State of Kentucky, County of Gallatin, Sct.

I, Tracy Miles, Gallatin County Clerk, do hereby certify that the foregoing is a true and correct copy of the document that appears of record in my office in CO Book 24 Page 178.

Witness my hand, this 20
day of March, 2004

Tracy Miles, Clerk Tracy Miles
By D.C.

*Gallatin County Water District
4500 Hwy 455
Sparta, Ky. 41086
859-643-5200*

November 11, 2004

Carroll County Water District
P.O. Box 350
Ghent, Ky. 41045

Subject: Service Boundaries

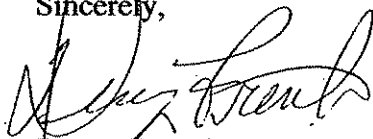
The purpose of this letter is to inform the Carroll County Water District that the Gallatin County Water District disputes its proposed service area description, as published in the August 26, 2004 edition of the Gallatin County News.

Areas of concern are as follows:

1. We are currently serving the properties adjoining the Speedway Blvd. (Kentucky Speedway property), the Keeton and Stewart (Jeff, Bill and Dusty) properties off the old Hwy. 1130 and all the properties running east on Hwy. 465, including Park Ridge Road to the corner of Hwy 465 and Hwy 35.
2. Engineering has been completed to extend the water line from the junction of the old Hwy 1130 and Hwy 465 approximately 7,000 feet west to the property of Clifford Maple at 2480 Hwy 465 W. These plans are part of the Tobacco Grant Project and are ready to be submitted to the DOW for approval.

In reading the description that is published in the paper it is our interpretation that the areas listed above are included in that description. If we are misinterpreting the publication please let us know.

Sincerely,



Denny French,
Chairman of the Board

Sign I.N. FOR PUBLIC HEARING
TO ENLARGE BOUNDRIES IN OWEN COUNTY.

NAME	Address	Phone
George W. Zubat	P.O. Box 606 WARSAW, Ky. 41095	859-567-2310
Jerry [unclear]	P.O. Box 552 Warsaw, Ky. 41095	859-567-259.

No Comments Were Made
HEARING CLOSED 10:10 AM

4 Oct 04

George W. Zubat
Judge / Executive
Gallatin County

4-7-04

Lee inquired about the meeting with the Ky. Speedway regarding a back up well. Denny commented that the meeting he had scheduled was cancelled and he has not re-scheduled it.

Denny informed the other commissioners that Mike Garrett was involved in a no-work related accident and would be off work for approximately 6 to 7 weeks. He fell off a roof and broke 5 ribs, punctured a lung and cracked his pelvic bone. He visited with him at the hospital but he is home now. Some flowers were sent on behalf of the District.

The board discussed a notice in the paper where Carroll County had petitioned the PSC for changes in their services boundaries. There will be a public meeting held on October 4, 2004. Steve recommended that both Denny and Morris attend the meeting to make clear any opposition's that we may have. He will also try to attend the meeting if his schedule is open.

Tammy asks to go back and discuss the new procedure for the plumbing permits. She raised the question of what happens to the customers who don't immediately hook on. We have some customers now who only use their meter to fill their cisterns. Are we saying that future customers will not be able to do that? They are going to pay for a service that they can't use until they decide to hook up or can afford to hook up. Also we are changing policy, we should advertise to make people aware. Morris commented that would also need to change our tariff and get PSC approval. After further discussion Denny commented that he still feels that we need to take some initiative to make people aware of the law. He ask that Tammy call the Division of Plumbing and see if they can provide us with a brochure or some type of document that we can give to new customers. Vic made a motion to resend the previous motion and make a new motion that all new customers be given a written copy of the KRS Statute at the time their meter is paid for. Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Judge Zubaty informed the board we would soon be receiving a tax bill for the road improvements at Mars Place. Denny commented that all he needed to do was send us a bill and we would write him a check.

Judge Zubaty asks that the District come up with some type of price to present to the Fiscal Court regarding the cost of fire hydrants. He would like to see hydrants installed, where feasible during the construction process. Both Denny and Morris commented that the cost would be between \$1,800 and \$2,000.

Vic made a motion to adjourn, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Approved By:

Denny Frump
Lee R. Burchett
Vic Satchwell

Gallatin County Water District
October 14, 2004

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Denny French.

Present at the meeting were Commissioners; Lee Burgett, Denny French and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Judge Executive; George Zubaty, Engineer; Ron Gastineau and Attorney; Steve Huddleston

Vic made a motion to approve the September Minutes, Lee seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Check Disbursements, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the Financial Statement, Vic seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Account Adjustments, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the Deposit Refunds, Vic seconds the motion. Motion carries 3-years, 0-nays.

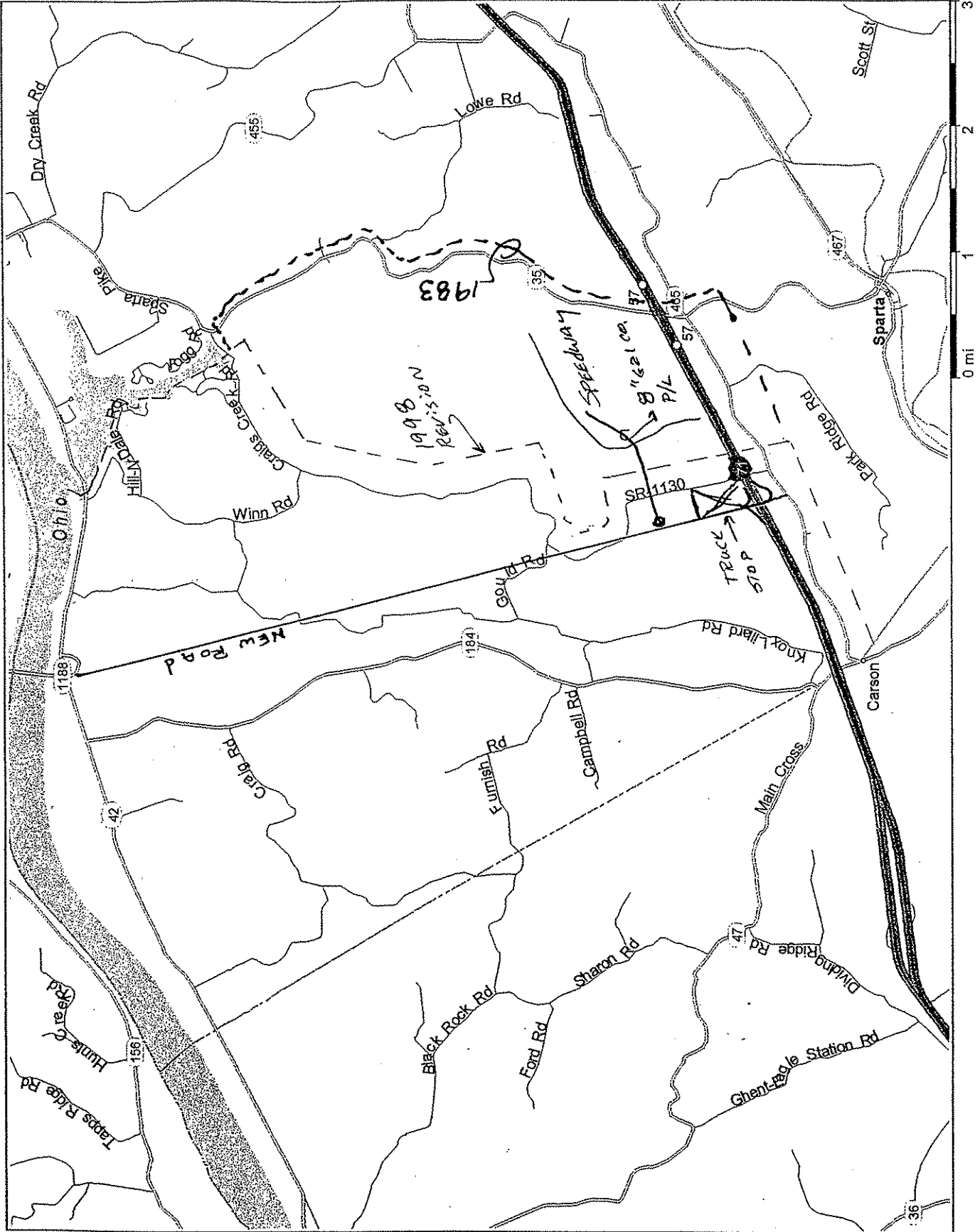
Morris informed the board that Larry Lewis had finished the cleanup on the cross country line. It looks real good. Grass seed has been sowed. Denny signed the check for the final payment in the amount \$3,960.

Denny made a motion that the District continue to pay Mike Garrets medical insurance until he is able to return to work. Mike is paying the additional cost to cover his son. Vic seconds the motion. Motion carries 3-yea, 0-nays.

Judge Zubaty informed the board that the public meeting regarding the service boundary changes in the Owen county area for Carroll County Water District went well. Morris supplied him with maps showing our current service area and the proposed area extending down Hwy 465. those differ somewhat from the boundaries that Carroll County published in the paper. Denny made a motion that we send Carroll County a letter disputing the boundaries that were published. Lee seconds the motion. Motion carries 3-years, 0-nays.

Morris informed the board that our annual PSC Inspection was scheduled for October 21, 2004. We are in pretty good shape with the exception of our CPR certification. That has expired and Tammy has sent up re-certification in January.

United States, North America



N Armo Mortgage Group,
Cliff Brown et al., debtors
vs.
ensville Supply, Inc. vs.
Inc., debt dispute.

District Court
Civil Suits
Personal Finance Company,

Michael J. O'Neill, D.U.I. amended
to careless driving, guilty, \$50, costs;
failure to signal, dismissed, speeding/
6 mph over limit, dismissed.
John L. Pale, D.U.I. withdrawn.
John L. Pale, careless driving, open
alcohol in vehicle, DUI, bench trial 9/
21/04.
Martin R. Prophet, speeding/15

Charles Sullivan to Sydney Roberts, lot 96, Mars Place for \$80,000.
Holiday Homes to Charles Sullivan, lot 96 of Mars Place for \$21,000.
Matthew and Amy Mullikin to Robert and Karen Townsend, lot 3 of Carver's Campsites Subdivision

Sparta for \$1.
DeFord and Sondra Bailey to James and Tonia Lutz, property on the south side of Ky. 16 for \$50,000.
Nancy House to Jeff Moore, property on First Cross Street, Warsaw, for \$85,000.
Timothy and Susan Finke, William and Marilyn Finke, Donald

Carico, lot 18 of
Sales Subdivision
**The Deborah D
Stetler and Melissa
nership to Patricia
Carico, boat dock
nic View Estates
\$2,000.
Joseph and Rob**

This the 26th day of August, 2004.
George Zubary
Judge/Executive

Gallatin County Fiscal Court

Notice of Public Hearing
Notice is given that the Carroll County
District No. 1 has petitioned the
County Fiscal Court to enlarge its
limits in Owen County, Kentucky, to
an area bounded on the north by
Big Twin Creek Road and the
ridings of the Big Twin Creek and
North East Fork of Big Twin Road,
to a point 2,000 feet north of
Mills (1982) Road and Kentucky
22; then to a point 1,000 feet
the intersection of Morgan's Lane
and Kentucky Highway 22, said area
more particularly described in the
d Panel.

Carroll County Water District No. 1
Proposed Service Area Description
Beginning at the intersection of Ken-
tucky Highway 320 (Clock Road and U.S.
Highway 227); thence northwest with the
curvature of said U.S. Highway 227 ap-
proximately 1,200 feet to a point on the
Carrollton City Limits line; thence north-
east with said limits line approximately
1,750 feet to the centerline of the Carrollton
Railroad tracks; thence northwesterly with
the centerline of said tracks, approximately
1,500 feet to a point; thence northeast and
perpendicular to said tracks approximately
2,000 feet to a point; thence northwesterly
and parallel with MUT Road approximately
3,200 feet to a point which is 900 feet west
of said M&T Road; thence north approxi-
mately 1,200 feet to the Carrollton City
Limits and the west right of way of M&T
Road; thence northwesterly with said right

of way line approximately 1,750 feet to the
centerline of U.S. Highway No. 42; thence
containing northwesterly with an exten-
sion of the aforesaid line approximately
725 feet to the low water mark (elevation
420 of the Ohio River); thence northeast-
ly with said river's low water mark to the
Gallatin County line; thence containing
with said River's low water mark north-
easterly to a point on the west bank of
Craig's Creek; thence southerly with the
meanderings of the west bank of said creek
to a point 1,000 feet south and 1,000 feet
east of the intersection of Wagon Road and
Kentucky Highway 1130; thence south
and parallel with Kentucky Highway 1130
to a point 1,000 feet east and 2,000 feet
south of the intersection of Kentucky High-
way 1130 and Kentucky Highway 465;
thence southwesterly and parallel with
Kentucky Highway 465 approximately
8,500 feet to a point on the Carroll County-
Gallatin County Line; thence southeasterly
along said county line approximately
8,500 feet to the center of Eagle Creek and
the Owen County line; thence southwesterly

with the meanderings of Eagle Creek
and said county line to a point in Eagle
Creek 2,500 feet north and west of the Mid-
Valley Crude Oil Pipe Line; thence south-
westerly along a parallel line 2,500 feet
north of said pipeline to a point 1,000 feet
north of the intersection of Bucks Run
Road and Kentucky Highway 227; thence
south to a point 1,000 feet south of Ken-
tucky Highway 227; thence southwesterly
along Kentucky Highway 227 to a point
5,000 feet northwest of the intersection of
the southernmost boundary of Twin Eagle
Wildlife area and Kentucky Highway in
Big Twin Creek; thence east southeast
with meanderings of Big Twin Creek and
South East Fork of Big Twin Creek to a
point 2,000 feet north of Squiresville (1982)
Road and Kentucky Highway 22; thence
southeast to a point 1,000 feet north of the
intersection of Morgan's Lane Road and
Kentucky Highway 22; thence south-
east with Morgan's Lane and Morgan's
Lane extended approximately 3,500 feet to
a point 2,500 feet southeast of the intersec-
tion of Kentucky Highway 22 and Morgan's

line; thence southwest
feet east of the Great
Highway 355; thence
4,500 feet to the point
(elevation 485) of the
thence northwesterly
to Carrollton Lock
River; thence south
feet to a point on the
ucky Highway 320; I
with said centerline a
feet to the point of be-
The notes and be-
intended to be the gen-
Carroll County Water
vice area, prepared I
records and expanded
area in Gallatin and
The calls of this
reasonably located,
map, and to the best o
not encroach on any
ten service area.
In
K

Squiresville, Kentucky, United States

7-11

2-8-07

Tammy presented the board with some information on a 401K plan offered by Ky. Deferred Comp. There would be no cost to the company if an employee wanted to join plan and no limit on the number of employees who do join. This would be a great opportunity to supplement our current Retirement Plan. Would the board be in favor of making this plan available to its employees? David made a motion to make the plan available, Lee seconds the motion. Motion carries 3-years, 0-nays.

The board discussed the development at the new I-71 interchange on Hwy 1039. There is currently some dispute as to who will serve the area. The area is currently in the service boundaries of the Carroll County Water District but is not being served by them. They have a 4" line that stops at Crawford's Junk Yard on the old Hwy 1130. In discussions that Morris and Vic have had with Jim Smith, Carroll County is interested in purchasing water from us to serve the area. We already have an 8" line running to Hwy 1039 that was installed in 2002. Morris informed the board that we have received letters from a Developer and one other resident requesting our water service. Various discussions were held on the matter. Lee made a motion that we inform our attorney Steve Huddleston of our intention to serve the area and ask that he forward correspondence to the Carroll County Water District, the Carroll County Judge Executive and the Gallatin County Judge Executive of our intention, David seconds the motion. Motion carries 3-years, 0-nays.

Vic informed the board that he, Morris and Steve met with Mayor Travis Simpson and Warsaw's attorney regarding the water purchase contract. Several topics were discussed such as a possible rate increase from \$1.05 to \$1.25, maybe giving them the water line from the Nursing home to Smith Avenue and connecting the two systems for a back up. Mayor Simpson will bring the matter before council and get back with us. No decision were made a this time.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-years, 0-nays.

Approved by:

ORDER APPROVING BOUNDARIES OF CARROLL COUNTY
WATER DISTRICT NO. 1

A Petition to enlarge the territorial limits of the Carroll County Water District to clarify its boundaries in Carroll County, and to annex new areas of Gallatin and Owen counties, respectively, having been filed with the County-Judge Executive, notice of the filing of this Petition with the proposed service area of the District once enlarged having been published in the newspaper having the greatest circulation in this county; a public hearing on the District's Petition having been advertised and the hearing having been held, and being otherwise sufficiently advised, IT IS HEREBY ORDERED ADJUDGED AS FOLLOWS:

1. The Petition of the Carroll County Water District to clarify its boundaries in Carroll County, and to annex new areas in Gallatin and Owen counties is hereby approved;
2. The territorial limits of the Carroll County Water District shall be bounded as and more particularly described by the following Proposed Service Area Description as follows:

Beginning at the intersection of Kentucky Highway 320 (Lock Road and U.S. Highway 227); thence northwest with the centerline of said U.S. Highway 227 approximately 1200 feet to a point on the Carrollton City Limits line; thence northeast with said limits line approximately 1,750 feet to the centerline of the Carrollton Railroad tracks; thence northwesterly with the centerline of said tracks, approximately 1,500 feet to a point; thence northeast and perpendicular to said tracks approximately 2,000 feet to a point; thence northwesterly and parallel with M & T Road approximately 3,200 feet to a point which is 900 feet west of said M & T Road; thence north approximately 1200 feet to the Carrollton City Limits and the west right of way of M & T Road; thence northwesterly with said R-O-W line approximately 1,750 feet to the centerline of U.S. Highway No. 42; thence continuing northwesterly with an extension of the aforesaid line approximately 725 feet to the low water mark



(elevation 420) of the Ohio River; thence northeasterly with said river's low water mark to the Gallatin County line; thence continuing with said River's low water mark northeasterly to a point on the west bank of Craig's Creek; thence southerly with the meanderings of the west bank of said creek to a point 1000 feet south and 1000 feet east of the intersection of Winn Road and Kentucky Highway 1130; thence south and parallel with Kentucky Highway 1130 to a point 1,000 feet east and 2,000 feet south of the intersection of Kentucky Highway 1130 and Kentucky Highway 465; thence southwesterly and parallel with Kentucky Highway 465 approximately 8,500 feet to a point on the Carroll County-Gallatin County Line; thence southeasterly along said county line approximately 8,500 feet to the center of Eagle Creek and the Owen County line; thence southeasterly with the meanderings of Eagle Creek and said county line to a point in Eagle Creek 2,500 feet north and west of the Mid Valley Crude Oil Pipe line; thence southwesterly along a parallel line 2,500 feet north of said pipeline to a point 1,000 feet north of the intersection of Bucks Run Road and State Road 227; thence south to a point 1,000 feet south of State Road 227; thence southwesterly along State Road 227 to a point 5000 feet Northeast of the intersection of the Southernmost boundary of Twin Eagle Wildlife area and State Road 355; thence south along a line parallel and 5000 feet east of State Road 355 to a point 1,000 feet north of Fairview Ridge Road; thence east to a point 1,000 feet north of the intersection of Morgan's Lane Road and State Road 22; thence southeast with Morgan's Lane and Morgan's Lane extended approximately 3,500 feet to a point 2,500 feet southeast of the intersection of State Road 22 and Morgan's Lane; thence southwesterly to a point 1,000 feet east of the Gratz city limit line on Highway 355; thence west approximately 4,500 feet to the normal pool water level (elevation 428) of the Kentucky River; thence northeasterly with said water level to Carrollton Lock #1 on the Kentucky River; thence north approximately 1,000 feet to a point on the centerline of Kentucky Highway 320; thence northeasterly with said centerline approximately 2,000 feet to the point of beginning.

Surveyed by James M. West, P.E., Kentucky Reg. No. 12349 dated June 10, 1998. (See also the map of the proposed boundaries filed in the Offices of the Judge-Executives of Carroll, Gallatin and Owen Counties.

This the 8th day of September, 1998.



COUNTY JUDGE-EXECUTIVE

(elevation 420) of the Ohio River; thence northeasterly with said river's low water mark to the Gallatin County line; thence continuing with said River's low water mark northeasterly to a point on the west bank of Craig's Creek; thence southerly with the meanderings of the west bank of said creek to a point 1000 feet south and 1000 feet east of the intersection of Winn Road and Kentucky Highway 1130; thence south and parallel with Kentucky Highway 1130 to a point 1,000 feet east and 2,000 feet south of the intersection of Kentucky Highway 1130 and Kentucky Highway 465; thence southwesterly and parallel with Kentucky Highway 465 approximately 8,500 feet to a point on the Carroll County-Gallatin County Line; thence southeasterly along said county line approximately 8,500 feet to the center of Eagle Creek and the Owen County line; thence southeasterly with the meanderings of Eagle Creek and said county line to a point in Eagle Creek 2,500 feet north and west of the Mid Valley Crude Oil Pipe line; thence southwesterly along a parallel line 2,500 feet north of said pipeline to a point 1,000 feet north of the intersection of Bucks Run Road and State Road 227; thence south to a point 1,000 feet south of State Road 227; thence southwesterly along State Road 227 to a point 5000 feet Northeast of the intersection of the Southernmost boundary of Twin Eagle Wildlife area and State Road 355; thence south along a line parallel and 5000 feet east of State Road 355 to a point 1,000 feet north of Fairview Ridge Road; thence east to a point 1,000 feet north of the intersection of Morgan's Lane Road and State Road 22; thence southeast with Morgan's Lane and Morgan's Lane extended approximately 3,500 feet to a point 2,500 feet southeast of the intersection of State Road 22 and Morgan's Lane; thence southwesterly to a point 1,000 feet east of the Gratz city limit line on Highway 355; thence west approximately 4,500 feet to the normal pool water level (elevation 428) of the Kentucky River; thence northeasterly with said water level to Carrollton Lock #1 on the Kentucky River; thence north approximately 1,000 feet to a point on the centerline of Kentucky Highway 320; thence northeasterly with said centerline approximately 2,000 feet to the point of beginning.

Surveyed by James M. West, P.E., Kentucky Reg. No. 12349 dated June 10, 1998. (See also the map of the proposed boundaries filed in the Offices of the Judge-Executives of Carroll, Gallatin and Owen Counties.

This the 8th day of September, 1998.


