



**From:** Vernon Azevedo [VAzevedo@w...titles.com]

**Sent:** Friday, October 05, 2007 9:14 AM

**To:** tom\_calkins@nicholasville.org; Tom Calkins; Rest, George; Powell, Donna; Pearce, Dave; Martin, Charles H.; Kevin Crump; Donald Blackburn; Don Hassall; Don Hassall; Billings, David; Burtner, Mayor Ed; Bryan Lovan; Bob Riddle; Talley, Damon

**Subject:** RE: How Do You Ever Hit A Moving Dart Board?

Heist Man? Non-Responsive?

The only heist that occurred was KAWC stealing the BWSC plan after causing untold number of re-studies of BWSC plans. Nick, the Heist-Man, Rowe.

Non-Responsive? This is by far the most responsive information that BWSC or anyone else has seen. How can BWSC be in support of KAWC at PSC when we have never seen any terms and conditions for a water purchase agreement or equity agreement? The LWC proposal addresses timeframe, costs, construction phasing, price adjustments, reserve capacity, and ownership! BWSC has been waiting for over two years to see a proposal such as this from KAWC. Haven't seen anything yet! But now that someone places a legitimate contract on the table, KAWC runs to bring not one but two attorneys to meet with BWSC and quickly hammer out some details of an agreement. Hmmm? Wonder why?

Could it be that KAWC is scared of the LWC proposal? Is the LWC proposal really that bad or is it really that good? Could BWSC negotiate out the 2015 CPI adjustment for a commitment to LWC and support of the LWC option at PSC? Does KAWC need the BWSC agreement to "sell" its plan to PSC? Let us not forget that KAWC in 1999 went to the PSC, spent over two million dollars on a public relations campaign, and told everyone in Kentucky that the Bluegrass Pipeline was the best proposal. Why the change in heart? Was it the Great Heist of 2006? Could it be that the 13% return on capital investment to the stockholder is better on a pool 3 option than the LWC option?

Is BWSC so quick that it can decide, based upon less than 8 hours of Bryan's time (approximately \$3,000), to discount this proposal. Maybe Bryan is that good. Then why did BWSC pay OBG \$475,000 (approximately 3,167 hours) to study other plans. How many times did we re-evaluate the pool 3 plan for KAWC for KAWC at considerable expense to BWSC and above the \$475,000 and before the Great Heist of 2006? Why would KAWC not agree to buy water from BWSC as supplied by Versailles when that option could have provided interim relief? No odd even watering days in 2007 with that approach. No water police. More time for BWSC to arrange financing.

Have many of you forgotten that the pool 3 plan was not deemed the cheapest alternative but because of the LFUCG resolution to use the Kentucky River, their criteria led BWSC to select that alternative. But that alternative now does not include the Ohio River backup. Drought-proof? I heard those words at the Georgetown meeting. If the pool 3 alternative is drought-proof, why did BWSC need the "third leg" of the plan to the Ohio River? And at roughly one third of the total project cost. Can someone explain to me please?

Has BWSC totally succumbed to the all powerful KAWC? KAWC will drop BWSC like the proverbial lead balloon as soon as it gets PSC approval. Then who will be knocking on the door wanting to sell water at the wholesale rate which if you haven't looked with \$170 million of capital will go to \$5+/1000 gallons. Who will be first? Winchester, Georgetown, or Nicholasville?

Vernon

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**From:** tom\_calkins@nicholasville.org [mailto:tom\_calkins@nicholasville.org]

**Sent:** Wednesday, October 03, 2007 2:46 PM

**To:** Vernon Azevedo; Tom Calkins; Rest, George; Powell, Donna; Pearce, Dave; Martin, Charles H.; Kevin Crump; Donald Blackburn; Don Hassall; Don Hassall; David Billings; Burtner, Mayor Ed; Bryan Lovan; Bob Riddle; Talley, Damon

**Subject:** How Do You Ever Hit A Moving Dart Board?

Dear All:

**BULLETIN:** Damon is meeting this PM with Lindsey and AW Turner on drafting the joint equity agreement.

The votes came in for NO JOINT OP-ED PIECE. However, I have read the Heist Man rebuttal testimony to Rubin, and I was wondering if anyone felt that we could author our own OP-ED piece?

**And if so, would someone like to volunteer to draft something for everyone to review?**

10/17/2007

Heist Man's new proposal...(Emailed earlier from Damon)....Is this the fifth or sixth? .I've lost track.....Is so far from being acceptable to BWSC that I could not possibly cite all of the fatal flaws!....

But here are a few.....

1. No equity ownership in treatment plant.....Reserve capacity means nothing! Without equity ownership, there is no such thing as reserve capacity....As Heist Man perfectly demonstrates on page 6 where he states that if Cent. KY only initially reserves 12 mgd (6mgd x2), then LWC will make the remaining capacity up to 25 mgd available to water suppliers along the Louisville Pipeline route.
2. A 36 inch line (25 mgd) is not sufficient to meet the long term needs of the Bluegrass...Heist Man just uses that size so that he doesn't have to run a 42" from Gene Snyder back to the plant....He's admitted to that in the past.
3. Page 6 states that the \$1.71 will be adjusted by the CPI-U + 2 percent....Check out the attached!....and hold on to your pocketbook!
4. Heist Man calls the 36 inch main the "Louisville Pipeline".....yuk!
5. The only time that Heist Man has to my knowledge talked to BWSC is when some members met at FEW earlier this year....Yet he whines and moans about how KAWC hasn't talked to him THIS DECADE.....Greedy Heist Man.....we at the BWSC feel your pain!
6. I love page 6!!....Demand charges????....Who's going to volunteer to take care of that mess?

I could go on and on.....but this proposal is a turkey, so let's stick a fork in it!!.....Also, I'm sure that you're sick and tired of this email.

**Please let me know who is going to draft the new BWSC Op-Ed piece.**

Thanks,

Tom

Thomas P. Calkins  
Director of Public Utilities  
City of Nicholasville

A redacted signature consisting of several lines of scribbled-out text.