COUNTY JUDGE-EXECUTIVE

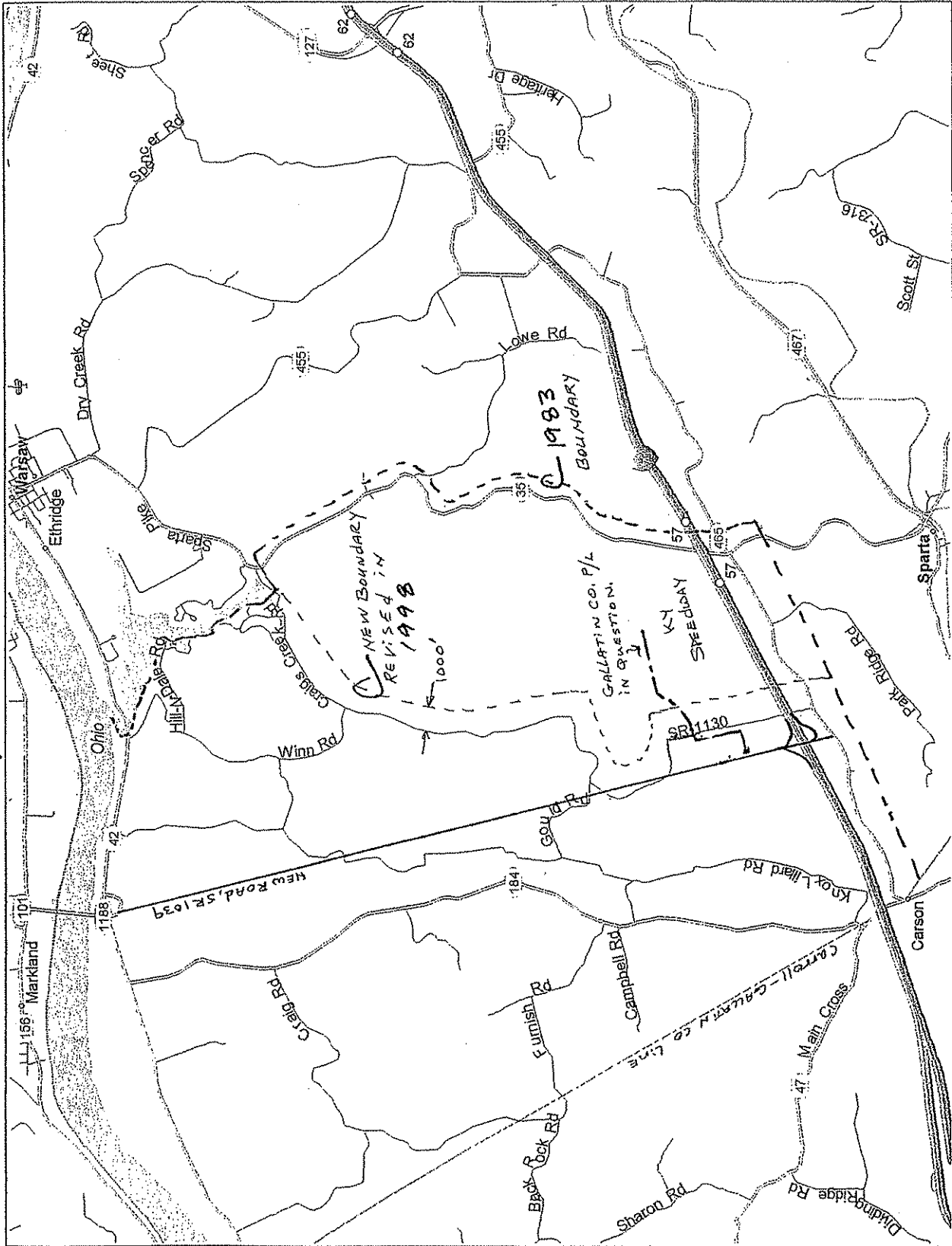
(elevation 420) of the Ohio River; thence northeasterly with said river's low water mark to the Gallatin County line; thence continuing with said River's low water mark northeasterly to a point on the west bank of Craig's Creek; thence southerly with the meanderings of the west bank of said creek to a point 1000 feet south and 1000 feet east of the intersection of Winn Road and Kentucky Highway 1130; thence south and parallel with Kentucky Highway 1130 to a point 1,000 feet east and 2,000 feet south of the intersection of Kentucky Highway 1130 and Kentucky Highway 465; thence southwesterly and parallel with Kentucky Highway 465 approximately 8,500 feet to a point on the Carroll County-Gallatin County Line; thence southeasterly along said county line approximately 8,500 feet to the center of Eagle Creek and the Owen County line; thence southeasterly with the meanderings of Eagle Creek and said county line to a point in Eagle Creek 2,500 feet north and west of the Mid Valley Crude Oil Pipe line; thence southwesterly along a parallel line 2,500 feet north of said pipeline to a point 1,000 feet north of the intersection of Bucks Run Road and State Road 227; thence south to a point 1,000 feet south of State Road 227; thence southwesterly along State Road 227 to a point 5000 feet Northeast of the intersection of the Southernmost boundary of Twin Eagle Wildlife area and State Road 355; thence south along a line parallel and 5000 feet east of State Road 355 to a point 1,000 feet north of Fairview Ridge Road; thence east to a point 1,000 feet north of the intersection of Morgan's Lane Road and State Road 22; thence southeast with Morgan's Lane and Morgan's Lane extended approximately 3,500 feet to a point 2,500 feet southeast of the intersection of State Road 22 and Morgan's Lane; thence southwesterly to a point 1,000 feet east of the Gratz city limit line on Highway 355; thence west approximately 4,500 feet to the normal pool water level (elevation 428) of the Kentucky River; thence northeasterly with said water level to Carrollton Lock #1 on the Kentucky River; thence north approximately 1,000 feet to a point on the centerline of Kentucky Highway 320: thence northeasterly with said centerline approximately 2,000 feet to the point of beginning.

Surveyed by James M. West, P.E., Kentucky Reg. No. 12349 dated June 10, 1998. (See also the map of the proposed boundaries filed in the Offices of the Judge-Executives of Carroll, Gallatin and Owen Counties.

This the 8th day of October, 1998.


COUNTY JUDGE-EXECUTIVE

Kentucky, United States, North America



Carroll Co. Water District
Boundaries
486

ORDER

A petition for the enlargement of the Carroll County District #1 to include the territory hereinafter described in Gallatin County, Kentucky, having been filed in accordance with KRS 74.110, notice having been given as required by law, a public hearing having been held on the ~~30~~ day of September, 19____ at the hour of _____, in the Office of the Gallatin County Executive at the Gallatin County Courthouse, Warsaw, Gallatin County, Kentucky, and no objections having been filed or heard, IT IS ORDERED AND ADJUDGED that the petition for enlargement of Carroll County Water District #1 be sustained, and that the district is hereby enlarged to include the following described territory in Gallatin County, Kentucky, to-wit:

Beginning at the intersection of State Road 47 with the Carroll County/Gallatin County line approximately 900 feet northwest of Lick Creek as measured along said county line; thence running southeasterly with State Road 47 (and inclusive of residences on the southerly side), approximately 0.1 miles to the intersection of State Road 465; thence running northeasterly with State Road 465 (and inclusive of residences on the southerly side), approximately 3.1 miles to the intersection of State Road 35; thence running northerly with State Road 35 (and inclusive of residences on the easterly side), approximately 4.2 miles to the intersection of County Road 1130; thence running westerly with County Road 1130 approximately 0.1 miles to Craigs Creek; thence running northwesterly with Craigs Creek approximately 2.0 miles to the Gallatin County/Switzerland County, Indiana, line; thence running westerly with said county/state line approximately 5.3 miles

m, Day, Day of 19

th 1985

Miles, Notary Public

ay came Tracy Miles and presented her commission as Notary Public, State at Large. Tracy Miles posted bond in the sum of One Thousand Dollars with Jewell Murphy as which was approved by the court and took the Oath required by law.

ay came Dorcas Melter Notary Public and presented her commission as Notary Public, State at Large, Said Dorcas Melter posted bond in the sum of One Thousand Dollars with Brown, as surety which was approved by the court and took the oath required by law.

JGCC

th 1985

ay came Ronald Ray Tackett and presented his commission as Notary Public, State at Large. Said Ronald Ray Tackett posted bond in the sum of One Thousand Dollars with [Name] as surety which was approved by the court and took the oath required by law.

JGCC

h 1985

Notice having been given as required by law regarding ratification of the creation of Gallatin County Water District and the establishment of boundaries for the Gallatin County Water District and no objections having been filed as to these matters,

IS ORDERED AND ADJUDGED THAT the Gallatin County Water District's creation by the County Judge of Gallatin County in September 1960, be and the same is ratified, and that the boundaries of said Gallatin County Water District are established and described as follows:

including all of Gallatin County, Kentucky excepting therefrom the Corporate boundaries of [Name] and Sparta, Kentucky which are served by Tri-Village Water District, and the corporate boundaries of Warsaw, Kentucky which is served by Warsaw Water Works and further including any other territory heretofore lawfully annexed by either Tri-Village Water Works or Warsaw Water Works and further excepting that part of the County lawfully annexed by Carroll County Water District #1.

Done this the 27th day of December 1985.

Clarence Davis, Judge
Judge. Exec. Gallatin County

*Rec'd. in Revenue Dept.
Nov. 27 1960*

Book 24 p 60

ORDER

Notice having been given as required by law regarding ratification of the creation of the Gallatin County Water District and the establishment of boundaries for the Gallatin County Water District, and no objections having been filed as to these matters;

IT IS ORDERED AND ADJUDGED that the Gallatin County Water District's creation by order of the County Judge of Gallatin County in September, 1960, be, and the same is hereby, ratified, and that the boundaries of said Gallatin County Water District are hereby established and described as follows:

Being all of Gallatin County, Kentucky, excepting therefrom the corporate boundaries of Glencoe and Sparta, Kentucky which are served by Tri-Village Water District, and the corporate boundaries of Warsaw, Kentucky, which is served by Warsaw Water Works and further excepting any other territory heretofore lawfully annexed by either Tri-Village Water District or Warsaw Water Works and further excepting that part of the county lawfully annexed by Carroll County Water District #1.

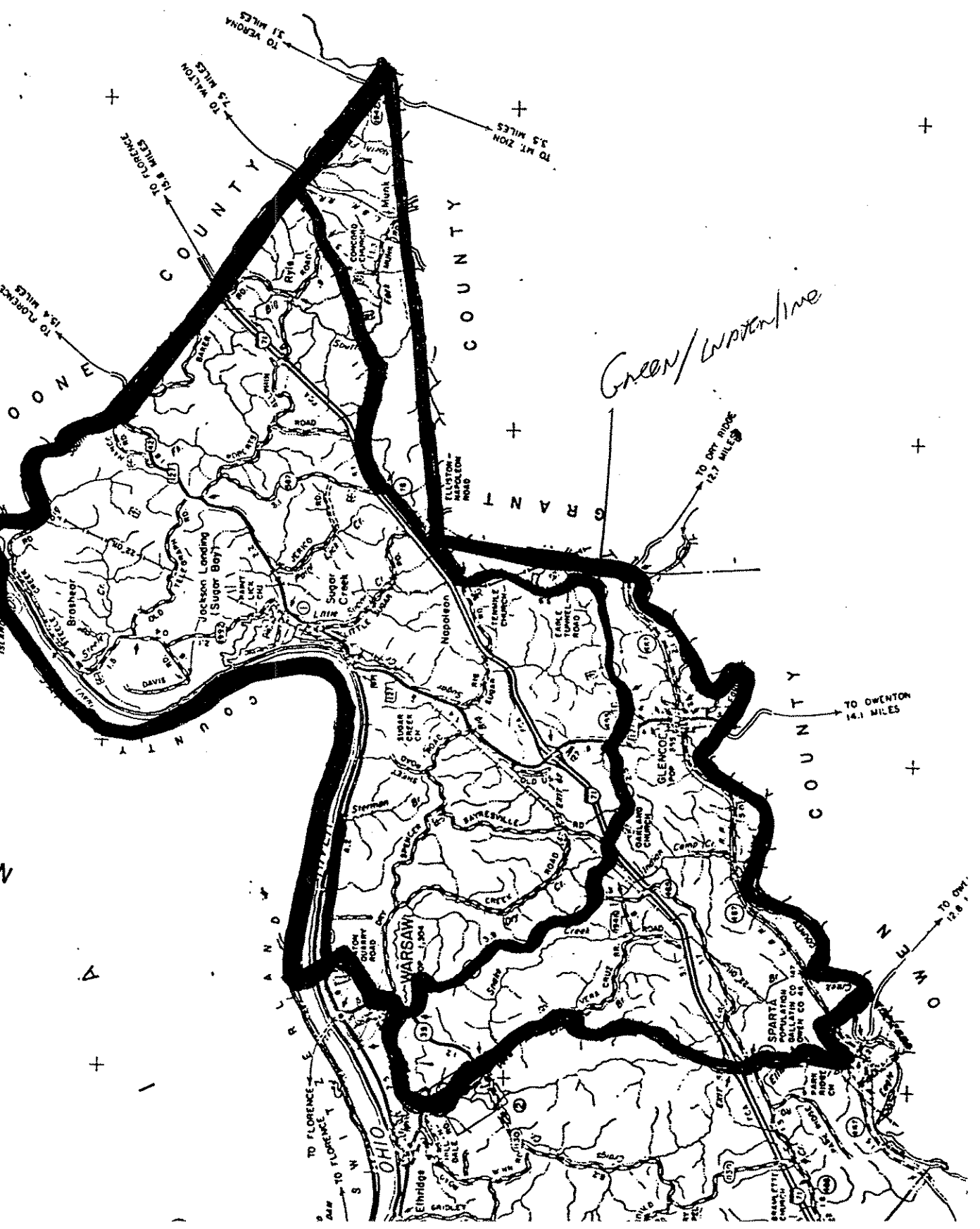
This the 27 day of December, 1985.

Clarence Davis
JUDGE/EXECUTIVE GALLATIN COUNTY

ATTEST:
Laurenne Johns
CLERK, GALLATIN COUNTY

Entered in Gallatin County Order Book No. 24,
page 60, this the _____ day of _____, 1985.

COUNTY CLERK



Green/Water/line

B

A

I

N W O

OHIO

COUNTY

GRANT

COUNTY

WARSAW

SPARTA

GLENCOE

MUNICOUNTY

COUNTY

TO VERONA 31 MILES

TO WILTON 21 MILES

TO FORK 15.8 MILES

TO MT. ZION 9.3 MILES

TO DRY BRIDGE 12.7 MILES

TO OWENTON 14.1 MILES

TO DRY 12.8 MILES

TO FLORENCE 21 MILES

S W I

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NOTIFICATION

This notification is directed to the Gallatin County Clerk and is intended to satisfy the requirement of KRS 55.005. The Gallatin County Water District is a special district created pursuant to the authority of KRS 74.010. The service area of said special district is as follows:

Being all of Gallatin County, Kentucky, excepting therefrom the corporate boundaries of Glencoe and Sparta, Kentucky which are served by Tri-Village Water District, and the corporate boundaries of Warsaw, Kentucky, which is served by Warsaw Water Works and further excepting any other territory heretofore lawfully annexed by either Tri-Village Water District or Warsaw Water Works and further excepting that part of the county lawfully annexed by Carroll County Water District #1.

The special district is currently attempting to obtain the necessary financing to construct and operate a water supply system to serve the district. The names and addresses of the members of the governing body of said district are as follows:

George Poland, P. O. Box 97, Glencoe, Ky. 41046

Lillian McCord, Route 1, Box 141, Verona, Ky. 41092

Charles B. Young, Route 1, Box 237, Glencoe, Ky. 41046

Witness my hand this 3rd day of April.

37.

Charles B. Young

Charles B. Young, Chairman

(COMMONWEALTH OF KENTUCKY)
(COUNTY OF GALLATIN)

Signed and acknowledged before me by Charles B. Young this the 3rd day of April, 1987.

commission expires: 6-18-88

Jane L. Davis

Notary Public, State at Large, KY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

A meeting of the Public Service Commission was held this date. Present: Chairman Harold E. Kelley and Commissioners W. Howard Clay and Thomas D. Emberton.

• • • • •

In the Matter of

APPLICATION OF RESIDENTS OF GALLATIN)
COUNTY FOR A PRELIMINARY HEARING TO)
DETERMINE THE NEED FOR THE FORMATION)
OF A WATER DISTRICT.)

CASE NO. 5233p

PREFACE

On October 22, 1969, Mr. George H. Poland, as spokesman for the citizens of Gallatin County, Kentucky sent a letter and a map to the Secretary of this Commission setting out the location where they desire to form a water district and the number of residents in this area.

This case was set for hearing December 10, 1969. All parties of interest were notified and no protests were entered.

OPINION AND ORDER

After a review of the record and being fully advised, the Commission is of the opinion and finds:

- (1) That no other water system in the area is able and willing to serve this community.
- (2) That it is desirable that this community in some manner be served with pure, potable water.
- (3) That the Commission at this time makes no findings as to the feasibility of his project, and further reserves this finding until such time as the District has been created by the County Court Order and has progressed to a point where the engineering, plans and specifications are complete and financing assured.

At that time the District should file with this Commission

IT IS THEREFORE ORDERED That the petitioners of this Gallatin
community are hereby granted approval of this Commission to
petition the County Court for the establishment of a water district.
Done at Frankfort, Kentucky, this 6th day of January, 1970.

PUBLIC SERVICE COMMISSION OF KENTUCKY

James H. H. H. H.
Chairman

W. H. H. H.
Commissioner

J. H. H. H.
Commissioner

ST:

etary

ERS

GALLATIN

COURT

Term, Day 12, 13, 20 Day of SEPTEMBER 19 60

THE STANDARD PRINTING COMPANY, INC., LOUISVILLE, KY.

ame William D. Johns Administrator of the estate of Danny Ray Johns,
ed, and filed his settlement which is ordered to lie over until
orm of court subject to objections or exceptions.

ame Albert G. Craig, Administrator of the estate of Jennie Lee
deceased and filed his settlement which is ordered to lie over
next term of court subject to objections or exceptions.

appearing to the Court that on April 19, 1960, a petition was
signed by more than seventy five resident freeholders of Gallatin
requesting that a water district to be known as the Gallatin
Rural Water District be established and that no objection or
n was filed to said petition;

efore be it ordered that said district be and the same is now
shed, and,

it further ordered that James Brown, William A. Craig and Geo.
nd be and they are named as Commissioners of said district.

dered that court adjourn until court in course
Earl Spencer JGCC

a Special Term of the Gallatin County Court held at the Court
rsaw, Kentucky, Monday, September 12, 1960.

esent and Presiding: Honorable Earl Spencer, Judge.

as ordered by the court that Citizens Telephone Co. be, and they
by allowed the sum of \$39.27 for service for the Court House.

is ordered by the court that Citizens Telephone Co. be, and they
by allowed the sum of \$3.91 for service for the Jail which was
cash.

ered that court adjourn until court in course
Earl Spencer JGCC

Adams
STEPNER, WOLTERMANN & DUSING, PLLC

Dennis R. Williams
Attorney at Law
e: DWilliams@aswdlaw.com
t: (859) 394-6200 f: (859) 392-7221

40 W. Pike Street, P.O. Box 861, Covington, KY 41012-0861 | 8100 Burlington Pike, Suite 342 P.O. Box 576, Florence, KY 41022-0576

Reply to: Covington

September 21, 2007

Stephen P. Huddleston
309 W. Main Street
P.O. Box 807
Warsaw, KY 41095

RE: Carroll County Water District, No. 1 v. Whitehorse Development Co. vs. Gallatin County
Water District
Case No. 2007-00202

Dear Steve:

Here is the development information provided by my client which we believe answers the discovery propounded to you by the PSC.

Please call if you have any questions.

Sincerely,

ADAMS, STEPNER,
WOLTERMANN & DUSING, P.L.L.C.



Dennis R. Williams

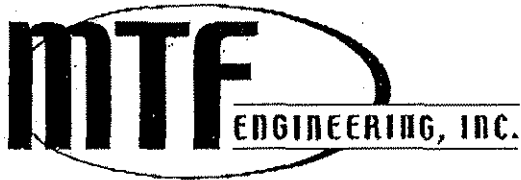
DRW:smg
Enclosure

a. The new commercial development consists of 51 acres on the north side of I-71 at exit 55 in Gallatin Co. KY. The property is split by KY 1039 with approximately 24 acres lying on the east side of KY 1039 and approximately 27 acres lying on the west side of KY 1039. (See Attached Plan). Whitehorse Development Group, LLC has been developing the east 24 acres over the course of the last 18 months. Whitehorse has subdivided the property into two parcels: The first consisting of a 19 acre pad under contract to Loves Country Store. The second parcel consists of a 5 acre site that could stand alone for a hotel, restaurant or retail strip center, or be further subdivided for two smaller fast food type users. In addition to these parcels, Whitehorse has improved the right-of-way in front of the site and has petitioned the state to re-purchase this property with the intent of creating a third commercial pad. This pad would consist of approximately 2.5 acres. The attached letter from MTF engineering, Inc. outlines the water usage calculations for the Loves Country Store. In addition, we have included an estimate for the typical water needs of a 20,000 sq. ft. retail strip center as a potential user for the 5-acre pad. Please be aware that a hotel site could potentially require more gallons per hour at its peak than the retail center. These numbers indicate our IMMEDIATE needs. We have not received authorization from the State allowing us to re-purchase the right of way at this time, therefore, we would be unable to sell this parcel immediately, however, we could be granted approval at any time which would increase our immediate needs. Whitehorse has not begun to develop the additional 27 acres on the west side of KY 1039, however the water needs will be very similar to the needs described above, once developed.

b. Whitehorse has substantially completed all work on the 24 acre site including rough grading, sanitary sewers and the water line up to within approximately 200 ft. of the Gallatin Co. 8" line. Whitehorse has scheduled an October 4th closing date on the 19-acre pad to Loves Country Store. Loves intends to begin construction of their facility in November 2007. NAI Bergman is currently marketing the additional developed acreage for immediate sale.

c. Whitehorse Development Group, LLC
495 Erlanger Rd.
Suite 201
Erlanger, KY 41018
Contact: Adam Chaney

d. Please see legal descriptions attached.



September 21, 2007

Project: Loves Country Store
Plan Check #:
Project Address:
Subject: Water Usage Calculations

The following water usage calculation is an approximation only. The water usage calculation is based on the table "I-3" found in Appendix "I" of the Uniform Plumbing Code (1994 Edition). This table gives the same calculation method as that found in the Arizona Administrative Code section "Department of Environmental Quality - Water Pollution Control".

The Loves Country Store design has 7 truck bays, and 8 car bays. According to the tables mentioned above, the Uniform Plumbing Code would expect 1,000 gallons/day use for the first bay, and 500 gallons/day use for every additional bay. This would equal approximately 8,000 gallons per day.

Using 20% peak factors the maximum daily would equal approximately 9,600 gallons per day. The maximum hourly would equal approximately 400 gallons per hour. The maximum monthly would equal approximately 288,000 gallons per month.

After discussions with Loves this is very similar to what they would see on a similar size store.

Once again this is only an approximation, based on tables provided by the Uniform Plumbing Code (1994 Edition) and/or the Arizona Administrative Code.

MTF Engineering, Inc.

FIXTURE UNIT CALCULATIONS

PROJECT NAME: Love's Oakdale, WI
 PROJECT NUMBER: 7012.0
 DATE: 4/11/07

FLUSH VALVES = 1, FLUSH TANKS = 2 1

FIXTURE TYPE	QUANTITY	COLD WATER FIXTURE UNITS		HOT WATER FIXTURE UNITS		WASTE FIXTURE UNITS *		WATER GPM
		FU EACH	TOTAL FU	FU EACH	TOTAL FU	FU EACH	TOTAL FU	
BATHTUB OR COMBINATION BATH/SHOWER		3		3		2.0		
BATHYUB WITH 3/4" FILL VALVE		8		8		2.0		
BIDET		1		1		2.0		
CLOTHES WASHER, DOMESTIC	1	3	3	3	3	3.0	3	
DENTAL UNIT, CUSPIDOR		1		1		1.0		
DISHWASHER, DOMESTIC		1.5		1.5		2.0		
DRINKING FOUNTAIN OR WATERCOOLER		0.5		0		0.5		
FLOOR DRAIN - 1-1/2"		0		0		2.0		
FLOOR DRAIN - 2"	9	0		0		3.0	27	
FLOOR DRAIN - 3"	2	0		0		5.0	10	
FLOOR DRAIN - 4"		0		0		6.0		
FOOD WASTE GRINDER, COMMERCIAL		0		0		3.0		
HOSE BIBB	1	2.5	2.5	0		0.0		
HOSE BIBB, EACH ADDITIONAL	1	1	1	0		0.0		
LAVATORY	11	1	11	1	11	1.0	11	
SHOWER SINGLE HEAD, 2" DRAIN	5	1.5	7.5	1.5	7.5	2.0	10	
SHOWER MULTIPLE HEAD, EACH ADDITIONAL		1.5		1.5		1.0		
SINKS - BAR, PRIVATE		0.75		0.75		1.0		
SINKS - BAR, PUBLIC		1.5		1.5		2.0		
SINKS - CLINICAL		2.5		2.5		6.0		
SINKS - CLINICAL, FLUSH VALVE		8		0		6.0		
SINKS - COMMERCIAL, 1-1/2" OR 2" DRAIN		2.5		2.5		3.0		
SINKS - KITCHEN, DOMESTIC (INCL. DISPOSER)		1.5		1.5		2.0		
SINKS - LAUNDRY, INCLUDING CLOTHES WASHER		1.5		1.5		2.0		
SINKS - SERVICE OR MOP BASIN, 2" DRAIN		2.5		2.5		3.0		
SINKS - SERVICE OR MOP BASIN, 3" DRAIN	1	2.5	2.5	2.5	2.5	3.0	3	
SINKS - SERVICE, FLUSHING RIM		2.0		0		6.0		
SINKS - SPECIAL PURPOSE, 2" DRAIN		2.5		2.5		3.0		
SINKS - SPECIAL PURPOSE, 3" DRAIN		2.5		2.5		4.0		
SINKS - WASHUP, EACH SET OF FAUCETS		1.5		1.5		2.0		
URINAL, 1.0 GPF FLUSH VALVE	4	13.25	53	0		2.0	8	
URINAL, GREATER THAN 1.0 GPF FLUSH VALVE		0		0		2.0		
URINAL, FLUSH TANK		2		0		2.0		
WASHFOUNTAIN, 1-1/2" DRAIN		3		3		2.0		
WASHFOUNTAIN, 2" DRAIN		3		3		3.0		
WATER CLOSET - 1.8 GPF GRAVITY TANK		2.5		0		4.0		
WATER CLOSET - 1.5 GPF FLUSHOMETER TANK		2.5		0		4.0		
WATER CLOSET - 1.5 GPF FLUSH VALVE	13	16	195	0		4.0	52	
WATER CLOSET - GREATER THAN 1.6 GPF TANK		5.5		0		6.0		
WATER CLOSET - GREATER THAN 1.6 GPF VALVE		0		0		6.0		
KITCHEN EQUIPMENT - WATER GPM								0
TOTALS			278.5		24		124.0	110
			COLD WATER FU		HOT WATER FU		WASTE FU	WATER GPM

SOURCES: UPC; ASPE

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Adam,

Unit A: water = 1120 gallons a day sewer = 920 gallons a day
Unit B: water = 1130 gallons a day sewer = 930 gallons a day
Unit C: water = 1800 gallons a day sewer = 1500 gallons a day
Unit D: water = 800 gallons a day sewer = 600 gallons a day

Typical office / retail = 400 gallons a day, sewer and water
(4400 s f)

Florist = 400 gallons a day, sewer and water
(900 s f)

The reason restaurants have less sewer capacity is because you don't count all of the consumed water.

Example: Penn Stations are small with no dishwasher, but they still use 350 gallons a day in a 1600 sf store. The interesting thing is that they have tracked it and they sell 125 - 150 gallons of beverages a day. That means their water usage is 350 and their sewer demand is about 200. Pretty significant percentage!

Customers stay longer in restaurants, which means more restroom use, but you would still count some of the water as consumed.

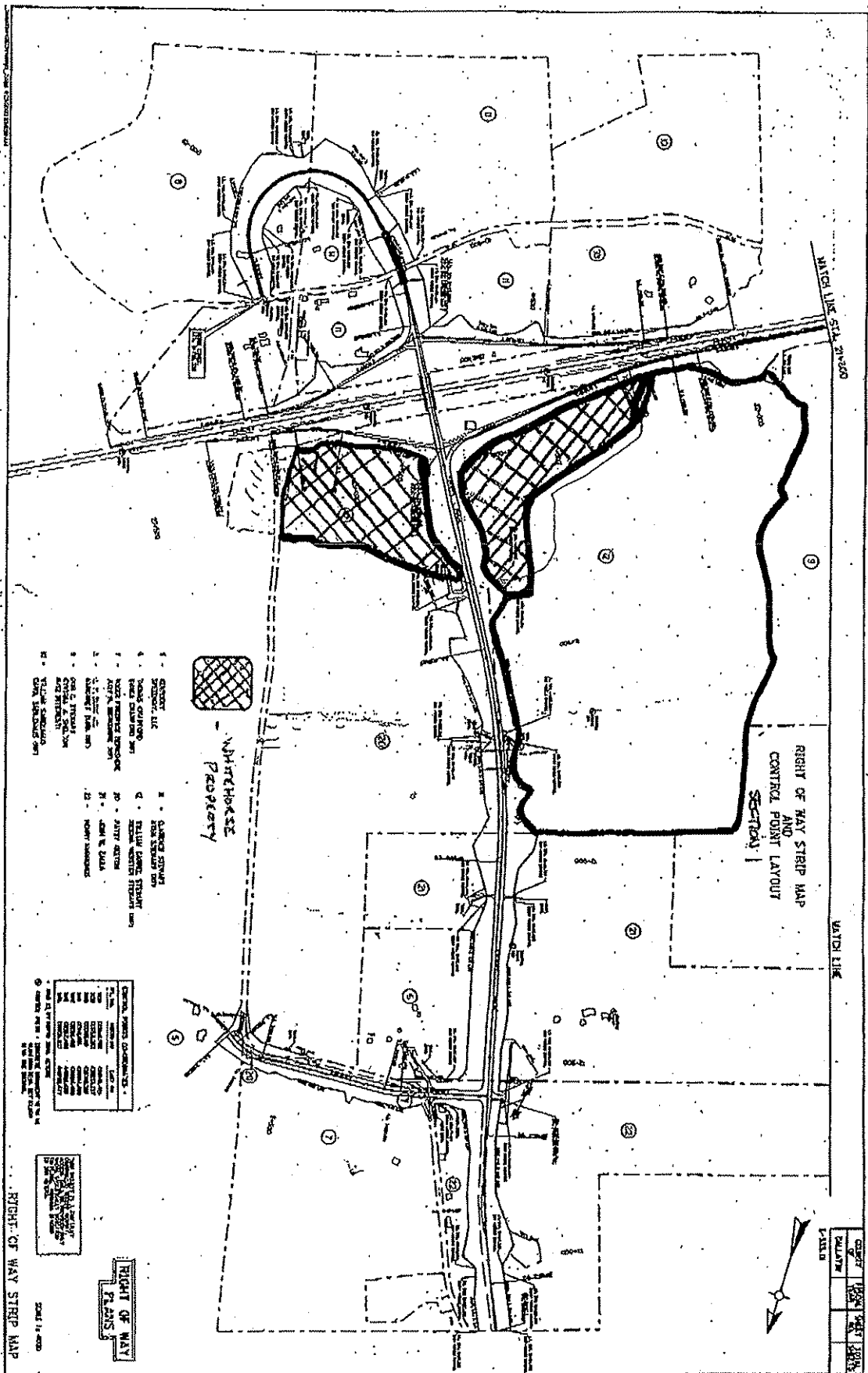
Now if the 4400 sf Office space becomes another restaurant, I would figure it like a full-service restaurant rather than a specialty place. That would raise that space from 12,000 a month to 54,000 a month.

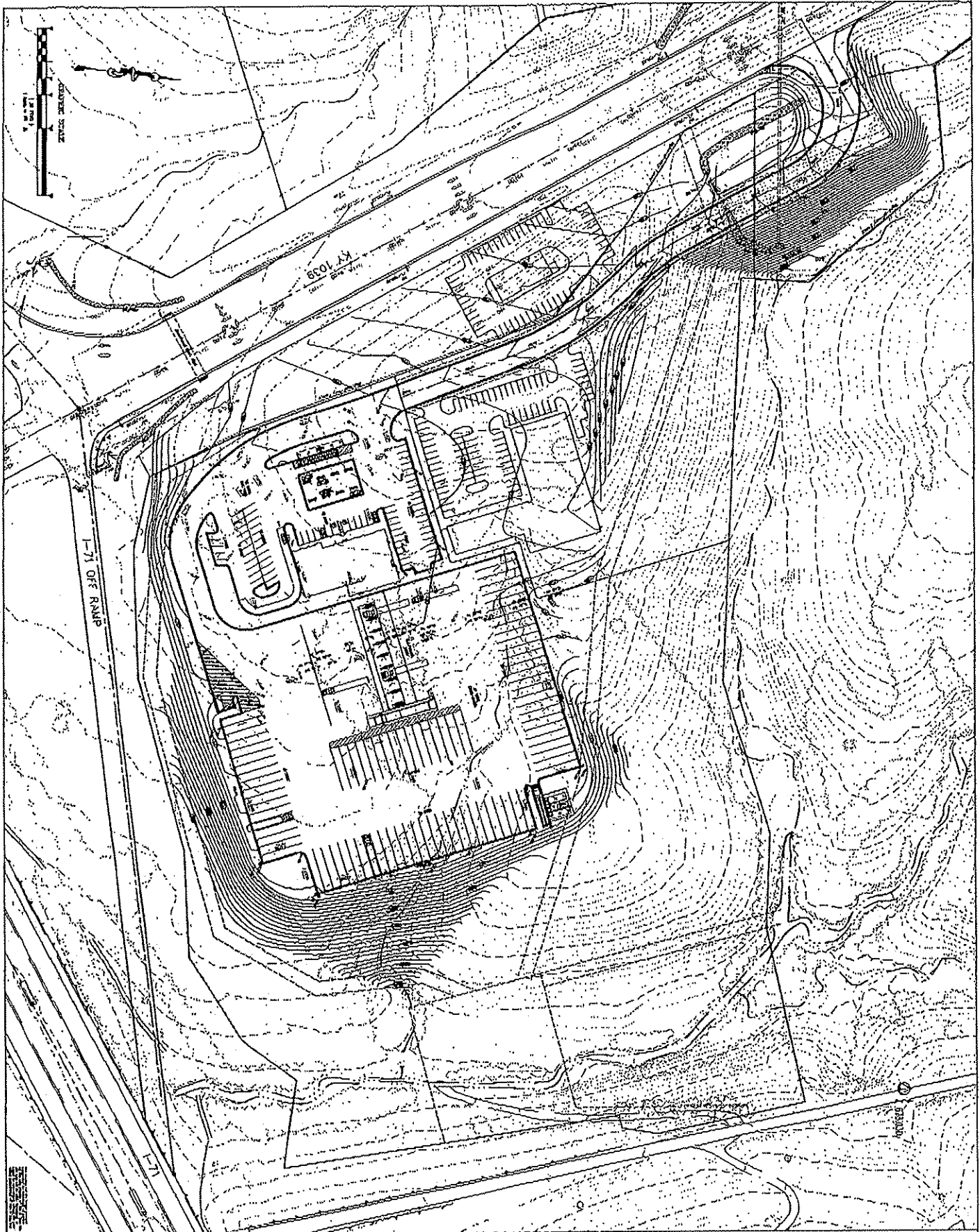
So, best case: 5650 gallons a day X 30 days = 169,500 gallons a month water. 4750 gallons a day X 30 days = 142,500 gallons a month sewer. Nothing figured for landscape water.

Worst case (no Office / retail use except florist): 7050 gallons a day X 30 days = 211,500 gallons a month water. 5850 gallons a day X 30 days = 175,500 gallons a month sewer. Nothing included for Landscape.

Drip irrigation is the best way to water landscape, but I really don't have a good feel for how much water we would use in the 2/3 acre landscape area.

Scot

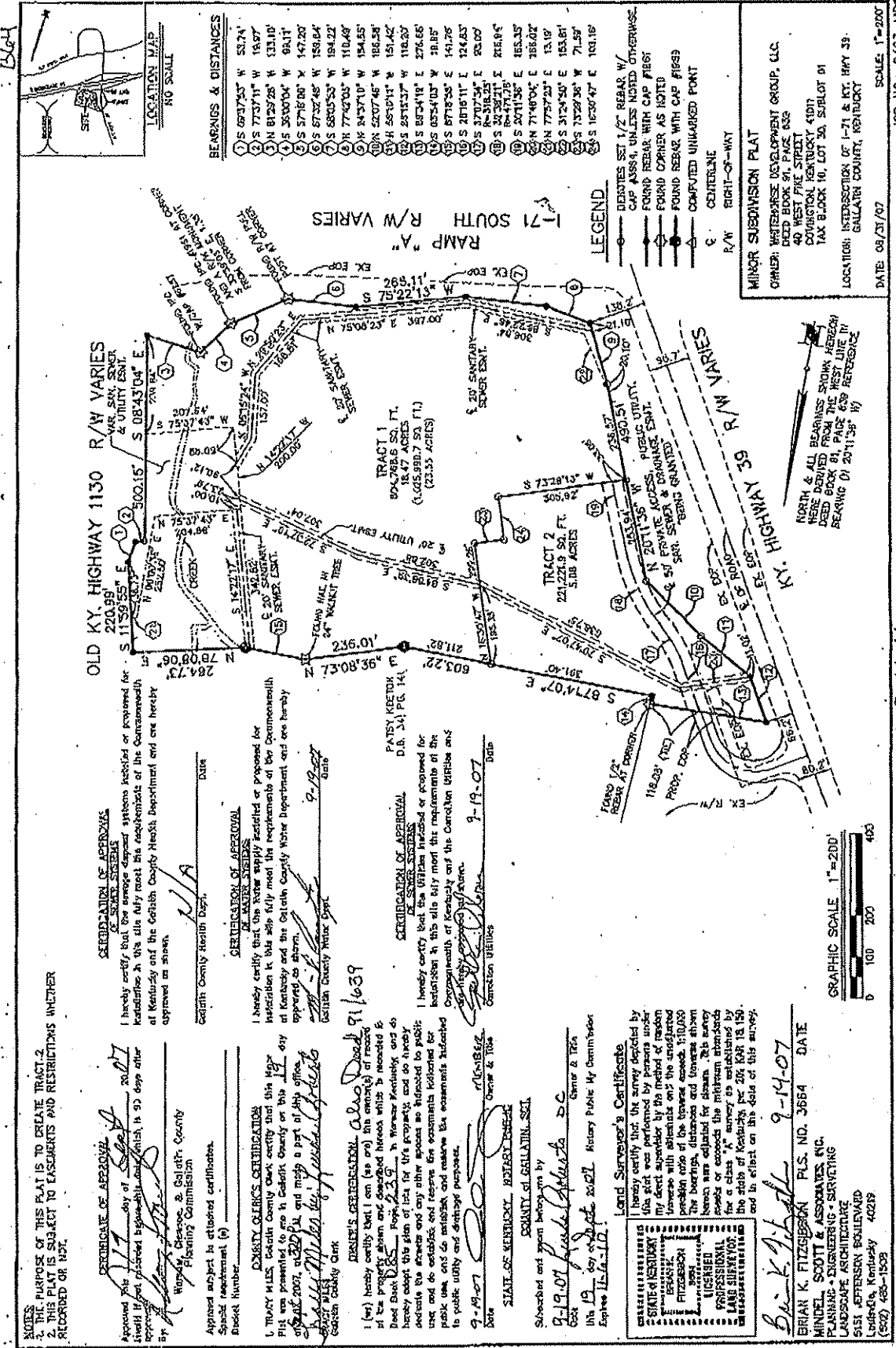




CONCEPT / DEVELOPMENT PLAN
 WHITE HORSE DEVELOPMENT
 CALLATIN COUNTY, KENTUCKY



DATE	10/11/07
SCALE	AS SHOWN
PROJECT	WHITE HORSE DEVELOPMENT
CLIENT	CALLATIN COUNTY, KY
DESIGNER	VIOX & VIOX
CHECKED	
APPROVED	



NOTES

- THE PURPOSE OF THIS PLAN IS TO EXHAUST TRACT 2.
- THIS PLAN IS SUBJECT TO EASEMENTS AND RESTRICTIONS WHETHER ACCRUED OR NOT.

CERTIFICATE OF APPROVAL

I hereby certify that the water supply facilities or proposed for installation in this site fully meet the requirements of the Commonwealth of Kentucky and the certain County Health Department and are hereby approved as shown.

 Health Officer, Health Dept.
 Date: _____

CERTIFICATION OF APPROVAL

I hereby certify that the water supply facilities or proposed for installation in this site fully meet the requirements of the Commonwealth of Kentucky and the certain County Water Department and are hereby approved as shown.

 Health Officer, Water Dept.
 Date: _____

CERTIFICATION OF APPROVAL

I hereby certify that the utility facilities or proposed for installation in this site fully meet the requirements of the Commonwealth of Kentucky and the certain Utility and are hereby approved as shown.

 Utility Officer, Utility Dept.
 Date: _____

LAND SURVEYOR'S CERTIFICATE

I hereby certify that the survey depicted by this plat was performed by persons under my direct supervision by the State of Kentucky and that the survey was conducted in accordance with the provisions of the Kentucky Surveying Act, Chapter 190, R.S. The bearings, distances and corners shown herein were adjusted for closure. This survey was conducted for division. The standards for a class "A" survey as established by the State of Kentucky, per 206 KAR 19.150, are in effect on the date of this survey.

 Surveyor
 Date: 9-19-07

STATE OF KENTUCKY, DEPARTMENT OF REVENUE

County of Gallatin, KY

Subscribed and sworn to before me by
 9-19-07 Brian K. Fitzsimon DC
 Clerk & Ties
 this 19 day of September 2007, Notary Public My Commission Expires 11-16-10

Land Surveyor's Certificate

I hereby certify that the survey depicted by this plat was performed by persons under my direct supervision by the State of Kentucky and that the survey was conducted in accordance with the provisions of the Kentucky Surveying Act, Chapter 190, R.S. The bearings, distances and corners shown herein were adjusted for closure. This survey was conducted for division. The standards for a class "A" survey as established by the State of Kentucky, per 206 KAR 19.150, are in effect on the date of this survey.

 Surveyor
 Date: 9-19-07

BRIAN K. FITZSIMON, PLS. NO. 3684
MINDEL, SCOTT & ASSOCIATES, INC.
 LANDSCAPE ARCHITECTURE & SURVEYING
 5151 JOFFERSON BOULEVARD
 Louisville, Kentucky 40228
 (502) 488-1528

GRAPHIC SCALE 1"=200'
 0 100 200 400

Exhibit "A"

DEED DESCRIPTION

PROPERTY TO BE CONVEYED

PARCEL A & B 23.549 ACRES

Being all remaining property lying on the East side of Ky. No. 39 and being North of I-71 right-of-way and being West of Old Ky. No. 1130, and South of Patsy Keeton property as recorded in Deed Book No. 85, pg. 239 at the Gallatin County Clerk's Office in Warsaw, Kentucky and being more particularly described as follows:

Beginning at the true point of beginning an Iron Pin set in the North right-of-way of I-71 and Ramp A of I-71 and being the West right-of-way of Old Ky. No. 1130, (reference said set Iron Pin being South eighty degrees forty eight minutes twenty five seconds West (S 80°48'25" W), a distance of eighty nine and 56/100 (89.56) feet from a P. K. Nail in the center of Old Ky. No. 1130 and also being Southwest 66.34 feet from Pull Post as shown on plat); thence leaving the West right-of-way of Old Ky. No. 1130 and along the North right-of-way of I-71 Ramp A as it meanders

North eighty one degrees twenty four minutes thirty seconds West (N 81°24'30" W), a distance of one hundred thirty three and 31/100 (133.31) feet to an Iron Pin Found; thence with same South thirty five degrees fifty minutes fifty nine seconds West (S 35°50'59" W), a distance of ninety nine and 16/100 (99.16) feet to an Iron Pin set 0.71 feet Northwest of a Concrete Right-of-way Marker; thence with right-of-way fence and North right-of-way of I-71 South fifty seven degrees twenty four minutes twenty three seconds West (S 57°24'23" W), a distance of one hundred forty seven and 40/100 (147.40) feet to a point on concrete base of Pull Post being 0.25 feet Northwest of existing Pull Post; thence with same South eighty seven degrees thirty minutes thirty seven seconds West (S 87°30'37" W), a distance of one hundred fifty nine and 57/100 (159.57) feet to an Iron Pin being 1.88 feet Northwest of existing Pull Post; thence leaving right-of-way fence South seventy five degrees nineteen minutes fifty eight seconds West (S 75°19'58" W), a distance of two hundred sixty five and 17/100 (265.17) feet to an Iron Pin being 24.09 feet South of existing right-of-way fence; thence with said right-of-way South eighty eight degrees nine minutes fifty one seconds West (S 88°09'51" W), a distance of one hundred ninety four and 21/100 (194.21) feet to an Iron Pin being 0.83 feet Northwest of existing Pull Post with fence; thence with I-71 right-of-way and fence as shown on plat North seventy seven degrees forty minutes fifty two seconds West (N 77°40'52" W), a distance of one hundred ten and 49/100 (110.49) feet to an Iron Pin being 1.09 feet Northeast of existing Pull Post and the East right-of-way of Ky. No. 39; thence leaving the North right-of-way of I-71 and along the East right-of-way of Ky. No. 39 as it meanders North twenty four degrees thirty seven minutes ten seconds West (N 24°37'10" W), a distance of one hundred fifty four and 52/100 (154.52) feet to an Iron Pin Set being 60.42 feet Northeast of Power Pole; thence with same North twenty degrees eleven minutes thirty six seconds West (N 20°11'36" W), a distance of four hundred ninety and 43/100 (490.43) feet to an Iron Pin being 3.85 feet Northeast of Pull Post; thence with same North fifty two degrees seven minutes forty six seconds West (N 52°07'46" W), a distance of one hundred eighty six and 55/100 (186.55) feet to an Iron Pin being 1.06 feet

Southeast of Pull Post; thence with same North fifty eight degrees ten minutes eleven seconds West (N 58°10'11" W), a distance of one hundred fifty one and 39/100 (151.39) feet to an Iron Pin being 1.22 feet Northeast of Pull Post; thence with same North twenty eight degrees sixteen minutes five seconds West (N 28°16'05" W), a distance of one hundred eighteen and 18/100 (118.18) feet to an Iron Pin set in the new division line of right-of-way for entrance to Parcel being described (being Northwest 10.25 feet from original property line of Keeton and Stewart as shown on plat said Iron Pin also being Southeast 68.74 feet from a Pull Post at new entrance to said parcel described as shown on plat); thence leaving the East right-of-way of Ky. No. 39 and along the right-of-way for entrance to described parcel South eighty nine degrees thirty three minutes fifty seconds East (S 89°33'50" E), a distance of two hundred seventy six and 80/100 (276.80) feet to a point at base of concrete Pull Post being 0.90 feet Southeast of Pull Post; thence leaving said right-of-way for entrance South four degrees six minutes fifty seconds West (S 04°06'50" W), a distance of twenty (20.00) feet to an Iron Pin set in the original property line of Keeton and Stewart; thence with line of Keeton (D. B. 34, pg. 141.) South eighty seven degrees fourteen minutes thirty three seconds East (S 87°14'33" E), a distance of six hundred three and 19/100 (603.19) feet to an Iron Pin Found; thence with same North seventy three degrees ten minutes twenty nine seconds East (N 73°10'29" E), a distance of two hundred thirty five and 98/100 (235.98) feet to a nail in 18" Walnut tree; thence with same South eighty seven degrees twenty three minutes twelve seconds East (S 87°23'12" E), a distance of one hundred forty one and 77/100 (141.77) feet to an Iron Pin Found by 36" Oak tree being 10.05 feet Southwest of existing fence Post; thence with same North seventy eight degrees seven minutes forty one seconds East (N 78°07'41" E), a distance of two hundred sixty four and 61/100 (264.61) feet to an Iron Pin set being South seventy eight degrees seven minutes forty one seconds West (S 78°07'41" W), a distance of five and 68/100 (5.68) feet from an Iron Pin Found near right-of-way of Old Ky. No. 1130; thence leaving Keeton property line and along the West right-of-way of Old Ky. No. 1130 South twelve degrees two minutes fifty seconds East (S 12°02'50" E), a distance of two hundred twenty one and 3/100 (221.03) feet to an Iron Pin set; thence with same South nine degrees forty five minutes twenty eight seconds West (S 09°45'28" W), a distance of fifty three and 85/100 (53.85) feet to an Iron Pin set; thence with same South seventy seven degrees fifty seven minutes two seconds West (S 77°57'02" W), a distance of twenty (20.00) feet to an Iron Pin set; thence with same South eight degrees forty three minutes twenty one seconds East (S 08°43'21" E), a distance of five hundred and 19/100 (500.19) feet to an Iron Pin and the true point of beginning; and containing twenty three and 55/100 (23.5497) acres, or one million twenty five thousand eight hundred twenty four and 73/100 (1025824.72901) square feet being subject to legal right-of-ways and legal easements on record and/or in existence, according to survey prepared by Joseph B. Mylor LSPSC LS No. 1961, dated 06/03/03.

DEED DESCRIPTION

PROPERTY TO BE CONVEYED

PARCEL 1 & 2 (C & D) 27.018 ACRES WITH AN ENTRANCE TO BE BUILT BY DEVELOPER ON TO KY. NO. 39 ON THE WEST SIDE OF KY. NO. 39 AT STATION 11+317 METERS (190.6 FEET WEST OF CENTER) TO STATION 11+343 METERS (231.33 FEET WEST OF CENTER) AS SHOWN ON SHEET 11 OF 55 ITEM NO. 6-333.0

Being all of Parcel 1 & 2 and being C & D as recorded in M. E. 100, pg. 407 at the Gallatin County Clerk's Office in Warsaw, Kentucky and lying North of I-71 and North of Ramp D to I-71 from Ky. No. 39 also being West of Ky. No. 39 in Gallatin County and being more particularly described as follows:

Beginning at the true point of beginning an Iron Pin set at the West side of Ky. No. 39 right-of-way and the Northeast right-of-way of Ramp D (reference being 2.96 feet Northeast of existing Pull Post of right-of-way fence); thence leaving the West right-of-way of Ky. No. 39 and along the North right-of-way of Ramp D of I-71 South twenty six degrees eight minutes fifteen seconds West (S 26°08'15" W), a distance of three hundred twenty nine and 17/100 (329.17) feet to an Iron Pin set (reference: Iron Pin being 0.91 feet North of Pull Post of right-of-way fence of I-71 Ramp D); thence with same South fifty six degrees thirteen minutes forty four seconds West (S 56°13'44" W), a distance of two hundred thirty seven and 67/100 (237.67) feet to an Iron Pin 0.91 feet on the North side of Pull Post of right-of-way of I-71; thence with same South forty one degrees thirty three minutes forty nine seconds West (S 41°33'49" W), a distance of two hundred seventy one and 90/100 (271.90) feet to an Iron Pin being 0.71 feet North of Pull Post of existing right-of-way fence of I-71; thence with same South forty nine degrees forty nine minutes forty three seconds West (S 49°49'43" W), a distance of eight hundred twenty nine and 83/100 (829.85) feet to an Iron Pin being 3.59 feet Northeast of Pull Post of right-of-way fence of I-71; thence with same South sixty two degrees forty five minutes forty two seconds West (S 62°45'42" W), a distance of one hundred thirty eight and 97/100 (138.97) feet to an Iron Pin set in the North right-of-way of I-71 and being the new division line of Regina Stewart (D. B. 86, pg. 739) said Iron Pin being North sixty two degrees twenty seven minutes twenty five seconds East (N 62°27'25" E), a distance of thirty eight and 1/100 (38.01) feet from a Pull Post as shown on plat; thence leaving the North right-of-way of I-71 and along new division line of Stewart crossing an existing Pond as shown on plat North thirty seven degrees fifteen minutes forty one seconds West (N 37°15'41" W), a distance of five hundred five and 31/100 (505.31) feet to an Iron Pin set; thence with another new division line of Stewart and passing by the South side of a existing Billboard sign 7.04 feet as shown on plat North forty nine degrees forty nine minutes thirty one seconds East (N 49°49'31" E), a distance of one thousand three hundred twenty five and 3/100 (1325.03) feet to an Iron Pin set; thence with said Stewart new division line North eleven degrees two minutes thirty five seconds West (N 11°02'35" W), a distance of three hundred ninety six and 71/100 (396.71) feet to an Iron Pin set; thence with same North twenty eight degrees thirty three minutes twenty six seconds West (N 28°33'26" W), a distance of

four hundred twenty nine and 60/100 (429.60) feet to an Iron Pin set; thence with same North fifty nine degrees thirty six minutes forty two seconds East (N 59°36'42" E), a distance of two hundred twenty three and 56/100 (223.56) feet to an Iron Pin Found in the West right-of-way of Ky. No. 39 being 0.96 feet Southwest of Pull Post of right-of-way fence; thence leaving the division line of Stewart and along the West right-of-way of Ky. No. 39 as it meanders South fifty three degrees forty two minutes fourteen seconds East (S 53°42'14" E), a distance of three hundred five and 46/100 (305.46) feet to a point on concrete base of Pull Post of 0.51 feet Northwest of said Pull Post (as described at top of description an entrance to be built by developer beginning 138.09 feet Northwest back on last described line as the South side of entrance and being 94.48 feet more Northwest being the width of entrance at the most North end, entrance as shown on plat, sign off by KDOT); thence with same South ten degrees eleven minutes thirteen seconds East (S 10°11'13" E), a distance of one hundred sixty nine and 12/100 (169.12) feet to an Iron Pin set being 0.99 feet Northwest of Pull Post of right-of-way fence; thence with same the West right-of-way of Ky. No. 39 South forty degrees nineteen minutes ten seconds East (S 40°19'10" E), a distance of two hundred ninety eight and 57/100 (298.57) feet to an Iron Pin being 0.47 feet Southwest of Pull Post of right-of-way fence; thence with same South thirty degrees thirteen minutes thirty nine seconds East (S 30°13'39" E), a distance of three hundred eighty four and 8/100 (384.08) feet to an Iron Pin and the true point of beginning; and containing twenty seven and 2/100 (27.01858) acres, or one million one hundred seventy six thousand nine hundred twenty nine and 47/100 (1176929.46814) square feet being subject to legal right-of-ways and legal easements on record and/or in existence, according to survey prepared by Joseph B. Mylor LSP&C LS No. 1961, dated 06/03/03.

4

Gallatin County Water District
4500 Hwy 455
Sparta, Ky. 41086
859-643-5200

November 11, 2004

Carroll County Water District
P.O. Box 350
Ghent, Ky. 41045

Subject: Service Boundaries

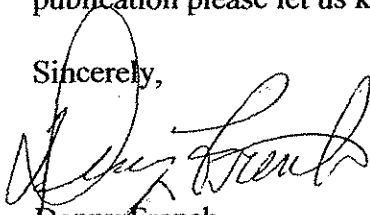
The purpose of this letter is to inform the Carroll County Water District that the Gallatin County Water District disputes its proposed service area description, as published in the August 26, 2004 edition of the Gallatin County News.

Areas of concern are as follows:

1. We are currently serving the properties adjoining the Speedway Blvd. (Kentucky Speedway property), the Keeton and Stewart (Jeff, Bill and Dusty) properties off the old Hwy. 1130 and all the properties running east on Hwy. 465, including Park Ridge Road to the corner of Hwy 465 and Hwy 35.
2. Engineering has been completed to extend the water line from the junction of the old Hwy 1130 and Hwy 465 approximately 7,000 feet west to the property of Clifford Maple at 2480 Hwy 465 W. These plans are part of the Tobacco Grant Project and are ready to be submitted to the DOW for approval.

In reading the description that is published in the paper it is our interpretation that the areas listed above are included in that description. If we are misinterpreting the publication please let us know.

Sincerely,



Denny French,
Chairman of the Board

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW

523 Highland Avenue
P.O. Box 353
Carrollton, Kentucky 41008

James M. Crawford
Ruth H. Baxter
Nicholas A. Marsh

Phone: (502) 732-6688
1-800-442-8680
Fax: (502) 732-6920
Email: CBJ523@AOL.COM

February 20, 2007

Hon. Stephen Huddleston
Huddleston & Huddleston
P.O. Box 807
Warsaw, Kentucky 41095

RE: Carroll County Water District No. 1

Dear Steve:

Your letter to Jim Smith, Manager of the Carroll County Water District No. 1, was referred to me for response as the District's attorney. As you may be aware, the Public Service Commission follows the service area defined by a map on record which was established by the respective fiscal courts when the Gallatin County and Carroll County Districts were initially formed. Those boundaries were changed several years ago at the request of Gallatin County so that its residents could be served with water as your District lacked the ability to serve them. At considerable expense, Carroll County Water District No. 1 obtained a loan from the then-Farmers Home Administration and expanded its lines into Gallatin County with your District's consent and blessing.

Without a doubt, the area in which you have notified Carroll No. 1 that you intend to serve is within the legal service area of our District. If your District intends to establish service at that address, then you leave us no other choice but to file a Complaint with the Public Service Commission which would result in an Order stopping your efforts, and a 'show cause' order for your District's failure to abide by the territorial boundaries previously established. This can result in sanctions from the Commission including a revocation of your District's ability to serve its existing customers.

There are ways of resolving the matter, however, short of litigation, and if your District is interested in discussing a resolution of the issue, then we can set up a meeting and discuss these alternatives. Contrary to your assertion that because your District is already serving adjoining property it can continue to serve outside your territorial boundaries, your continued service of another site within the boundaries of Carroll County Water District No. 1 will subject your District to additional fines and penalties now that we are aware of this illegal service.

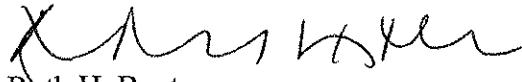
CRAWFORD & BAXTER, P.S.C.

Hon. Stephen P. Huddleston
February 20, 2007
Page Two

The Carroll County Water District No. 1 has a considerable financial investment in the water lines in Gallatin County, the debt for which has been paid by the residents of Carroll and Owen Counties as well. Before your District decides to proceed blindly with serving a new customer outside of your territorial boundaries, we hope that you will take time to sit down and talk with our District representatives about alternatives to this dispute.

Sincerely,

CRAWFORD & BAXTER, P.S.C.



Ruth H. Baxter

RHB/dmp

cc: Mr. Jim Smith, Manager
Carroll County Judge Harold "Shorty" Tomlinson
Owen County Judge Billy O'Banion
Gallatin County Judge Kenny French

#4

HUDDLESTON LAW OFFICE

"Serving Gallatin County since 1979"

Attorneys
Stephen P. Huddleston
Rhonda W. Huddleston

Post Office Box 807
307 West Main Street
Warsaw, Kentucky 41095

Ofc: 859.567.2818
Fax: 859.567.2404

February 15, 2007

Mr. Jim Smith
Carroll County Water District
P.O. Box 350
Ghent, KY 41045

Re: Water service
Ky. 1039 & I-71, Gallatin Co., Kentucky

Dear Jim:

I represent the Gallatin County Water District (GCWD). The GCWD has received two requests (copies attached) from prospective customers that it extend its 8" line, and provided water service, to lands located at the intersection of Ky. Hwy. 1039 and I-71. I am not certain, but I believe there are plans, at some stage, to develop a truck stop at this location.

Since 2002 the GCWD has served the nearby Keeton tract. It has an 8" running approximately 2200 feet through Keeton parallel with Ky. Hwy. 1130 and approximately 1800 feet of 8" line running through Keeton to the state right-of-way line along Ky. 1039. This line is backed up with a 450,000 gallon storage tank. Presently the GCWD is approximately 1200 feet away from the prospective customer site with an 8" line. We believe that the Carroll County Water District is about 3400 feet away with a 4" line.

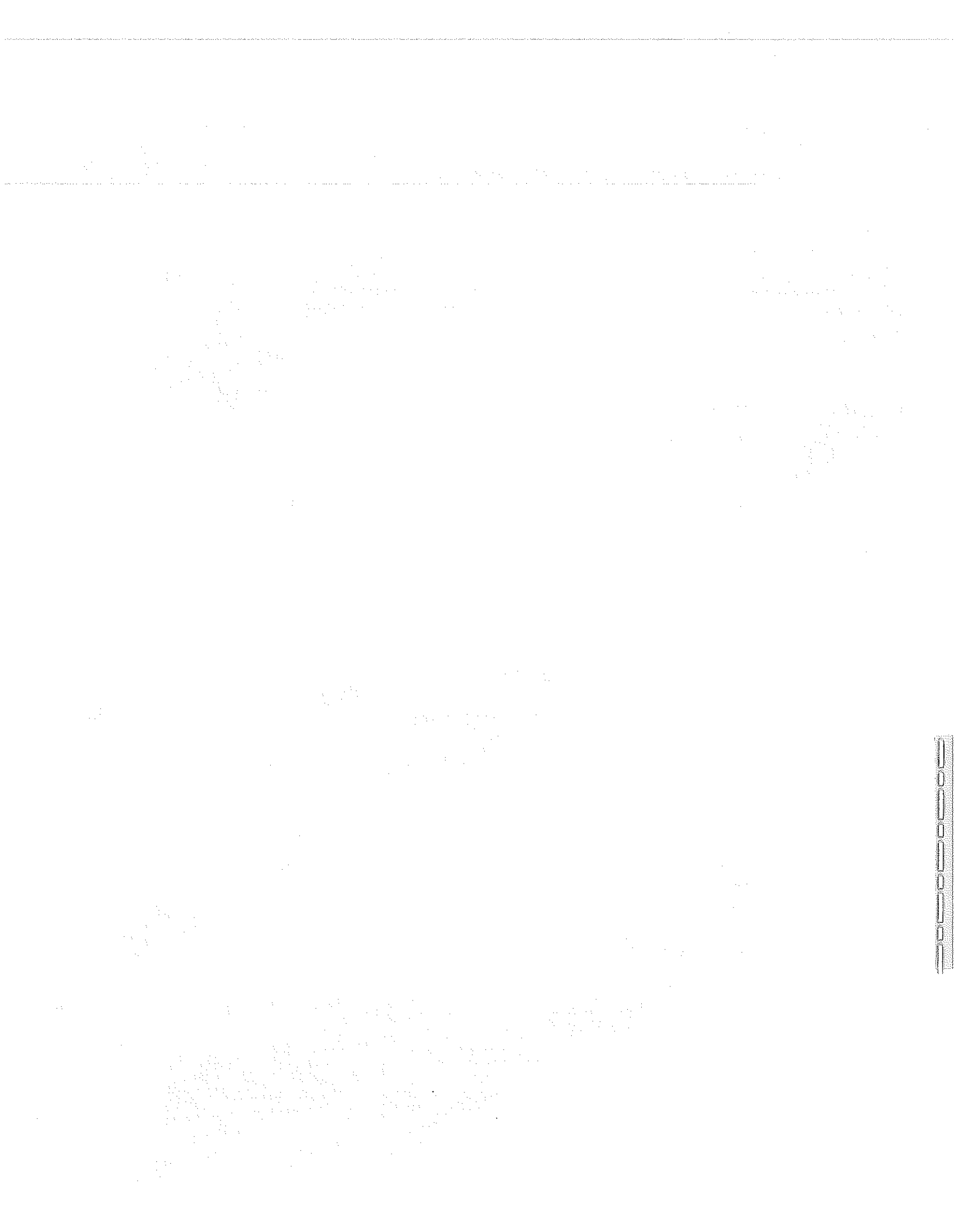
Accordingly, this is to inform you that the GCWD will proceed to extend its water service into the area at and around the intersection of Ky. Hwy. 1039 and I-71 in Gallatin County. It may be necessary to address further details in the future, but we wanted to give you the courtesy of announcing our intentions early on.

Very truly yours,


Stephen P. Huddleston

SPH/cf

Enclosure



CRAWFORD & BAXTER, P.S.C.

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RECEIVED

MAY 21 2007

PUBLIC SERVICE COMMISSION
May 19, 2007

Commonwealth of Kentucky
Public Service Commission
Attn: Filings
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: Carroll County Water District No. 1 v. Gallatin County Water District

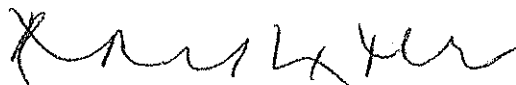
Dear Sir or Madam:

Case No. 7007-00707

Please find enclosed the Complaint and Motion I am filing on behalf of Carroll County Water District No. 1. I have enclosed the original and eleven (11) copies for filing pursuant to the Commission's procedures. If you have any questions or concerns with regard to the enclosed, please feel free to contact my office at (502) 732-6688.

Sincerely,

CRAWFORD & BAXTER, P.S.C



Ruth H. Baxter

RHB/nam

Enclosures

cc: Mr. Jim Smith
Carroll County Water District No. 1

WHITEHORSE DEVELOPMENT GROUP, LLC
495 Erlanger Rd. Suite 201A Erlanger, KY 41018

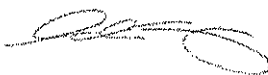
Mr. Denny French
Gallatin Co. Water Dist.
Gallatin County, KY
200 Washington Street
Warsaw, KY 41095

01/30/07

Dear Mr. French:

As we discussed recently, our development continues to move forward. As a result, Whitehorse Development Group, LLC would like to request Gallatin County Water District extend its existing 8" water main to our property line at the intersection of I-71 and KY 1039. We feel that this small investment on the part of Gallatin County Water to extend the main to our property line will pay for itself in a very short period of time based on the anticipated needs of our potential users. Thank you in advance for your consideration and we look forward to working with you on this project.

Sincerely,



Adam Chaney
Chaney Land Developers, LLC
Member
Whitehorse Development Group, LLC

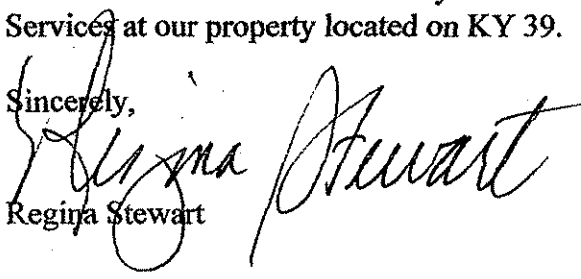
Regina Stewart
PO Box 1005
Warsaw, KY 41095
859-567-5567
regina@whitehorserealtyky.com

February 06, 2007

Gallatin County Water District
Warsaw, KY 41095

Please be advised that we are very much interested in obtaining Gallatin County Water Services at our property located on KY 39.

Sincerely,


Regina Stewart

cc: William D. Stewart



**Gallatin County Water District
September 14, 2000**

The regular meeting of the Gallatin County Water District was held off-site at the Gallatin County Extension Office and called to order at 8:30 a.m. by Chairman Denny French.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge, Vic Satchwell and J.T. Dossett, Employees: Tammy Hendren and Morris Courtney, Developer, Dave Wethington and Attorney, Steve Huddleston

The first order of business was to approve the August Minutes. Juanita made a motion to approve with the following amendment. Lee seconds the motion. Motion carries 4-years, 0-nays.

Amendment to August Minutes- Resident present was Bill LeGrand not Richard Legrand.

Vic made a motion to approve the Financial Statement. Juanita seconds the motion. Motion carries 4-years, 0-nays.

Vic made a motion to approve the Check Disbursements. Lee seconds the motion. Motion carries 4-years, 0-nays.

Lee made a motion to approve the Account Adjustments. Juanita seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to approve the Deposit Refunds. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Old Business

Dave Wethington presented to the board plans for a new development on Baker Road. He had recently sent a letter to the District requesting water service. Upon speaking with our Engineer Ron Gastineau he was informed that at the present time the District was unable to supply a sufficient amount of water for the Development. However if he ran a 4" water line parallel to the existing 3" line there would be a sufficient amount of water to serve approximately 50 new homes. Mr. Wethington was advised that the District has requested funding to upgrade its system in the upper end of the county. If and when this happens we will have a sufficient supply of water for expansion to the development, providing easements can be obtained from property owners in that area. J.T. made a motion that we provide Mr. Wethington with a letter from the District stating that we would supply water to the initial 50 hookups, providing the Developer installed at his own expense a minimum of a 4" line running parallel to our existing 3" line. Any future hookups will be based on the expansion of our current system. Juanita seconds the motion. Motion carrier 5-years, 0-nays.

The board discussed the water usage for the Ky. Speedway. Denny has spoken with Patrick Hughes in regards to the bill that was sent to him on September 1st. The billing was for a period of 5/18/00 through 8/20/00 and was for the amount of \$25,481.09. We are going to bill them on a monthly basis until the loan closes based on our current rates. After various discussion Steve brought to the boards attention that we are currently under a contract with the Speedway. Effective in May they are to pay us the

9-14-2000

minimum payment monthly until the usage exceeds the maximum amount of water that can be purchased for \$35,000. Once the usage exceeds this amount they are to pay the minimum payment plus any additional water in the amount based on our current rates. New bills will be generated and sent out according to the contract specifications.

Denny brought to the attention of the board that Holt Equipment has filed suite against Elite Excavating for non-payment on Equipment Rental. Elite came back and blacktopped a couple of driveways and done some cleanup. Elite would not put it into writing but have advised Morris that they will not be back. We have about 5 property owners who have complaints about damages made during the construction. Steve has advised Denny that we need to try and do something to satisfy them. Denny and Morris have talked with Darryl Lykins and he has come up and done some work and is working today. Steve is researching to see who will have first claim on the retainage money that is being held.

Two property owners have taken it upon themselves to repair damages made during the construction. Doug Fender submitted a bill to the District for \$650.00 for grading front yard, picking up rocks and seed and straw. Jim McGaha has submitted a bill for \$158.83. for repairing fences. After discussion and reviewing each of these bills Vic made a motion that we reimburse Doug Fender \$400.00 and Jim McGaha \$158.83 Lee second the motion. Motion carries 5-years, 0-Nays.

Steve brought to the boards attention that Judge Zubaty is very interested in trying to service the area surrounding the new interstate exchange off HWY 1130. He feels that this going to be a huge area for growth. Steve ask who sets up the boundaries to determine what water district serves each area. Is this something PSC decides? Morris commented that in 1985 the County gave Carroll County the authority to extend its water line to HWY 35. We made it to 1130 first so we were able to supply the area from HWY 35 west to 1130. Carroll County serves anything west of 1130. No decisions were made at this time.

Steve brought to the boards attention Meadowlark Lane. We were approached at last months meeting concerning the condition of the road and damages that were made to it during the construction of the new well. Granted we may have done some damage during the construction but to bring the road up to county standards would be very expensive. There are others who are doing construction. Garbage trucks, concrete trucks and other equipment are being driven on the road. The road was not in all that great of shape to begin with. Denny commented that if they decide to bring it up to county standards and put a cost share on everyone then will pay our part. J.T. feels that we should not commit ourselves to any large amount of money because we did not destroy the road. After various discussion J.T. made a motion that we give them a one-time payment of \$1000 and be taxed yearly there after the same as everyone else. Vic seconds the motion. Motion carries 5-years, 0-Nays. Steve will send a letter of response to Scott Cammack.

The board discussed the complaints from Douglas Jackson. Mr. Jackson has sent a letter to Steve indicating his complaints. After various discussion and reviewing the list of complaints J.T. made a motion that we send Coomer a letter, enclose Mr. Jackson's letter and ask that he try and resolve some of these problems and report back to the board at the next meeting. Steve will advise Mr. Jackson on the board's decision. Juanita seconds the motion. Motion carries 5-years, 0-Nays.

Oct 12, 2000

Denny brought to the attention of the board that he has talked with several property owners on Ambrose Road in regards to a new tank site. Dan Hagedorn is willing to sell us a 100ft. x 100ft. foot lot for \$20,000. David Baker across from Hagedorns said that he would give us a 100ft. x 100ft. foot lot but its 800 ft. off the road. Bill commented that it would be cheaper to run the 800 ft. of water line than to pay the \$20,000. We will have to install a road going back to the tank site. Mr. Baker would like to have access to that road. The board agreed that Denny should show Bill the site and make sure the elevation is high enough.

Bill brought to the attention of the board that he still has not received a letter from Bullock Pen Water District indicating their interest to purchase water. Tammy commented that she has called twice and was told that their attorney would be sending us something. We have not received anything. Denny will try get in touch with them.

Steve inquired about Elite Construction. Have we received any protest from them on the suite that was filed by Holt Equipment. Tammy commented that we have not received anything from Elite. We are to pay Lykins when he finishes the job and the remainder of the money to Holt. Elite is responsible for the job for one year. Any remaining funds after Lykins is paid should be held and not released to Holt until that one year is up.

Denny brought to the boards attention a request for water service for Paul Brewer on Hwy. 16 and ask for Steve's advice. Mr. Brewer paid for a meter in July and that meter has not been installed. Mr. Brewer would not give us an easement when the water line was originally installed so we had to go around his property and come back down on the right-of-way. PSC requires us to go to the property with the meter. After various discussion J.T. made a motion that if Mr. Brewer can secure the necessary easements we will put the water meter on the corner of his property. Juanita second the motion. Motion carries 4-years, 0-nays.

Steve brought to the boards attention that he has discussed with Judge Zubaty the exact boundaries of the Carroll County Water District. Supposedly before George took office Carroll County Water district petitioned the fiscal court requesting to extend their services boundaries to include the new I-71 interchange. There are other steps that need to take place before this can happen. There has to be public meetings, etc. He does not recall this ever happening. There is nothing in the records to show it every happened. He has talked with Clarence Davis and was informed that Carroll County Water District goes to the old Jimmy Roberts farm no farther. As best as Steve can determine Clarence did sign off on a proposal but that's all it was. Steve suggested that we proceed and get water to that area. Denny commented that he has talked with the Speedway and they have no problem giving us an easement and neither does Patsy Keaton or Regina Stewart. Judge Zubaty commented that the area has a huge potential for growth and would like to see us be a part of that.

Juanita made a motion to approve the September minutes. Lee second the motion. Motion carries 3-years, 0-Nays.

**Gallatin County Water District
January 11, 2001**

1-11-2001

The regular meeting of the Gallatin County Water District was held off-site at the Gallatin County Extension Office and called to order at 8:30 a.m. by Chairman Denny French.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Steve Huddleston and Judge Executive; George Zubaty.

The first order of Business was to approve the December minutes. Vic made a motion to approve. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Vic made a motion to approve the December Check Disbursements. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

Juanita made a motion to approve the Financial Statement. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Vic made a motion to approve the Account Adjustments. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Juanita made a motion to accept the Deposit Refunds. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Lee made a motion to approve the 2001 Proposed Budget. Vic seconds the motion. Motion carries 4-yeas, 0-nays.

Denny informed the board that Steve has reached a settlement with Doug Jackson. Mr. Jackson will settle for a sum of \$3,100. He will sign an easement for the full length of his property. The total length that we were on his property was 804ft. That includes the portion of line that was laid by the District. He feels that either Coomer or Gastineau should be responsible for the portion that they installed. Morris commented that Bill stated that he would take care of their part. Steve shared with the board some of the discussions in arriving at the settlement.

Morris inquired about the water line at the Speedway. Have we received any information from Patrick on plans or ownership? Denny informed him that Patrick is going to get back with him. They have all intentions of giving us ownership, however they have to file paper work with the county. There is a series of steps that needs to be followed and it could take about month.

Patrick is also going to get back with Denny about running the water line through the back side of the property so that we can pick up the growth expected when the new road goes in. Vic asks if Steve has found out anything about the Service Boundaries. Is that Carroll County's service area? Judge Zubaty stated that we have not found any paperwork giving them the exclusive rights to serve that area. They have applied for a KIA loan to extend their lines into that area. Morris commented that if we already have a line there then they probably would not get approval.

OVER

Gallatin County Water District
March 8, 2001

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Judge Executive George Zubaty, Meadowlark Lane Resident Mike Haddix and Jerry Rice with Southeastern Equipment.

The first order of business was to approve the February Minutes. Vic made a motion to approve. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

Lee made a motion to approve the Check Disbursements. Vic seconds the motion. Motion carries 4-yeas, 0-nays.

Vic made a motion to approve the Account Adjustments. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Juanita made a motion to approve the Security Deposit Refunds. Vic seconds the motion. Motion carries 4-yeas, 0-nays.

Lee made a motion to approve the Financial Statement. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

Denny brought to the board's attention that he signed some paperwork last week regarding the ownership/responsibility of the water lines, water tank, pumps valves, etc. at the Ky. Speedway. It is in the legal process now. It fist has to be turned over to the county and then the county will turn it over to the District.

Mike Haddix was in attendance representing the residents of Meadow Lark Lane. In previous meetings the District had discussed making a one-time contribution in the amount of \$1500 for damages that may have occurred during the construction of the well. Once that contribution was made we had requested to be taxed the same as everyone else. Meetings were scheduled with Fiscal Court, etc. No action was ever taken. Mike reported to the board that they have exhausted the money in the road fund, Maxwell Builders has contributed \$500 and he has spent money out of his own pocket. He is requesting that the Water District do their part in helping. After various discussion Vic made motion that the District donate to the road fund a one time contribution in the amount of \$2,000.00 and that we be taxed based on our property value. Lee seconds the motion. Motion carries 4-yeas, 0-Nays.

3-8-01

Morris brought to the board's attention that Ron is working on the Glencoe project and the extension to HWY 1130 from the Speedway.

Morris brought to the boards attention that he is in need of an air compressor. He has priced a Coleman 6 ½ horse, with an eighty-gallon tank for \$800.00. Vic made a motion to purchase. Juanita seconds the motion. Motion carries 4-years, 0-nays.

Morris informed the board that the cost of pipe is going up. Vic made a motion that we go ahead and purchase the pipe for the Steels Bottom Line Extension. Lee seconds the motion. Motion carries 4-years, 0-nays.

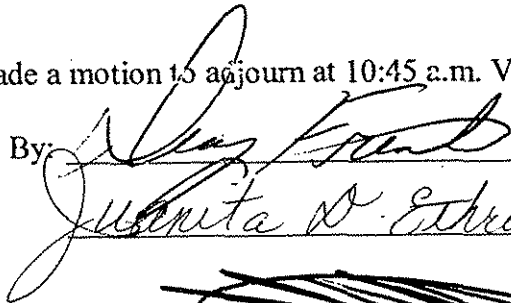
Flyers will be put on resident doors advising them that they need pay their tap on fees.

Morris brought to the attention of the board that there was a water line break on the 10-inch line running to the Ky. Speedway. He feels that we should take the cost of the repair out of Elites retainage money. He is still responsible. Vic made a motion that we bill Elite for the repair. Juanita seconds the motion. Motion carries 4-years, 0-nays.

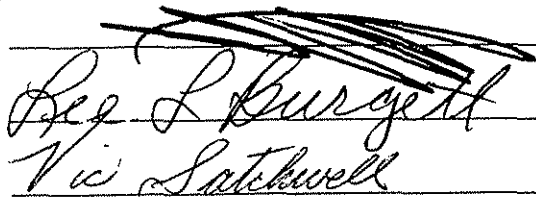
The board discussed the possibility of putting fire hydrants on the 10-inch line running form the well site to the Speedway. We still have some money that we can use from the KIA loan. If we don't use it then it will go back to the state. Denny will talk with Ron about it.

Juanita made a motion to adjourn at 10:45 a.m. Vic seconds the motion. Motion carries.

Approved By:



Juanita D. Estridge



Vic Satchwell

Gallatin County Water District
June 14, 2001

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners; Denny French, Juanita Ethridge, Vic Satchwell and J.T. Dossett, Employees: Morris Courtney and Tammy Hendren, Representative from Holt Equipment; Jerry Heimen and Judge Executive George Zubaty.

The first order of business was to allow Mr. Heimen to address the board. Mr. Heimen represents Holt Equipment and was here today because the contractor Elite Excavating still owes his company money for equipment that was leased during the construction of the water line to the Ky. Speedway. Mr. Heimen has been in contact with Morris Courtney, Tammy Hendren and Steve Huddleston over the past few months. Holt Equipment filed suite against Elite back in the fall of 2000 and the Water District was named in that suite. He is seeking any retain age money that the Water District may be holding for Elite. The board advised Mr. Heimen that there is \$1,164.34 that is owed to Elite. Once the loan is closed out in the next few months we will have access to that money and will forward it to him.

Judge Zubaty brought to the boards attention that he received a letter from the residents along HWY 42 who do not have city water. He presented to the board the letter along with 15 signatures. The residents are requesting that the county do something to help them with the cost of having water delivered. The board advised Judge Zubaty that plans have been submitted in the upcoming project to provide water service to that area. If approved we expect to receive funding sometime this fall possibly in October.

Judge Zubaty ask about the cost of a water meter for Mark & Tammy Stewart in Steels Bottom. Both Morris and Tammy advised him that they would have to pay \$500.00.

Juanita made a motion to approve the May minutes. Vic seconds the motion. Motion carries 4-yeas, 0-nays.

J.T. made a motion to approve the Check Disbursements. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

J.T. made a motion to approve the Account Adjustments. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

J.T made a motion to approve the Deposit Refunds. Vic seconds the motion. Motion carries 4-yeas, 0-nays. Tammy will modify the report starting next month to show the amount the customer owes after the deposit is applied.

6-14-2001

Denny pointed out a mistake on the Financial Statement for the Construction Loan. The report shows a deposit being made when in fact it was a disbursement. The balance is correct. Tammy will correct the report. J.T inquired about the Speedway account. Do we have to maintain that account? Denny advised him that we would until the loan is closed. Vic made a motion to approve the Financial Statement with the above correction. Juanita seconds the motion. Motion carries 4-yays, 0-nays.

Denny informed the board that Rural Development has released to us \$43,000 to cover the cost of the backhoe. After all final bills are paid and the loan is closed we will get approximately another \$2,000.

Tammy brought to the board's attention that Steve Huddleston called Wednesday and stated that he is working on the closing for the Scudder property on Ambrose Road. He had dropped the ball. We should have closed on June 1st. We still owe them \$12,000 and will pay them at the closing.

Denny informed the board that Lee talked to both he and Morris about looking for a tank site in the upper end of the county around Concord. She talked to Ernest Haddix. Denny went up and talked to Ernest Haddix and he was not interested. Montell Haddix is interested in selling us a piece of property behind his barn. He and Morris looked at some property back in Mars place. The elevation is about the same as Montell's. Denny also spoke with James Houston who owns some property past Montells. The elevation is higher and Morris commented that it would be an ideal spot. He did not say he was or was not interested but is willing to meet with us. Clyde Oliver also has a good spot. Those are the first and second choices; Motell's would be the third.

Morris brought to the board's attention that lightening hit the telemetry system at the pump house. We are looking at approximately \$2000 to repair. Does the board wish to file an insurance claim? All were in agreement to file the claim.

Vic inquired about the line running cross-country from the Ky. Speedway to Hwy 1130. Where do we stand on that? Denny commented that we have already purchased the pipe and the Speedway has given us an easement. We will have to wait until after the racing season is over before we start and we will probably need to cash in one of our CD's to pay for it. Various discussions were held on the direction in which the line will run. No decisions were made at this time.

Denny inquired about the agreement we have to provide Tri-Village water for the city of Glencoe. Until we can supply the residents on Hwy. 16 an adequate supply of water Juanita is totally against doing anything. Morris commented that once we hook on we have contracted to supply Tri-Village with 75 gallons a minute and right now we can't do it especially when we don't get any rain. Various discussions were held on restricting water use. We have committed to sell them water and after this upgrade goes in we shouldn't have a problem with supplying them with what they need. Vic asks if they were pushing us to get it done. Denny commented that he had not heard from anyone but thought that it might be a good ideal to lay the water line while the sewer line was being

8-7-01

have been 5 court cases in Ky in regards to this matter. Three have ruled in favor of the city and two have ruled in favor of the county. Two members of city council have informed him that they are going to make a motion at Mondays meeting to let us have the water and do the sewer billing for them. J.T. commented that he has always been opposed to doing that but it may be the only way. A lot of places bill sewage on a quarterly basis. J.T. feels that we should have the business. Denny commented that Steve suggested that we try to come to some kind of an agreement. It would be better for all if we did not have to go into litigation. They don't have an airtight case and neither do we. It could go either way. No decision was made at this time.

Denny brought to the boards attention that Steve has filed in Frankfort a petition on our behalf protesting Doolin's request for a permit to open a mine. He has also talked to Tom Fitzgerald about the petition that was filed against Nugget Sand and provided him with information to file a motion making us an amended grieved party. Denny commented that he did not understand all the legal jargon but Steve told him he was working with Tom and everything is looking good.

J.T. ask about a wellhead protection plan. At what point do we do this? Morris stated that we wouldn't do that until the well is established. J.T. is concerned about what will happen if we drill a well and the surrounding property owners don't agree to the wellhead protection plan. What happens then? We can't use our well? Morris commented that that is a possibility. J.T. ask about how much money we had invested? Both Denny and Morris commented about \$40,000. J.T. ask if there was a way to re-coupe any of that? Denny commented that the only way would be to join in this lawsuit. J.T. ask if we should take our loses and try and move to another site. Morris commented that we are in the best location now. After a lengthy discussion no decision or action was taken at this time.

Denny brought to the boards attention that at last months meeting we ask Ron how long it would take to get Glencoe ready for bid and he commented two weeks. We did not take any action on this. J.T. made a motion that we have Ron go ahead and proceed. Vic seconds the motion. Motion carries 5-yeas, 0-Nays.

Denny brought to the board's attention that he was not able to make it to Bullock Pen's Board meeting. He was ill. He did contact them and ask to be place on next month's agenda.

Lee questioned our financial position. We are spending a lot of money. Our monthly operating expenses are more than what our water sales are. If the pumps or wells go down are we going to have enough money to fix them? How are we going to pay the state the \$46,000 dollars that we owe them? Are we going to cash in a CD? Both Morris and Tammy commented that we have spent allot of money in the past few months, but things should level out and we should start showing a decrease in our expenses. We have purchased the property on Ambrose Road, built the storage building out back, paid for the Steels Bottom extension, etc.

Denny commented that the only way we are going to see an increase in our revenue is raise the water rates. Juanita suggested, even though she has been against it in the past, that we look into raising the rates for commercial use. After various discussions the board agreed to look into the possibilities by checking with other water districts and contacting PSC.

Vic asks about the property in the front of the building. Have we bought that from the state? Morris commented that he has sent all the paper work to Ron and he is working on it.

More discussion was held on extending the line from the Speedway to the new exit. J.T. ask about the amortization. That is something we need to look into. How long will it take us to recover the cost of installing this line?

Gallatin County Water District
September 13, 2001

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Denny French.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren.

Vic made a motion to approve the August 9th minutes. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

Vic made a motion to approve the August 22 minutes. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Juanita made a motion to approve the Check Disbursements. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

Lee made a motion to approve the Financial Statement. Vic seconds the motion. Motion carries 4-yeas, 0-nays.

Vic made a motion to approve the Account Adjustments. Juanita seconds the motion. Motion carries 4-yeas, 0-nays.

Juanita made a motion to approve the Deposit Refunds. Lee seconds the motion. Motion carries 4-yeas, 0-nays.

OLD BUSINESS

Denny brought the board up to-date on the development at the new interchange near the Ky. Speedway. Both he and Morris met with the developers and there are plans for a 79-unit motel and two restaurants. The board needs to make a decision as to whether or not we are going to run water to that area. All board members present were in agreement that this is something that needs to be decided soon. The best time to install this line would be this fall. Vic feels that since his sister owns property out that way he should not be to involve in the decision-making. He also feels that J.T. should be present for this decision since he was the one who originally tabled the matter until more information was available. A special meeting was scheduled for Monday September 17th to discuss the matter.

Denny brought the board up-to-date on the Davis property. A meeting was held last week with Damon Tally from the KY. Rural Water Association. Present at the meeting were Mayor Wood, Eric Moore, Mike Duncan, Steve Huddleston and himself. Mr. Tally introduced at the meeting the 12 cases regarding the water rights between county and city water utilities. He explained that eleven of the cases had ruled in favor of the County because the county was already supplying water to that location. The case in which the city was awarded the rights was a situation were the city had extended lines into the county's boundaries several times without protest from the county. The area where the lines were being extended was not being served by either utility. Mr. Tally basically told the city that their chances of winning a case were slim to none. Mr. Tally also informed them at the meeting that if there were ever any industry developed along Highway 42 outside the city limits that the county would have the water rights. Mayor Woods stated that

Special

**Gallatin County Water District
September 17, 2001**

A special meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Denny French.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge, Vic Satchwell and J.T. Dossett, Employee; Tammy Hendren

The propose of the special meeting was to discuss the feasibility of extending the water line from the backside of the KY Speedway to the new road Ky. 39. *Ky. 1039*

J.T. was unable to attend the regular meeting and the board wanted to get his input before proceeding. J.T. feels that we still need some type of commitment from the developers that they will purchase the water from us. He would hate for us to invest that much money and then Carroll County beat us there and claims the territory.

Vic commented that one of the reasons we met today was that at the regular meeting when it was discussed we felt that if we are going to do it that now would be the time.

J.T. suggested that we start at the other end and work toward the Speedway property. That will get the water there, its going to be a year probably before they need water. Could we bid it in two sections, starting at the new road and working toward Hwy? 1130 first and then next year run from Hwy. 1130 to the Speedway.

After various discussion. Juanita made a motion that we get a bid to run the line from the new road to the edge of the Speedway property and get a letter from the developers that they will buy the water from us. Lee seconds the motion. Motion carries 5-yeas, 0-nays.

Denny will get some casing ordered from Lally pipe and have J.W. Cozart weld it so that we can run it under the road at the Speedway before they blacktop. This is something that needs to be done and we can do it our self. All board members were in agreement.

Vic asks what the chances were of getting this ready to bid before the next board meeting? Denny commented that we can send a bid to anyone we want and just advertise in the local paper for one week. J.T. does not feel that we need an engineer to supervise the project. Morris is capable of doing that. Denny suggested that we bid it strictly labor and we buy all the pipe and valves. We already have the pipe. Denny will get in touch with the developer and see if we can get a commitment either verbal or written and then we can advertise.

J.T. made a motion to adjourn. Lee seconds the motion. Motion carries 5-yeas, 0-nays.

Approved By:

Denny French

Juanita D. Ethridge

Vic Satchwell

Lee Burgett

**Gallatin County Water District
December 13, 2001**

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 10:30 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge, Vic Satchwell and J.T. Dossett, Employees; Morris Courtney and Tammy Hendren, Judge Executive; George Zubaty

J.T. made a motion to approve the November minutes. Vic seconds the motion. Motion carries 5-yeyes, 0-nays.

Juanita made a motion to accept the Financial Statement. J.T. seconds the motion. Motion carries 5-yeyes, 0-Nays.

Lee made a motion to accept the Check Disbursements. Vic seconds the motion. Motion carries 5-yeyes, 0-nays.

J.T. made a motion to accept the Deposit Refunds. Lee seconds the motion. Motion carries 5-yeyes, 0-nays.

Juanita made a motion to accept the Account Adjustments. Vic seconds the motion. Motion carries 5 yeyes, 0-nays.

Denny brought the board up to date on the Glencoe project. They should be flushing and testing within a week.

Denny brought to the board's attention a letter that was received from Steve Huddleston in regards to the Blue Heron Development. The letter is addressed to Barry Maxwell. The letter discusses the water service provider rights of the District. It states that we are ready to provide the water service to the development as soon as they are ready. Both Denny and J.T. commented that the Deputy Mayor Mrs. Baker is still making waves. This letter advises Blue Heron Development to come directly to the District for their water needs. Vic ask if Steve had ever discussed with the city what we discussed on the service area in the Dry Creek area. Denny commented that Steve has sent them a letter and spoke with them but has not received a reply.

Vic asks about fire protection for the development. Morris commented that Hicks & Mann, their engineers have set up for fire protection on the system but have not hooked on. The plans were sent into the state without fire protection, but indicated that the information would be provided in the future.

J.T. inquired about the sewer. At what point is the city going to come to us and want us to collect the sewage bills? Denny commented that we are not at that point yet.

12-13-01

Denny brought to the board's attention that on Tuesday December 11th, Morris, Bill Babington, Gene Floyd and himself met. Rural Development has committed to us on this next project. Bill Babington guaranteed that we could get the \$250,000 that we are getting from the county spent prior to June. We need to approve the project, hire Gastineau & Associates as our engineers and hire an engineer to do the environmental. The project includes a Booster Station and line upgrade on Boone Road and providing water service to Creek side Subdivision off Hwy 42.

J.T. made a motion to accept the plans for the project. Vic seconds the motion. Motion carries 5-years, 0-nays.

Vic made a motion to hire Gastineau & Associates as the engineers. J.T. seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to hire Gastineau & Associates to do the environmental and all that is required by Rural Development. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Denny brought to the boards attention that at last months meeting we discussed paying Clarence Sullivan \$5000 for the clean up and restoration of his property due to the Glencoe Project. We discussed it and approved it, but never put it in the form of a motion for the minutes. J.T. made a motion authorizing payment. Vic seconds the motion. Motion carries 5-years, 0-nays.

J.T. inquired as to the status of the line at the new interchange off I-71 by the speedway. What has been done on that project? Denny commented that he has sort of dropped the ball on the project. He ask Vic if he would talk to Patsy Keaton about allowing us to stay with in the easement of Ohio Valley Electric. It would save a considerable amount of money if we could do this. Vic commented that her biggest concern was the development in that area. He is aware that a building or a road cannot be constructed under the power lines, but there could be a road crossing. J.T. commented that we could stipulate that if necessary either the District or the Developer would be responsible for lowering the line and she would not be out any expense. Vic will talk with her again on the matter. Vic asks if we were ready to go with the project if Patsy was in agreement. Denny commented that we had part of it engineered from Hwy 1130 to the Speedway but needed to get the rest of it done so that we can get started this spring. If Patsy is in agreement Vic will let Morris or Denny know so that we could get the engineers started on it.

Morris brought to the boards attention that we received a letter from Jeff and Laura Collins of lot 19 Mars Place. The letter states that they are in the process of filing bankruptcy and that according to the law we could not disconnect their water service. We have not received anything in writing from the Bankruptcy Court. There service has been disconnected. Morris advised them that he would discuss the matter with the board and get back with them. All were in agreement that the water should remain off until we receive legal notification. Morris will contact Steve Huddleston on the matter.

Gallatin County Water District
January 10, 2002

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Vic Satchwell, J.T. Dossett, Employees; Morris Courtney and Tammy Hendren, Residents; Bob & Judy Brashears, Joe & Annette Burger and Patsy Keaton

Mr. & Mrs. Brashears and Mr. & Mrs. Burger are residents living along the river on U.S. 42 and they would like to have city water. They were under the impression that they would be getting city water this fall. Denny explained to them that most of the water lines installed are done so with funding that we receive from the state in the form of grants. We had applied for funding to include this area in our next project but there were no funds available. Our engineers have informed us that since funds were not available to us last year we are at the top of the list this year. Our plans are to apply for funding in July and as soon as we can get the money we will get you water. That area is at the top of the list.

Mrs. Keaton attended the meeting today to find out about the water line easement that we are requesting. Denny explained that we want to run a water line from the back of the Speedway through her property to the new road. Instead of running the line next to the Stewart's property line we would like to run it parallel with the power line. This would save the District a considerable amount of money. J.T commented that the easement of the power line prevents anyone from ever building on it. You can go across it but you can't build on it. We would be willing to stipulate in the easement that if the line ever needed to be lowered we would cover the cost to lower it. Mrs. Keaton commented that she would definitely want that stipulated. Her understanding was that we were trying to get there before Carroll County and was concerned about getting into trouble legally. Both Morris and Denny advised her that there would be no legal complication if she gave us permission. Mrs. Keaton commented that she would cooperate with us and wanted to have a couple more weeks. Mrs. Keaton commented that she would like to have something in writing in regards to the legality. Denny commented that he would have our attorney draw up the necessary paper work as soon as you give us the ok.

J.T. made a motion to approve the December minutes. Vic seconds the motion. Motion carries 4-years, 0-nays.

Vic made a motion to approve the Financial Statement. Lee seconds the motion. Motion carries 4-years, 0-nays.

The board discussed the Check Disbursements. Gastineau & Associates invoices need to be more detailed. Tammy will contact him in regards to the matter. J.T. made a motion to approve. Lee seconds the motion. Motion carries 4-years, 0-nays.

**Gallatin County Water District
February 21, 2002**

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Vic Satchwell and Juanita Ethridge, Employees; Morris Courtney and Tammy Hendren

Vic made a motion to approve the January Minutes. Juanita seconds the motion. Motion carries 4-years, 0-nays.

Vic made a motion to approve the January Check Disbursements. Lee seconds the motion. Motion carries 4-years, 0-nays.

Juanita made a motion to approve the January Account Adjustments. Lee seconds the motion. Motion carries 4-years, 0-nays.

Lee made a motion to approve to January Deposit Refunds. Vic seconds the motion. Motion carries 4-years, 0-nays.

Juanita made a motion to approve the January Financial Statement. Vic seconds the motion. Motion carries 4-years, 0-nays.

Denny brought to the attention of the board a CD that is up for renewal. Does the board wish to renew it for another two years or should we change it to 90 days. After various discussions Lee made a motion that we renew it for 90 days. Juanita seconds the motion. Motion carries 4-years, 0-nays.

Morris brought the board up-to-date on the status of changing the return check fee. He has talked with PSC and they will approve the change from \$15.00 to \$25.00. He was also instructed by PSC that in the event a customer gives us a check to prevent the disconnection of service and that check is bad, we do not have to give them a 10 day notice we can shut their water off immediately and they must pay by cash, money order or certified check to get the service turned back on. We also need to update our tariff to include accepting payments by credit/debit card and direct pay. Vic made a motion that we change our tariffs as discussed above. Lee seconds the motion. Motion carries 4-years, 0-nays.

Denny brought to the boards attention that we have permanently connected to Blue Herron Development.

Denny brought to boards attention that Steve has located the company who has the easement on the power lines located on the Keaton farm and is working on getting the paper work and easement drawn up for Mrs. Keaton.

APRIL 11, 2002

Morris brought to the board's attention that we still have not given Gastineau & Associates the ok to engineer the project that extends our water line from the Speedway to the new 1130 interchange. J.T. made a motion to have Ron start the engineering. Lee seconds the motion. Motion carries. 5-years, 0-nays.

Vic inquired about the property for the water tower upon hwy. 16. Lee commented that she did not have an update at this time but would try and speak with someone prior to the next meeting.

Morris presented to the board some sample pictures of what the lettering would look like for the building. The price for the lettering and the cost to install is \$1054.40. After various discussions J. T. made a motion to have the lettering done in capital letters across the top of the building. Juanita seconds the motion. Motion carries 5-years, 0-nays.

J.T. inquired about the project. Morris commented that Rural Development was waiting on the environmental. Once that is done we can bid the project.

Morris commented that the new trucks should be delivered in about 30 days.

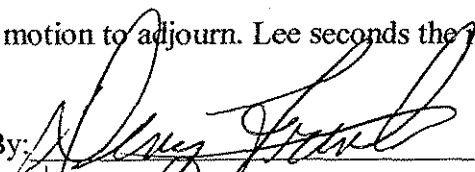
Morris brought to the board's attention that Central Rock broke a ~~gate~~-valve on the hydrant out by the BP Station. They will have to pay to have that fixed. Denny commented that he had their number and will contact them.


The board discussed bad debts. There are several accounts where people have moved and left owing a balance. We have forward addresses on most of them and they have been sent several bills and we have received no response. There are three accounts that have filed bankruptcy. Tammy asks the board if we could write off the ones who have filed bankruptcy and transfer the others to a bad debt status. J.T. made a motion that we write off any that have filed bankruptcy and transfer the others to a bad debt status. Keep a list and if they ever moved back into the area and want water service they will need to pay the bad debt in order to get service. Vic seconds the motion. Motion carries 5-years, and 0-nays.


Denny brought to the boards attention that we have a CD that is coming up for renewal. J.T. made a motion that we cash it in, purchase the trucks and reinvest the balance into another CD. Lee seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to adjourn. Lee seconds the motion. Motion carries 5-years, 0-nays.

Approved By:



Juanita S. Ethridge


Vic Satchwell


Lee S. Burgett

Gallatin County Water District
June 13, 2002

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, J.T. Dossett, Juanita Ethridge and Vic Satchwell, Employee; Morris Courtney and Judge Executive; George Zubaty.

J.T. made a motion to approve the May Minutes. Lee seconds the motion. Motion carries 5-years, 0-nays.

Lee made a motion to approve the Check Disbursements. J.T. seconds the motion. Motion carries 5-years, 0-nays.

Vic made a motion to approve the Financial Statement. Juanita seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to approve the Deposit Refunds. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Vic made a motion to approve the Account Adjustments. Lee seconds the motion. Motion carries 5-years, 0-nays.

The board discussed selling the, 1995 4x4 F150 Ford pick-up truck. J.T. made a motion to declare it excess property and advertise for bids. Viewing of the vehicle can be done during normal business hours. Sealed bids will be accepted and opened at the next meeting. The ad should stipulate that the Water District reserves the right to reject any and all bids. Vic seconds the motion. Motion carries 5-years, 0-nays.

J.T. inquired about Central Rock, have they paid for their damages? Denny commented that he has talked with them, but right now they seem to be playing phone tag. He hopes to connect with them the first of the week.

J.T. commented that the lettering on the building looks nice.

Lee brought to the boards attention that she spoke with Ernest Haddix and he is willing to sell us a piece of property 100 x 100 for \$5,000. After various discussions J.T. made a motion to have Denny and Morris contact Mr. Haddix and go look at the property, if it is suitable they should go ahead and purchase it. Juanita seconds the motion. Motion carries 5-years, 0-nays.

6-13-02

J.T. inquired as to the status of the line extension project. Are we about ready to let bids? Denny commented that he and Lee met with representatives' from Rural Development and Bill Babington on Tuesday June 11th. The letter of conditions was delivered and they signed the necessary paperwork to proceed. We should be ready to advertise for bids around the 15th of July.

J.T. inquired as to the status of the extension from the Speedway to the new interchange. Denny commented that we got the easement from Patsy Keaton and it has been filed. The engineering has been completed from the end of the Speedway property to the old Hwy. 1130. Gastineau is currently working on engineering from the old Hwy 1130 to the new interchange. He and Morris have discussed after the August race hiring a couple of people to help with the pipe, using one of our men and the backhoe to get started. They would start at the Speedway and work towards the old road. Would this be agreeable to the board? All board members were in agreement that this should be done.

J.T. inquired as to why we needed to have this property appraised. We should have only had to appraise the property that we are going to buy from the state. Morris commented that it was what the state required and it had to be done. Denny stated that he made 3 phone calls trying to by-pass it and was not able to.

Morris wanted to bring to the boards attention that Shupie Sullivan wanted the Water District to purchase him a new hot water heater. He claims that he was experiencing high water pressure for three weeks prior to contacting us. When he did contact us we went down and the regulator at the meter was bad and we changed it out. He did not have his system regulated going into his home as required by the state. If his system was installed properly this would not have happened. The board was in agreement that the Water District is not responsible for the damage.

Morris ask the board if they wanted to run a pre-construction ad in the paper for these new developments, the first phase of Blue Heron and Creekside. On past projects we have always ran an ad advising the residents that for a period of 30-45 days they can purchase a meter tap fee at the pre-construction costs of \$350.00. After that time the cost will increase to \$500.00. Various discussions were held but no official decision was made as to when to run the ad.

Gallatin County Water District
September 12, 2002

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:35 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Vic Satchwell, Juanita Ethridge and J.T. Dossett, Employees; Morris Courtney and Tammy Hendren, Engineer Ron Gastineau and Judge Executive; George Zubaty

J.T. made a motion to approve the August Minutes. Lee seconds the motion. Motion carries 5-years, 0-nays.

Vic made a motion to approve the Financial Report. Juanita seconds the motion. Motion carries.

Vic made a motion to approve the Check Disbursements. Lee seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to approve the Deposit Refunds. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Lee made a motion to approve the Account Adjustments. Vic seconds the motion. Motion carries 5-years, 0-nays.

Ron Gastineau tabulated the construction bids that were opened on September 6, and presented them to the board. J.S. Pipeline submitted the lowest bid. Bid amounts were as follows:

J.S. Pipeline Inc.	\$276,887.30
Salmon Construction	\$290,021.50
Coomer Contractors	\$316,558.30
D.F. Baily	\$332,190.87
Staton's Construction	\$349,673.00

Ron also presented a letter to the Board recommending that we award the contract to J.S. Pipeline, Inc. J.T. made a motion to award the bid to JS Pipeline. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Ron will contact the Bond attorney and get them started with the necessary steps needed for PSC approval.

Only one bid was submitted for the Pick Up Truck. J.P. May submitted a bid for \$1,732.00. J.T. made a motion to reject that bid and advertise for bids again in next week's paper, to be opened at the next meeting on October 10th. Lee seconds the motion. Motion carries 5-years, 0-nays.

Morris brought to the board's attention that the fire hydrant has been repaired.

J.T. made a motion that we place an ad in the paper advising the residents at Creek Side that they have a limited time to purchase a tap fee at the pre-construction cost of \$350.00. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Denny suggested that we send letters to the residents on Boone Road who will be affected by the construction, all board members were in agreement.

9-12-02

Morris presented the Board with three estimates for the construction of the eight-inch line running from the Ky Speedway to Hwy 1130. The estimates were for labor only. We are furnishing all the material. The estimates are as follows:

Bethel Excavating	\$4.25 per foot
Ateck Corporation	\$5.50 per foot
Lykins Construction	\$3.00 per foot.

J.T. made a motion to hire Lykins Construction to do the job. Vic seconds the motion. Motion carries 5-yeyes, 0-nays.

Denny informed the board of a PSC conference to be held on Oct 2nd & 3rd at Lake Cumberland or October 29th & 30th at Ky. Dam Village. The cost to attend is \$10.00. Any one interested should let Tammy know so that reservation can be made.

Judge Zubaty brought to the board's attention that Sonny Rider and Winslow Baker are interested in developing the property near the Exit 62 Truck Stop. They wanted to know what type of water supply would be available. Morris commented that right now there was a 4-inch line and its not going to supply any motels. We would need to see some plans before we could decide what upgrades were needed.

Judge Zubaty also mentioned that he heard the Gated Community that Breaton Jones planned to develop on the property located off Hwy 127 across from the church was back on.

Several responses from the advertisement requesting Engineering Qualifications for the next project were received. Engineering Firms responding to the ad were as follows:

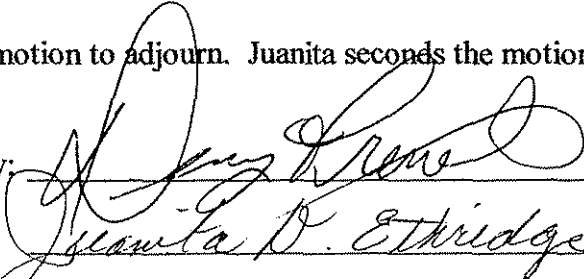
Gastineau & Associates
Burgess & Niple
KZF Design
American Consulting Engineers PLC
Tectonic Engineering & Surveying

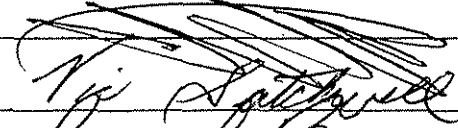
Based on Gastineau & Associates familiarity with the District Vic made a motion that they be hired to engineer the next project. Lee seconds the motion. Motion carries 5-yeyes, 0-nays.


Ron Gastineau has agreed to work on RDA's rate schedule.

J.T. made a motion to adjourn. Juanita seconds the motion. Motion carries 5-yeyes, 0-nays.

Approved By:



Juanita B. Ethridge


Vic Satchwell


Lee S. King

Gallatin County Water District
August 8, 2002

Chairman Denny called the regular meeting to order at 8:30 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, Juanita Ethridge, Vic Satchwell and J.T. Dossett, Employees; Morris Courtney and Tammy Hendren, Judge Executive; George Zubaty.

J.T. made a motion to accept the July minutes. Lee seconds the motion. Motion carries 5-yeyes, 0-nays.

J.T. made a motion to approve the July Special Minutes. Juanita seconds the motion. Motion carries 5-yeyes, 0-nays.

Vic made a motion to approve the Check Disbursements. Juanita seconds the motion. Motion carries. 5-yeyes, 0-nays.

Lee made a motion to approve the Deposit Refunds. J.T. seconds the motion. Motion carries 5-yeyes, 0-nays.

Vic made a motion to approve the financial statement. Lee seconds the motion. Motion carries 5-yeyes, 0-nays.

Lee made a motion to approve the account adjustments. Vic seconds the motion. Motion carries 5-yeyes, 0-nays.

Old Business

J.T. inquired about Central Rock have they repaired the damaged valve? Denny commented that he has not spoke with them. J.T. suggested that we repair the damages and send them a bill. Morris commented that the cost would be approximately \$1000.

Truck bids are to be submitted before 8:30 a.m. on August 14, 2002 and will be opened at the September meeting. Morris commented that 2 people have looked at it.

J.T. inquired about bidding the current RDA project. Tammy advised him that she spoke with Ernest Scruggs yesterday and he advised her that the State office has approved the project and as soon as we get the OK in writing we can advertise for bids. We should receive that in a couple of days.

Vic inquired about development at the new 1130 exit, have we heard anything? Judge Zubaty commented that there is a Holiday Express Motel and McDonalds planned for the Sparta Exit. Denny commented that he heard a Bar-B-Q Restaurant at 1130.

8-8-02

Denny brought to the boards attention that PSC has approved the increase in our return check fee from \$15.00 to \$25.00, telephone convenience fee \$1.00 and updated our tariffs to reflect the \$28.00 service charge. The approval was effective on July 26, 2002.

The board discussed getting estimates to install the first phase of the line extension from the Ky. Speedway to the new Hwy 1130. Morris will get estimates from several local contractors and present them at next months meeting.

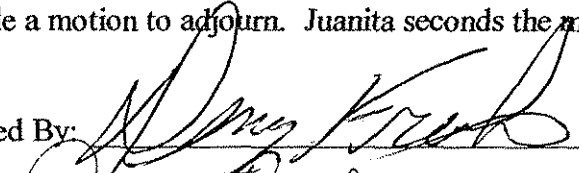
J.T. ask if we have had any more complaints from Glencoe residents? Morris commented that we have not heard from anyone, but he did receive a call about a leak they had.

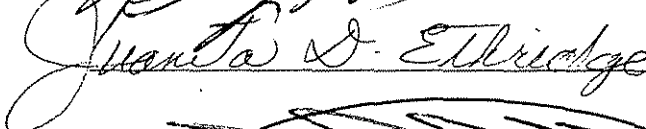
Lee made a motion to nominate Denny as the voting delegate for the KRWA 23rd Annual Business meeting. Juanita seconds the motion. Motion carries 5-years, 0-nays.


Denny brought to the board's attention that we should close on the property at Mars place sometime next week. J.T. made a motion that we purchase the property with funds out of the revenue account. As soon as we have a clear title we need to clean the home up and advertise for bids. Also there is a pool on the property, if anyone wants it they can have it but it will have to be taken down and moved immediately. Vic seconds the motion. Motion carries 5-years, 0-nays.

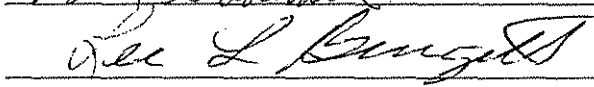
Vic made a motion to adjourn. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Approved By:









Gallatin County Water District
October 10, 2001

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:36 a.m.

Present at the meeting were Commissioners; Denny French, Lee Burgett, J.T. Dossett, Vic Satchwell, and Juanita Ethridge, Employees; Morris Courtney and Tammy Hendren and Judge Executive; George Zubaty

J.T. made a motion to approve the September Minutes. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Vic made a motion to approve the Check Disbursements. Lee seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to approve the Account Adjustments. Vic seconds the motion. Motion carries 5-years, 0-nays.

Juanita made a motion to approve the Deposit Refunds. Lee seconds the motion. Motion carries 5-years, 0-nays.

J.T. made a motion to approve the Financial Statement. Lee seconds the motion. Motion carries 5-years, 0-nays.

Morris presented the board with a sealed bid for the 1995 pick up truck. Only one bid was received. Vic made a motion that the bid received from Terry McIntyre in the amount of \$3,000.00 be accepted. J.T. seconds the motion. Motion carries 5-years, 0-nays.

Morris presented the board with an invoice from Lykins Construction for Phase I on the line extension from the Ky. Speedway to Hwy. 1130. The invoice consisted of 6,620 feet in the amount of \$19,860.00. J.T. made a motion to pay the invoice. Juanita seconds the motion. Motion carries 5-years, 0-nays.

Denny informed the board that there will be a special meeting held here at the office on October 31, 2002. The meeting will consist of a bond sale at 9:30 a.m., a pre-closing at 10:00 a.m. and a pre-construction meeting at 11:00 a.m.

Denny informed the board that we are still waiting on the title for the property at Mars Place. Steve continues to hold the money in his escrow account until the title is received. J.T. ask inquired as to whether there has been any response from the residents in that area regarding the tank. Lee commented that nobody knows about it yet. Judge Zubaty suggested that as a good faith effort maybe we could build a shelter where the school children can wait for the bus. J.T. commented that that would be a good idea as long as we check into the liability if some one were to get hurt. Denny also stated that as soon as we receive the title we would erect a sign on the property and send all residents a registered letter advising them on our intentions.

Judge Zubaty brought to the boards attention that Boone County has a 350,000 gallon elevated tank for sale if interested we need to call the Mayor of Walton.

Morris inquired about the letters to the residents on Boone Road in regards to the construction. Do we want to send letters to all residents or just the ones that we have easements on? All board members were in agreement to only send letters to residents with easements whose property will be affected.

Denny inquired about fire hydrants, is there any funding available for purchase? Judge Zubaty commented that we could submit it to NKADD and see what happens. J.T. suggested that maybe some of the residents would be interested in purchasing one for their area. The board will address the matter later.

Juanita inquired as to any developments at the new exit. Denny commented that he got a call last week inquiring about the water. They are supposedly getting ready to start two projects on the Stewart property. Judge Zubaty commented that they should be starting a Holiday Express Motel on Neil's property. There was some talk of a Cracker Barrel, but the re-routing of the gas line may effect that decision.

A brief discussion was held on the gas line.

Denny informed the board of a water planning meeting to be held on October 29, 2002 in the NKADD conference room. The purpose of the meeting is to provide them with an update on water projects so that they can be put into the KIA database for funding. We have already submitted our next project involving the wells and tanks. Morris commented that he has a couple other areas to include and will provide them with that information before the meeting. Judge Zubaty commented that unless we go through this water supply board and they approve these projects there would be no grant or loan money for funding through KIA.

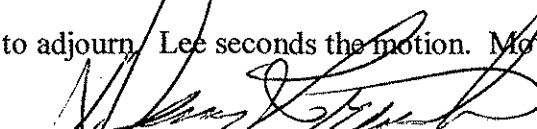
The board discussed the sewer situation. J.T. ask how Warsaw was billing Blue Heron residents for sewer. Tammy commented that she has been sending them a print out of their usage. Both he and Denny disapproved of that and instructed her not to send them any more information on the water usage.

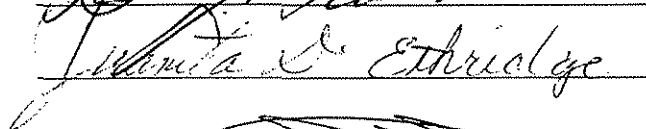
Denny advised the board that they should plan for a longer meeting next month to work out some details on other matters.

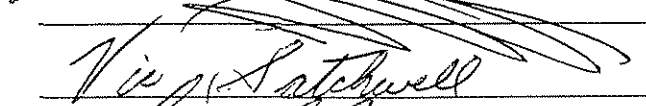
J.T. made a motion not to renew the CD that matures on October 25, 2002. We need it to help pay for the 1130 extension and should cash it out and deposit it into the revenue account. Vic seconds the motion. Motion carries 5-yeas, 0-nays.


J.T. made a motion to adjourn. Lee seconds the motion. Motion carries 5-yeas, 0-nays.

Approved By:









Gallatin County Water District
July 10, 2003

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners Denny French, Lee Burgett and Vic Satchwell
Employees; Morris Courtney and Tammy Hendren

Lee made a motion to approve the June Minutes. Denny seconds the motion. Motion carries 3-yeyes, 0-nays.

Vic made a motion to approve the Check Disbursements. Lee seconds the motion. Motion carries 3-yes, 0-nays.

Vic made a motion to approve the Deposit Refunds. Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the Account Adjustments. Vic seconds the motion. Motion carries 3-yeyes, 0-nays.

Vic made a motion to approve the Financial Statement. Lee seconds the motion. Motion carries 3-yeyes, 0-nays

Morris brought to the boards attention that we have finally came up with a total that we the state for the relocation of the water line on Hwy 35. We owe them a total of \$49,160.00. We will get reimbursed a total of \$8,184.04 for the engineering cost that we paid to Ron Gastineau. Vic made a motion that we go ahead and send the state the payment. Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Morris explained to the board that he was unable to double regulate the master meter at Glencoe. He did put a strainer in front of the regulator and meter. This should eliminate the problem with the debris getting stuck in the regulator and maintain a consistent flow of pressure. He also commented that he received a call from PSC with a complaint they received from Mayor Murphy of low water pressure. He is going to put a seven-day chart on the meter and send PSC the results.

Morris commented that Lykins did some clean up on the track project, but there was still a lot of rock. He asks Vic if he would take a look at Patsy's property and see what he thinks.

Denny commented that Kyle has the double wide taken apart and its ready to move. He forgot about asking him to come to the meeting today. He will mention it to him for next month.

Morris brought to the boards attention that our water supply is still in a critical state. This new system is not working; he has yet to pump the first drop of water through the new pump station. He has to manually switch pumps off and on to keep the water flowing and remain at the tank during races. Since the up-grade we are no longer compatible with the track. The pumps are not communicating with each other. Not only do we need the telemetry system we also may need to look at some variable speed pumps. Various discussions was held on the matter and all board members were in agreement that Ron Gastineau needed to be here at the next meeting to explain the design and advise on the matter.

Morris asks the board if they wanted to go ahead and get State Road Encroachments for the new road out by the track. That will put us a little bit ahead when there is development. Vic made a motion to proceed. Lee seconds the motion. Motion carries 3-years, 0-nays.

Tammy brought to the boards attention that a decision needed to be made on what the tobacco grant money was going to be used for. Her and Morris attended a meeting in Lexington to find out the steps needed to process the paperwork. The funds should be available in September. At last months meeting the board discussed contributing \$25,000 to Carroll County for the Hwy. 184 project and using \$10,000 to do a sewer feasibility study. Morris commented that the bid for the Owen Co. project came in pretty low and they should have plenty of their own money to complete the project. Tammy commented that after speaking with Susanne Anderson she was advised that we couldn't use the money for both sewer and water projects. It had to be used for water only. Suzanne did advise that if the project came in underbid and there was money left over we could submit a request to KIA to use the excess funds on the sewer study. All board members were in agreement that the money should be used to 1) Extend the water line down Hwy 465 to the Bramblett church, 2) Extend the water line up Hwy 42 to Ryle Road and 3) Extend the water line down Eagle Tunnel to Hwy 467.

Denny brought to the boards attention that KRWA'S annual meeting is to be held in Lexington on the 25th of August and someone needed to be nominated to vote. Lee made a motion for Denny to attend the meeting and designated him as the Districts voting representative. Vic seconds the motion. Motion carries 3-yea, 0-nays.

Vic made a motion to adjourn. Lee seconds the motion. Motion carries 3-years, 0-nays.

Approved By:

Lee S. Burgett
Vic Satchwell

Gallatin County Water District
August 14, 2003

Chairman Denny French called the regular meeting of the Gallatin County Water District to order at 8:30 a.m.

Present at the meeting were Commissioners; Lee Burgett, Vic Satchwell and Denny French, Employees; Tammy Hendren and Morris Courtney, Engineer; Ron Gastineau, Attorney; Steve Huddleston, Judge Executive; George Zubaty and Resident; Kyle French.

Lee made a motion to approve the July Minutes. Vic seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Check Disbursements. Lee seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Financial Statement. Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the Account Adjustments. Vic seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Deposit Refunds. Lee seconds the motion. Motion carries 3-years, 0-nays.

The board had asked Mr. Kyle French to attend the meeting to discuss the vandalism on the mobile home that he purchased. Vic felt that under the circumstances and because of the timing of when the vandalism occurred that there should be some type of compensation to Kyle for part of the damages. Kyle commented that his insurance was going to replace the sliding glass door, dishwasher and the stove. There were some damages to a couple of windows and the front door. He is not certain that his insurance will cover the damage. Vic made a motion to have Kyle get in touch with his insurance and report back to the board next moth. Lee seconds the motion. Denny abstained from voting. Motion carries 2-years, 0-nays.

Ron commented that he was here at the board's request. Denny ask that he explain to the board what they needed to do to make this new system compatible with the racetrack. We were fist looking at about \$50,000 then it was \$30,000. It's the boards understanding that as of right now the system is not working. What is your recommendation to correct the problem? Ron commented that we would need to switch out some meters, install some variable speed pumps and get the telemetry system installed. One of the problems that we have is the track design. The track is relying on our pumps to pump water up to the tower. It is his opinion that there should have been a pump station installed at the base of the grand stands to pump the water up into the tower seats. Vic's concern is the future. We don't want to spend all this money and still not be able to handle a major

event. More discussion was held on the matter and Ron feels that it would be in our best interest to bring in some pump experts and sit down with Morris to review the situation. Vic made a motion that we move forward in that direction. Lee seconds the motion. Motion carries 3-years, 0-nays.

Denny brought to the board's attention that we have ran into some problems with getting a couple of easements for the Hwy 42 extension. Ben Wessels had signed an easement, we recorded it, but Mr. Wessels withdrew it the next day. Rich Appler who owns the property along Hwy 127 where they skeet shoot would like to be paid for his easement. But he would not give a dollar amount. Denny commented that Steve has advised him that we can condemn property but only after we have show good faith and tried to negotiate. Denny commented that he had a meeting scheduled with Ben Wessels to walk the property. If Mr. Wessels doesn't want to sign then he feels that we should take the shortest route and condemn the property that runs from Rocky Branch over the hill to Hwy 42. We would save a whole lot of money by going this way and eliminate the need to go through Rich Applers property. Tammy and Vic ask what we were going to do about Rich Appler if Mr. Wessels decides to sign? Denny commented that another option would be to come through Dr. Pilights farm and run on State property. Ron commented that if we do that our construction cost is going to increase. Vic made a motion that Denny and Steve try and negotiate with Ben Wessels. Lee seconds the motion. Motion carries 3-years, 0-nays.

Steve informed the board that he received notice from PSC saying that they wanted to review the Blue Heron contract with the city before it becomes effective. Steve will contact them and see what is going on.

Denny brought to the boards attention a letter received from RDA requesting that we do a self-evaluation into handicap accessibility. Marking parking spaces, ramps, etc.

George informed the board that he had a meeting with Mayor Simpson, Louis Elliot and Ernest Scruggs from RDA in regards to the development of the wells in the upper end of the county. RDA is concerned that once the wells are in place we would not be purchasing enough water from the city of Warsaw to cover their debt. Denny informed him that we have a 40 year contract with the city to purchase water with the cost and amount being reviewed every 2 years. We will probably always need to purchase water from the city or at least have a connection for backup purposes. We will address the situation as needed with the time arrives.

8-14-03

George brought to the board's attention that after talking with us. He talked with the judges from Trimble and Carroll Counties, the three of us are sitting on an aquifer and we should be looking at being a major provider to Lexington. Otherwise they could just come in, buy a farm, sink a well, lay some pipe and were out of the loop. If the three of us stick together maybe we can keep that from happening or at least get a tariff and get a percentage of what they pump out. This is our commodity; it's no different than gravel. We need to get together with the Blue Grass Development District, bring Steve along and sit down for some discussion. Then make contact with Ky. American Water. Morris commented that they already have most of their easements and it wouldn't take much for them to get here. More discussion was held on the matter but no further action was taken.

Denny brought to the boards attention the CD we have is coming due this month. Does the board wish to renew it for 90 days? Lee made a motion to renew. Vic seconds the motion. Motion carries 3-years-0-nays.

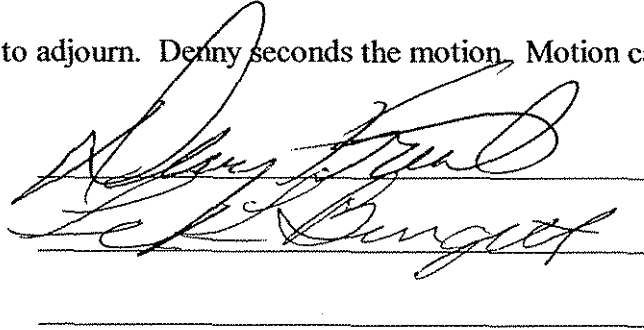
Denny presented to the board some paperwork from Ohio Causality Bonding Company asking for an update on the project. Do we want to release J.S. Pipeline? Ron commented that they should not be release yet he will provide Ohio Causality with and update.

Denny informed the board that we have submitted a financial statement to PSC as required on this last project. It shows our indebtedness to be approximately \$136,991.54 each year.

Vic ask if Lykins had finished the clean up on the line extension from the Speedway to the new road? Have they sowed any seed? Morris commented that we received a final bill from them but has not paid it because they still have some work to do.

Lee made a motion to adjourn. Denny seconds the motion. Motion carries 3-years, 0-nays.

Approved By:



Two handwritten signatures are written over two horizontal lines. The first signature is more stylized and appears to be 'A. J. ...'. The second signature is 'L. R. ...'.

Gallatin County Water District
October 9, 2003

Chairman Denny French call to order the regular meeting of the Gallatin County Water District at 8:30 a.m.

Present at the meeting were Commissioners; Denny French and Lee Burgett, Employee; Morris Courtney and Attorney; Steve Huddleston, Judge Executive; George Zubaty

Denny made a motion to approve the September Minutes. Lee seconds the motion. Motion carries 2-years, 0-nays.

Lee made a motion to approve the Check Disbursements. Denny seconds the motion. Motion carries 2-years, 0-nays.

Denny made a motion to approve the Account Adjustments. Lee seconds the motion. Motion carries 2-years, 0-nays.

Denny made motion to approve the Deposit Refunds. Lee seconds the motion. Motion carries 2-years, 0-nays.

Lee made a motion to approve the Financial Statement. Denny seconds the motion. Motion carries 2-years, 0-nays.

Morris brought to the board's attention that the new fence was complete.

Morris advised the board that he was going to need to have the gate at the eagle tunnel tower repaired. This is necessary due to the Homeland Security Act.

Morris informed the board that the clean up on Patsy Keaton's farm was complete. Rocks have been picked up and the property has been seeded. He is going to talk with Vic about having the cattle moved so that the seed is not trapped down.

Morris advised the board that he met with Ron, Ellis King from Staffer Pumps and Nick Huber with EIC. There are some changes that need to be made at the vault and he has already spoken with Jim Donaldson about getting this done. He received an e-mail from Nick explaining what EIC intends to do. We will need to sign off on it. I will have one or two of the boys help Jim Donaldson change things around.

Morris brought to the board's attention that he talked with Dr. Leathers about an easement for his property. One has been drawn up and sent to him. Denny commented that Dr. Powel did sign an easement but there was some wording that needed to be changed. He is going to have a new one drawn up and will get it sent out this week.

Denny ask Steve if he had any old business. Steve commented that he couldn't think of anything other than that we still have not heard from PSC on the contract with the city.

There seems to be some confusion. The city's attorney wrote the contract up and there is some language in regards to the \$2.50 charge to the customer that PSC has interrupted as being a rate increase and that is not the case.

Judge Zubaty commented that he met with the Regional Water Board. All the counties will be involved with this and each county will have three members. They will consist of the mayor of the largest city, the county judge and one other. I would like to have Morris be the other member. He discussed briefly the responsibilities and priorities of the Regional Water Board.

New Business

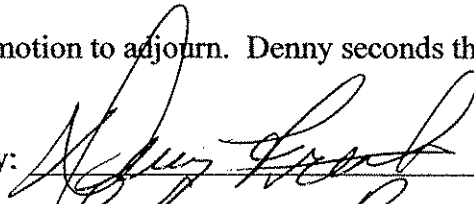
Denny thinks that the board should instruct Morris to bring three proposals for a security system to next months meeting. Denny made the motion. Lee seconds the motion. Motion carries 2-years, 0-nays.

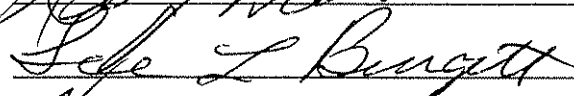
Morris commented that the stolen items should be replaced within the next couple of weeks. We have a rush order on them. Lee asks if we have heard anything about the investigation. Morris commented no and we probably won't unless these local boys hear something about it. Detective Harwood from the St. Police spent about 2-2 ½ hours doing his investigation.


Denny suggested that we transfer \$50,000 out of the revenue account and put it into a three month CD. We should instruct Tammy to call both banks and see which one has the better rate. We don't need \$141,000 in the revenue account. Denny put that in the form of a motion. Lee seconds the motion. Motion carries 2-years, 0-nays.

Lee made a motion to adjourn. Denny seconds the motion. Motion carries 2-years, 0-nays.

Approved By:







Gallatin County Water District
September 9, 2004

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by chairman Denny French.

Present at the meeting were Commissioners; Lee Burgett, Denny French and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Judge Executive; George Zubaty and Attorney; Steve Huddleston

Vic made a motion to approve the August Minutes, Lee seconds the motion. Motion carries 3-years, 0-Nays.

Lee made a motion to approve the Check Disbursements, Vic seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Account Adjustments, Lee seconds the motion. Motion carries 3-years, 0-nays.

Vic made a motion to approve the Deposit refunds, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the Financial Statement, Vic seconds the motion. Motion carries 3-years, 0-nays.

Old Business

Denny brought to the boards attention that a letter had been sent to Larry Lewis in regards to the clean-up on the cross country line. The letter advises him that he has until October 10, 2004 to finish the job. If the deadline is not met then a portion of the retainage money will be used to hire another contractor to complete the project. Morris commented that the letter was sent certified mail.

All board members were in agreement to let the CD that matures on September 11, 2004 renew for another 90 days.

Morris brought to the boards attention that we need to start thinking about an access road to the well site(s) in Steels Bottom. Tammy commented that she thought that installing a road was one of the conditions of the contract with Hudephols. Denny commented that he did not think so. No further action was taken.

Morris brought to the attention of the board that we needed to discuss the Tobacco Grant Project. In meeting with Ron and reviewing the project plans it has come to Ron's attention that in order to supply Millers Owens Road with water we would need to install a pressurized system. This could cost an additional \$80,000 and we would only be able to supply approximately 15 new residents with adequate pressure. If we decide to go

ahead with these plans then it's highly possible that the area will develop and we would be in a situation that would require us to upgrade our system even further in order to maintain the required pressure. Would the board consider changing the plans to extend the water line down Hwy 467 to Glencoe with a 4" line and omit Miller Owens road from the project? If possible Ron would like to have a decision made today so that he can proceed with preparing the plans and getting State approval. The board discussed this in detail. All members were in agreement that they did not want to lay any line smaller than a 6". Vic made the following motions and Lee second the motions. Both motions carry 3-years, 0-nays.

1. Changing the Tobacco Grant Project to eliminate Miller Owens Road, extend the water line up Hwy 42 as far as possible without installing a pressurized system. The remaining funds should be used to back up the line 6/10^{ths} of mile on Eagle Tunnel and run a 6" line from that point down Hwy 467 to Glencoe.
2. This motion is in regards to any left over funds on the Hwy 42 extension. There should be approximately \$20,000 left over. The board would like to petition Rural Development to release the funds to the District. These funds would be used to purchase the material to extend a water line from Jacobs Ridge off Hwy 42 up Hwy 2850. The District would bid the project out and pay for the cost of labor.

Steve informed the board that he is still working on the Jump case. He has been in contact with our insurance company several times now. He would like to set up a meeting with Morris sometime tomorrow to answers some questions. Morris commented that he would be available just about anytime.

New Business

Morris brought to the boards attention that we are going to have to install a booster pump station at the junction of Hwy 16 and Concord Church Road when this new project gets underway. We currently only have a 15 foot easement. We need at least a 30 x 30 foot easement. Lee will petition the Dyer family for a larger easement.

Denny suggested to the board that they adopt a new procedure regarding the installation of water meters. He feels that prior to the meter being placed inside the meter pit the customer should provide the District with proof that the service has passed inspection by the plumbing inspector. He feels that this would be a protection for the District. What if the system was hooked up improperly and our line was contaminated. Morris commented that is why we have backflow preventions on all of our meters to keep that from happening. Steve ask what was the possibility of that system failing. Morris commented that anything mechanical could fail. He totally disagrees with the proposal. That is the state's job and they should be responsible for it, not us. He is not saying that he won't do it if that is what the board wants to do. After further discussion Vic made a motion to adopt the new procedure, Lee seconds the motion. Motion carries 3-years, 0-nays.

9-9-04

?

Lee inquired about the meeting with the Ky. Speedway regarding a back up well. Denny commented that the meeting he had scheduled was cancelled and he has not re-scheduled it.

Denny informed the other commissioners that Mike Garrett was involved in a no-work related accident and would be off work for approximately 6 to 7 weeks. He fell off a roof and broke 5 ribs, punctured a lung and cracked his pelvic bone. He visited with him at the hospital but he is home now. Some flowers were sent on behalf of the District.

The board discussed a notice in the paper where Carroll County had petitioned the PSC for changes in their services boundaries. There will be a public meeting held on October 4, 2004. Steve recommended that both Denny and Morris attend the meeting to make clear any opposition's that we may have. He will also try to attend the meeting if his schedule is open. *(This hearing was for Owen County only)*

Tammy asks to go back and discuss the new procedure for the plumbing permits. She raised the question of what happens to the customers who don't immediately hook on. We have some customers now who only use their meter to fill their cisterns. Are we saying that future customers will not be able to do that? They are going to pay for a service that they can't use until they decide to hook up or can afford to hook up. Also we are changing policy, we should advertise to make people aware. Morris commented that would also need to change our tariff and get PSC approval. After further discussion Denny commented that he still feels that we need to take some initiative to make people aware of the law. He ask that Tammy call the Division of Plumbing and see if they can provide us with a brochure or some type of document that we can give to new customers. Vic made a motion to resend the previous motion and make a new motion that all new customers be given a written copy of the KRS Statute at the time their meter is paid for. Lee seconds the motion. Motion carries 3-years, 0-nays.

Judge Zubaty informed the board we would soon be receiving a tax bill for the road improvements at Mars Place. Denny commented that all he needed to do was send us a bill and we would write him a check.

Judge Zubaty asks that the District come up with some type of price to present to the Fiscal Court regarding the cost of fire hydrants. He would like to see hydrants installed, where feasible during the construction process. Both Denny and Morris commented that the cost would be between \$1,800 and \$2,000.

Vic made a motion to adjourn, Lee seconds the motion. Motion carries 3-years, 0-nays:

Approved By:

Denny
Lee
Vic

?

Gallatin County Water District
October 14, 2004

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Denny French.

Present at the meeting were Commissioners; Lee Burgett, Denny French and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Judge Executive; George Zubaty, Engineer; Ron Gastineau and Attorney; Steve Huddleston

Vic made a motion to approve the September Minutes, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Vic made a motion to approve the Check Disbursements, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the Financial Statement, Vic seconds the motion. Motion carries 3-yeyes, 0-nays.

Vic made a motion to approve the Account Adjustments, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the Deposit Refunds, Vic seconds the motion. Motion carries 3-yeyes, 0-nays.

Morris informed the board that Larry Lewis had finished the cleanup on the cross country line. It looks real good. Grass seed has been sowed. Denny signed the check for the final payment in the amount \$3,960.

Denny made a motion that the District continue to pay Mike Garrets medical insurance until he is able to return to work. Mike is paying the additional cost to cover his son. Vic seconds the motion. Motion carries 3-yea, 0-nays.

Judge Zubaty informed the board that the public meeting regarding the service boundary changes in the Owen county area for Carroll County Water District went well. Morris supplied him with maps showing our current service area and the proposed area extending down Hwy 465. those differ somewhat from the boundaries that Carroll County published in the paper. Denny made a motion that we send Carroll County a letter disputing the boundaries that were published. Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Morris informed the board that our annual PSC Inspection was scheduled for October 21, 2004. We are in pretty good shape with the exception of our CPR certification. That has expired and Tammy has sent up re-certification in January.

Ron made a recommendation to the board in regards to the Tobacco Grant Project. The board had requested at last months meeting to upgrade the line size on Eagle Tunnel from a 4" line to a 6" line. From an engineering and maintenance standpoint he would like the board to reconsider. He feels that there would be a water quality issue. In order to maintain the chlorine residual needed the line would need to be flushed quite regularly and that is a non-recoverable cost to the District. In addition there would be some added cost, because in order to get the flushing volume needed we would have to go back to the tank and run the line parallel to the existing 3" line. He recommends going with the 4" line. Lee asked about development. Ron commented that Eagle Tunnel is all down grade and a 4" line would serve about 150 homes. Denny ask what happens if we want to sell water to Bullock Pen in Folsom? We have no way of knowing what type of growth to expect but we need to look past today. All the surrounding water districts lay a minimum of 6" even down a dead end road. He is totally against laying a 4" line. Morris disagrees; he can't see a need for a 6" line in the next ten years. We are going to be running water in the creek. Ron commented that he will do what ever the board instructs him to do. Vic commented that he hates to put this 6" line in and have to flush water, but then hates not to if there is a possibility of Bullock Pen buying water. After various discussions Vic made a motion to have Denny talk to Bullock Pen before proceeding and get back with the board. Lee seconds the motion. Motion carries 3-yeas, 0-nays. Denny ask if it would be agreeable with the board to have Ron proceed based on the out come, 6" if they were interested or 4" if they were not. Denny ask Ron what kind of figure could we sell water for. Ron commented that he could not answer that off the top of his head. Judge Zubaty commented that maybe we could sell Bullock Pen water at discounted price rather than dumping it in the creek. Then by installing the 6" line you would be prepared for the future. He believes they pay about a \$1.60 per thousand now. Vic suggested maybe cutting that in half. No decision was made on the cost. All board members were in agreement to having Ron precede based the meeting with Bullock Penn.

Ron informed the board that we are ready to close out this last project. Ernest has advised him that RDA would release the remaining funds to the District as long has we had a plan as to what we are going to do with the funds. RDA would then check periodically to make sure that we stuck to that plan. Denny commented that we were going to use that money to buy the material to extend the line from Jacobs Ridge off Hwy 42, up Hwy 2850 then head up the hill into Boone County as far as we can. Ron commented that we could not go very far he has already looked into that on the Tobacco Grant Project. Denny ask who needed to present this plan. Ron commented that it would need to come from the District on their letterhead. Denny ask if there was a motion to send RDA a letter in reference to the above plan. Lee made a motion, Vic seconds the motion. Motion carries 3-yeas, 0-nays.

Denny ask Ron to explain the pressurized system. It is basically a pressure pump like you had before you had city water only on a bigger size. The state will permit that in certain instances with only 15 to 20 homes and no possibility of extensions. Denny ask what would be the difference in putting in a booster station. Ron commented that it would probably cost about the same, but you have to pump into some type of storage tank. So there would be some additional cost there. You would not have the pressure needed with

the booster pump. If the guy at the end of the line would want a little more pressure the booster pump would not be able to supply it. With the pressurized system the pump would kick on when he turns on his faucet and give the extra surge he needs. Denny ask if it would be possible to install the pressurized system if the people paid for a portion of the cost to install it. Boone County does that all the time. The cost for the pressurized system is about \$80,000. Denny commented that there are about 9 homes on Miller Owens now. Vic ask if we are talking about using the left over money for this? Both Denny and Morris commented that the \$20,000 for material would take us up Hwy 42 and Hwy. 2850 to the point where the pressurize system is needed. Vic commented that he thinks we need to go as far as we can go and then do something different from there. Denny hates to run the line with in sight of someone and not be able to serve them. Morris commented that is where Bullock Penn is right now on the other side of the hill; they only have the pressure to go up so far. Ron commented that we would need a piece of property 20ft square to put the system on. Vic made motion that we go as far as we can with our money and if they want water and are willing to pay for it then we can go from there. Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Ron commented that they are working on the big project with the wells. Denny ask when we would start on that. Ron stated that we would probably be ready to bid early spring. We need to determine how we want to run the line from the well up the hill on Ambrose. Do we want to run the road or go across country through the mine? Morris commented that Denny was going to ask the mine if we could go up the berm. Denny commented that he has not done that yet but he will. Morris commented that it would save us allot of footage.

Vic asks about this project on Eagle Tunnel. Is that ready to bid? Ron commented that we could submit the plans and bid the project if we had a decision on the 6" line.

Steve commented that the only thing he is working on is the Jump case. He finally made contact with the right insurance company. Steve commented that George has a problem; he needs to fix the area so he can keep the road clean. The slippage creates a dangerous situation. George is afraid that any thing he does could cause the line to break. Spike is now involved and has been in contact with Jump's attorney. Steve just does not know what to do about it. We could dig up the line and see if it is leaking, but that presents a number of questions. Number one who is going to pay for digging it up and putting it back, number two, let's say it is leaking. Would we have an answer as to why it was leaking? It could be that he piled all this stuff on it and that why it is leaking, and thirdly if we start disturbing it, the whole thing could come crashing down. He suggests that every party put some money in escrow. If we dig it up and find out our line is fine then Jump would need to put it back and pay for it. However that would not solve George's problem. Morris commented that if our line was in the slippage it would have been broke by now. Denny was in agreement. If it was leaking and as dry as it has been then we would be seeing some water running down the hill. Ron commented that Morris has already put some gauges on the line and in a 5 hour period there was no change in the gauge. The line is not leaking. George commented that he is going to have a meeting with Spike and Jump's lawyers. George would like a disclaimer from both the District and

Jump stating that they would not sue if damage was done when they attempted to repair the slippage. He is afraid that when they start digging the line will blow out or the house will come sliding down. Steve commented that the District would not sue the county if the line broke. Both Denny and Morris commented that if it breaks when they start repairing it then we would just have to go in shut it down and repair it. No other action was taken.

Vic made a motion to adjourn, Lee seconds the motion. Motion carries 3-years, 0-nays.

Approved by:

Denny
Lee
Vic

Gallatin County Water District
February 8, 2007

The regular meeting of the Gallatin County Water District was called to order at 8:32 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Deputy Judge Executive; Denny French

Lee made a motion to approve the January Minutes, David seconds the motion. Motion carries 3-yeyes, -0-nays.

David made a motion to approve the January Check Disbursements, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

David made a motion to approve the Account Adjustments, Vic seconds the motion. Motion carries 3-yeyes, 0-nays.

David made a motion to approve the Deposit Refunds, Lee seconds the motion. Motion carries 3-yeyes -0-nays.

David made a motion to approve the Financial Statement, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Morris informed the board that the water line would have to be relocated where Nugget Sand installed the new road on Hwy. 1992. It is approximately 1400 feet. It is there responsibility to pay for the relocation. Morris has met with them and gave them the plans that the Division of Water has approved.

Morris informed the board that Barnett Auto Body repaired the truck. The damage was estimated at \$4,598.04. We received payment of \$4,675.23 from the other persons insurance. The \$75.00 tow bill was also paid by his insurance.

Morris brought to the board's attention that Caldwell Tanks has requested a 57 day extension on their contract in order to paint the tanks. The contract is up on April 3rd. If we grant them the extension it will delay the other 4 contractors. Various discussions were held and the Board was in agreement to stay with the original contract at this time.

Discussion was held on the purchase of a new truck. We postponed the purchase in 2006 and had the driveway and parking lot paved. We currently have a 2002, 2004 and a 2006 model. Morris has bids on three different types of vehicles. The bids are the basic model without the extras. The subject was tabled until next month. Morris will need to get some more info on the cost for the extras.

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Tammy presented the board with some information on a 401K plan offered by Ky. Deferred Comp. There would be no cost to the company if an employee wanted to join plan and no limit on the number of employees who do join. This would be a great opportunity to supplement our current Retirement Plan. Would the board be in favor of making this plan available to its employees? David made a motion to make the plan available, Lee seconds the motion. Motion carries 3-years, 0-nays.

The board discussed the development at the new I-71 interchange on Hwy 1039. There is currently some dispute as to who will serve the area. The area is currently in the service boundaries of the Carroll County Water District but is not being served by them. They have a 4" line that stops at Crawford's Junk Yard on the old Hwy 1130. In discussions that Morris and Vic have had with Jim Smith, Carroll County is interested in purchasing water from us to serve the area. We already have an 8" line running to Hwy 1039 that was installed in 2002. Morris informed the board that we have received letters from a Developer and one other resident requesting our water service. Various discussions were held on the matter. Lee made a motion that we inform our attorney Steve Huddleston of our intention to serve the area and ask that he forward correspondence to the Carroll County Water District, the Carroll County Judge Executive and the Gallatin County Judge Executive of our intention, David seconds the motion. Motion carries 3-years, 0-nays.

Vic informed the board that he, Morris and Steve met with Mayor Travis Simpson and Warsaw's attorney regarding the water purchase contract. Several topics were discussed such as a possible rate increase from \$1.05 to \$1.25, maybe giving them the water line from the Nursing home to Smith Avenue and connecting the two systems for a back up. Mayor Simpson will bring the matter before council and get back with us. No decision were made a this time.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-years, 0-nays.

Approved by:

Gallatin County Water District
March 8, 2007

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners Lee Burgett, David Easton and Vic Satchwell, Employees; Morris R. Courtney and Tammy Hendren, Integra Bank Rep; Lora Beth Sadler, Deputy Judge Executive; Denny French, Auditor; Jerilyn Zapp, Attorney; Steve Huddleston and Engineering Inspector; Bill Babington

Vic opened the floor to Ms. Sadler, who informed the board that she just wanted to stop out and see if there was anything that the Bank could do for us. She did notice that one of our accounts was only drawing .84% interest. There is another type of account that can earn us 4.2%. Vic commented that some of our accounts are restricted and some are not. The particular accounts being discussed was the Revenue Account and that one does not have any restriction and is an interest bearing account. Vic informed Ms. Sadler that we would discuss the matter when we entered into our regular business meeting and get back with her.

The 2006 audit was presented by Jerilyn Zapp. Once again Mrs. Zapp thanked the Board for allowing their firm to perform the audit. She informed the Board that she had already gone over the adjustments with Tammy and Lee earlier in the week. She briefly went through and hit the highlights. We still show a loss but that should change next year with the rate increase and the other non-recurring charge increases. There were two deficiencies noted in the audit. The first item was the cross training of employees, that remained as a deficiency because of the size of the entity and the fact that the cross training has just been started but is not yet fully implemented. The other deficiency was due to the over payment that was made to Coomer Contracting. The District staff relied entirely on the Engineer for checking the accuracy of draws for contractor payments and did not use its own checking system to make sure the payments were correct. This resulted in an over payment to the contractor for approx. \$30,000. There were some other minor issues that we discussed with Tammy, she has straightened most of those out. There is a new general ledger system and overall she has done a good job with it. We are going to come up after tax season and set up some adjustment sheets for her to look at on a monthly basis and review more closely. I am happy that the new General Ledger ties in with the billing system, this makes it so much easier. If anyone has any questions after they have had a chance to sit down and look at the audit feel free to give her a call and she will be happy to discuss it with them.

David made a motion to approve the February Minutes, Lee seconds the motion. Motion carries 3-yays, 0-nays.

David made a motion to approve the Check disbursements, Lee seconds the motion. Motion carries 3-yays, 0-nays.

Lee made a motion to approve the Account Adjustments, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the Deposit Refunds, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the Financial Report, Lee seconds the motion. Motion carries 3-years, 0-nays.

OLD BUSINESS

Morris asks Steve if he ever heard anything from Warsaw regarding the meeting they had about the purchase contract. Steve commented that he has not heard a response. Vic asks if we are still are paying for the 5 million. Morris commented yes, but he try's to make sure we get it. Steve suggested that we wait until their meeting on Monday and see what they decide.

Vic informed the board that a meeting was held with Carroll County Water District to discuss the service area at the new exit. In attendance were the Carroll County Judge Executive, the Manager and one Commissioners of the Carroll County Water District, the Gallatin County Deputy Judge, Morris and myself. The meeting lasted approximately 2 hours. Carroll County feels that we have infringed on their territory, however they are not prepared to serve the area and are interested in purchasing water from us. Various discussions were held with each District standing firm to their intentions. Carroll County was advised that the matter would be discussed at the Board meeting on Thursday; however they did not expect any change in the Gallatin County Board's decision to proceed with their current plans. Carroll County also stands firm on their decision to try and stop us from serving their territory.

Discussion was held on serving the new exit. Steve informed the board that we have received a letter from Carroll County's attorney stating that we cannot serve the area. PSC would not allow it and may stop us from serving our current customers. Steve does not feel that will happen. PSC is not going to tell us we can't serve our customers. He cannot find any statutes on the subject nor can he find any case law. He feels that it is first come first serve at this time. Bill Babington was in agreement with Steve. Vic commented that Carroll County's stand is that PSC will not let us serve the area but will let us sell them water. What is the worst that can happen, we sell Carroll County water, we have nothing to loose except some legal fees. Steve suggested that we just do it and let Carroll County take action. Lee made a motion to have the area from Jerry Carroll Blvd. back to the expressway engineered and submitted to the Division of Water for Approval and also requests that our Engineer start on the project immediately, David seconds the motion. Motion carries 3-years, 0-nays. Bill Babington made contact with Ron Gastineau and he will get started.

Morris informed the board that Caldwell tanks were getting ready to start painting the tanks.

The board discussed the purchase of a new truck. Vic commented that we have a rotation schedule to purchase a new truck every year. Last year we motioned to concrete the driveway instead of purchasing a truck. We have a 02 model with 71,000 miles, a 04 model with 60,000 miles and a 06 model with 22,000 miles. We have a quote for a 08, model at \$19,207.00. We need to look at changing the rotation schedule from every year to every other year. David made a motion to purchase the 08 truck at the quoted price, Vic seconds the motion. Motion carries 3-years, 0-nays.

Tammy informed the board that a representative from Ky. Deferred Comp would be coming up on the 15th to introduce the 401k plans to the employees. The board needs to pass a resolution adopting the plan and authorizing the Chairman to sign any necessary paper work to get the plan implemented. Lee made a motion to pass the Resolution adopting the plan and authorize Vic to sign the necessary paperwork, David seconds the motion. Motion carries 3-years, 0-nays.

Bill brought the board up-to-date on the project. Everything is moving along smoothly. The line between the tank and the well is in place. There is still some clean up to do. David asks if we have heard anything on the pumps. Bill commented that we are still waiting, no change in the arrival time as of yet. Once they do arrive they will be installed within a couple of weeks. Morris commented that we should be fully operational in June, with the exception of the telemetry.

David made a motion to contact Lora Beth at Integra Bank and have her make the necessary changes to the revenue account so that we can earn the 4.2% interest, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to adjourn, Lee seconds the motion. Motion carries 3-years, 0-nays.

Approved By:

Vic Satchwell
David F. Carter
Lee L. Burgett

Gallatin County Water District
April 12, 2007

The regular meeting of the Gallatin County Water District was called to order by Chairman Vic Satchwell at 8:30 a.m.

Present at the meeting were Commissioners; Vic Satchwell, David Easton, Lee Burgett, Employees; Morris R. Courtney and Tammy Hendren, Deputy Judge Executive; Denny French, Insurance Representative; Peggy Rankin

David made a motion to approve the March Minutes, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Lee made a motion to approve the Financial Statement, David seconds the motion. Motion carries 3-yeas, 0-nays.

David made a motion to approve the Account Adjustment, Lee seconds the motion. Motion carries, 3-yeas, 0-nays.

Lee made a motion to approve the Check Disbursements, David seconds the motion. Motion carries 3-yeas, 0-nays.

David made a motion to approve the Deposit Refunds, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Morris informed the board that the Tobacco Grant Project should be closed out next month. We have approx. \$700.00 left for clean up. He has reached an agreement with Clarence Stewart and will contact United Pipe Line with the final list.

Morris brought to the attention of the board that the contract with Liberty Communications will expire on May 1st. Liberty has not provided the District with adequate proof of insurance and therefore their contract is not valid. He feels that they will walk away. CainPro Communications is interested in leasing the Eagle Tunnel Water Tower for the same purpose of providing high speed internet to rural areas. They have offered to pay the District a security deposit in the amount of \$2000.00 and a one year rental fee of \$2000.00. They will also continue to provide the District with free high speed internet service and are able to provide us with the adequate insurance coverage. Various discussions were held on the matter. David made a motion to seek a one year contact with CainPro for the rental of the Eagle Tunnel Tower, Lee seconds the motion. Motion carries. 3-yeas, 0-nays.

Peggy Rankin with Fultcher Rankin Insurance presented new medical insurance quotes to the Board. Our renewal date is May 1st. New monthly rate for our current plan will be \$6,985.81. There are some other Humana plans that are a little cheaper and also provide good coverage. She briefly discussed the coverage and rates for the various plans.

Quotes were also provided for United Health Care and Anthem Blue Cross. After various discussions on the matter David made a motion to keep the current plan with the new rate of \$6,985.81, Lee seconds the motion. Motion carries 3-years, 0-nays.

Morris informed the Board that Steve has talked with Warsaw's attorney and they should have a new water purchase agreement ready for next month. Steve suggested that we wait and see what they propose. No action was taken at this time, awaiting legal counsel.

Morris informed the board that the new truck has been ordered.

Morris informed the board that we need to purchase a trailer for the new zero turn mower. Various discussions were held and he will provide the board with some quotes at next months meeting.

Morris brought to the board's attention that we have a customer in the Paint Lick Subdivision, Larry Williams, who experienced high water pressure during the water line relocation on Hwy 1992. This is a summer place and he only comes down periodically. The increase in pressure caused his lines to blow apart and leak for several weeks without his knowledge. He currently has a \$900.00 water bill. A normal leak adjustment would still result in a \$400.00 bill. Morris informed Mr. Williams that he would bring it before the board to see if they are willing to do a larger adjustment. The board discussed the matter and Vic made motion to suspend all but \$100.00, Lee second the motion. Motion carries 3-years, 0-nays.

Vic inquired about Coomer's overpayment, has he paid it all back yet? Morris commented that he has paid us \$30,000.00 and still owes us about \$8,000.00. Morris informed the Board that Ron would take care of the interest on \$8,000.00 if Coomer didn't come up with it, Coomer was waiting on a payment from another job. Morris commented that the overall project is moving smoothly. There is still some clean up to do.

Morris informed the board that the engineering has been completed for Hwy 1039. The plans were submitted to the DOW and have been approved.

Tammy informed the board that we needed to upgrade our postage system. The current postage meter is out dated and needs to be replaced. She has been working with Pitney Bowes for a replacement machine. The new machines will not accommodate our bill style. United Systems has a post net bar-coding system that will print a bar code on the bill and reduce the amount of postage we pay when the bills are mailed out. The cost is approximately \$1,300.00 for the software and installation. There will also be some additional fees for the postage permit and application fees. Lee made a motion to upgrade the postage system, David seconds the motion. Motion carries, 3-years, 0-nays.

Denny requested a list of locations that can handle fire hydrants; Kenny would like to put some money in the county's budget for installation. Morris will have Ron do some checking and provide us with a list of feasible locations.

Denny inquired as to what type of plans the District had for the future. He feels that there should be some plans in the works to upgrade the line sizes in various sections of the county. There is funding available and we need to get on the list. Both Vic and David were in agreement that unless we know what type of development is expected it would be very hard to determine how much and where to upgrade. Various discussions were held on the matter but no decisions were made at this time.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-yeyes, 0-nays.

Approved by: Vic Satchwell

David Castro

Lee J. Bryant

Gallatin County Water District
May 10, 2007

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Steve Huddleston and Engineer; Ron Gastineau.

David made a motion to approve the April Minutes, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the Check Disbursements, Vic seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the Account Adjustments, Vic seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the Deposit Refunds, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the Financial Statement, David seconds the motion. Motion carries 3-years, 0-nays.

Steve informed the board that he has not heard anymore from Warsaw. He did talk to Mike Duncan before he went on vacation and was told that they had it all worked out and he would be sending some paperwork or making contact with us. He feels that it has been taken care of but the paperwork is slow coming. Steve suggested that we only pay for what we use at the \$1.05 rate on next months bill and maybe that will push it along.

Steve informed the board that he received a message from Ruth Baxter, Carroll County's attorney and they plan to file a complaint with PSC regarding the water service for Hwy 1039. He has not seen any paperwork as of yet.

Vic presented to the board trailer quotes from Jigs Bond at Sparta. He has a 16 ft. for \$2450 and an 18 ft. for \$2650. Morris commented that he had stopped at Tractor Supply, Baileys and Ford, but they really did not have what he wanted. He didn't talk to anyone to see if they could order something. He used Denny's trailer and it pulled great. After various discussions Lee made a motion to have Morris purchase either the 16 ft. or the 18 ft. which ever one worked best for him from Jigs Bond, David second the motion. Motion carries 3-years, 0-nays.

Morris informed the board that they were building our new Ford truck the week of the 21st and it should be delivered about 10 later.

The board discussed the contract with Liberty Communications. Morris commented that he drove by the tank on Boone road and they were on top of it. He stopped and informed them that they were not allowed to climb the tank because they had not provided us with adequate proof of workers comp insurance. He talked with Vona and informed her that her contact was up on May 15th and that he was not sure whether the board would re-new it. If they did renew it the price would probably go up. She does have workers comp now but did not obtain it until March of this year. The certified letter was sent to her in November 2006 and she did not respond. After more discussion David made a motion to have Steve send them a letter informing them that the District did not wish to re-new the contract and give them 60 days to remove their equipment. Lee seconds the motion. Motion carries 3-years, 0-nays.

Morris informed the board that he was not happy with Delaney and Associates. They did some repairs on the chlorination system and charged us \$225.00 travel time from Erlanger. They are working on the new system also, but he would not be using them in the future. He would make his own repairs or contact someone else.

Ron commented that we are in the awkward stage of the project. It is getting down to the final steps to get it up and running. They were having some trouble with Owen Electric getting the inspection passed. Morris commented that he has met with the inspector and thought that he had passed it. We need to get Caldwell Tanks on the ball so that we can get started filling the tanks. Ron commented that he thought they would be here today to remove the pigs, Coomer has finally got there leak fixed under the expressway. David suggested that we start putting pressure on them because their contracts were up a month ago.

Ron informed the board that we are going to have approximately \$200,000 in funds left over. The Board needs to decide where to spend it. Several options were discussed. Suggestions were made to use some of the money to extend the water line up Hwy. 42 and Baker Road, it has already been engineered and estimated to cost approx. \$50,000, purchase the new truck, expand the office and refurbish the Eagle Tunnel tank. Nothing definite was decided.

The board discussed fire protection. Vic asks Ron if he has had a chance to look at the system and determine where fire hydrants could be placed. Ron explained the philosophy of Rural Developments funding. Their concept is to provide funding in order to supply as many people as possible with potable drinking water so most of our line sizes are too small to handle fire protection. Hydrants can only be place on line sizes that are 6" inches or more in diameter. As of right now the only possible areas are the 8" inch line on Hwy 465 and the 10" inch line on Hwy 35. There are areas where we could increase the line sizes if we had the funding.

Vic informed the board that they needed to pass a new loan resolution for this current project. The original resolution was only for 1.3 million and since we borrowed 1.8 million it needed to be updated. Lee made a motion to pass the new resolution in the amount of \$1,894,000, Vic seconds the motion. Motion carries 3-years, 0-nays.

Morris brought to the board's attention that we have a customer, Viola Mason who has an extremely large water bill. Ms. Mason is 80 years old and lives on a fixed income. Both he and Tammy have talked to her several times. She normally only use about 1100 gallons a month but last month she used 102,000 gallons. Her bill amount is \$514.00. It does not appear that she has a water leak at this time because she has only used 220 gallons of water since we billed her. When Morris talked to her she commented that she had been away and that her home was broken into while she was gone. It's possible that someone could have left the water running, but he cannot confirm that. After various discussions Vic made a motion to waive all but \$100 and explain to Ms. Mason that this is not our policy and will only be a one time deal, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-years, 0-nays.

Approved By:

Vi Satchwell

David Easton

Lee Z. Burgett