

John E. Selent 502-540-2315 john.selent@dinslaw.com

# RECEIVED

NOV 05 2007

# PUBLIC SERVICE COMMISSION

November 5, 2007

# VIA HAND-DELIVERY

Hon. Beth O'Donnell Executive Director Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

> Re: Application of Kentucky-American Water Company, a/k/a Kentucky American Water for Certificate of Convenience and Public Necessity Authorizing Construction of Kentucky River Station II ("KRS II"), Associated Facilities, and Transmission Line; Case No. 2007-00134

Dear Ms. O'Donnell:

We have enclosed, for filing with the Public Service Commission of the Commonwealth of Kentucky ("Commission"), an original and ten (10) copies, of the Louisville Water Company's Second Amended Responses to Kentucky-American Water Company's Initial Data Requests.

Thank you, and if you have any questions, please call us.

Very truly yours,

**DINSMORE & SHOHL LLP** 

John E. Selent

JES/bmt

Enclosures

cc: All Parties of Record (w/enclosures) Barbara K. Dickens, Esq. (w/enclosures) Edward T. Depp, Esq. (w/o enclosures)

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Cincippati Columbus

Pittsburgh

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:	)	
	)	
THE APPLICATION OF KENTUCKY-AMERICAN	)	
WATER COMPANY FOR A CERTIFICATE OF	)	CASE NO. 2007-00134
CONVENIENCE AND NECESSITY AUTHORIZING	)	
THE CONSTRUCTION OF KENTUCKY RIVER	)	
STATION II, ASSOCIATED FACILITIES AND	)	
TRANSMISSION MAIN	)	

# LOUISVILLE WATER COMPANY'S SECOND AMENDED RESPONSES TO KENTUCKY-AMERICAN WATER COMPANY'S INITIAL DATA REQUESTS

For its second amended responses to the initial data requests of Kentucky-American Water

Company ("KAWC"), and as ordered by the Public Service Commission of the Commonwealth of

Kentucky on October 24, 2007 and October 26, 2007, Louisville Water Company ("LWC"), by

counsel, hereby states as follows.

# <u>REQUESTS</u>

3. Provide a copy of LWC's operating policies and procedures for water treatment,

storage, distribution, and transmission. If LWC has an operations manual, provide a copy.

**RESPONSE:** Please see LWC's Motion for Rehearing, filed simultaneously herewith.

15. Provide all internal documents, including electronic communications, related to

LWC communications with elected officials outside of Jefferson County for the last 5 years.

**RESPONSE:** In addition to the documents it has previously produced in response to this request, please see the attached documentation.

44. Provide a detailed description of LWC's backup power supplies at its treatment plants and pump stations and how it relates to the amount of system storage. Describe any and all plans for changes in your backup power supplies.

**RESPONSE:** Please see LWC's Motion for Rehearing, filed simultaneously herewith.

46. Provide the information request in Request 46 for each project recommended in
the 2002-2021 Facilities Plan that has a projected or actual cost that is \$5,000,000.00 or greater.
LWC shall provide the requested information in summary form for all projects in the 2002-2021
Facilities Plan regardless of projected or actual cost.

**<u>RESPONSE</u>**: Please see the attached documentation.

117. Provide all documents that are related to any negotiations between Kentucky-

American and LWC since January 1, 1994 regarding Kentucky-American's purchase of water or water-related services from LWC and that have not been previously filed in the record of this proceeding.

**RESPONSE:** Please see the attached documentation.

Respectfully submitted,

Banh to Decken

Barbara K. Dickens Vice President and General Counsel Louisville Water Company 550 South Third Street Louisville, KY 40202 tel: (502) 569-0808 fax: (502) 569-0850

John E. Selept Edward T. Depp **DINSMORE & SHOHL LLP** 1400 PNC Plaza 500 West Jefferson Street Louisville, KY 40202 tel: (502) 540-2300 fax: (502) 585-2207

Counsel to Louisville Water Company

# **CERTIFICATION**

I hereby certify that I have supervised the preparation of Louisville Water Company's second amended responses to the data requests of Kentucky American Water Company and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.

Gregory C. Heitzman, President of Louisville Water Company

Date: \_\_\_\_\_

# **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served by was served via first-class United States mail, sufficient postage prepaid, on the following individuals this 5th day of November, 2007:

David Jeffrey Barberie Corporate Counsel Lexington-Fayette Urban County Government Department of Law 200 East Main Street Lexington, KY 40507

David F. Boehm Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street 2110 CBLD Building Cincinnati, OH 45202

Thomas J. FitzGerald Counsel & Director Kentucky Resources Council, Inc. Post Office Box 1070 Frankfort, KY 40602

Lindsey W. Ingram, III Attorney at Law Stoll Keenon Ogden PLLC 300 West Vine Street Suite 2100 Lexington, KY 40507-1801

Kentucky River Authority 70 Wilkinson Boulevard Frankfort, KY 40601

Michael L. Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street 2110 CBLD Building Cincinnati, OH 45202

David Edward Spenard Assistant Attorney General Office of the Attorney General Utility & Rate 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204

Damon R. Talley Attorney at Law P.O. Box 150 Hodgenville, KY 42748-0150

A.W. Turner, Jr. Attorney at Law Kentucky-American Water Company aka Kentucky American Water 2300 Richmond Road Lexington, KY 40502

John N. Hughes 124 West Todd Street Frankfort, KY 40601

Counsel to Houseville Water Company

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# Vince Guenthner

From: Greg Heitzman Sent: Thursday, July 05, 2007 2:22 PM

To: 'Johnstone, Rick'

**Cc:** Vince Guenthner; Jim Smith

Subject: Inquiry

# Questions from Mayor Newberry:

- 1. What are LWC proposal terms and best and final offer (a perception they have that we are always changing our proposal)
  - a. We will present the same consistent message we have delivered to Frankfort, BWSC, and Shelby water providers
  - b. Unlimited supply from Ohio River, more than enough reserve capacity, standard wholesale rate of \$1.71, supply volume is only limited by size of main
  - c. We will propose a 36" main and supplement from reserve capacities from Shelbyville and Frankfort. A 36" main has a capacity of 22-25 MGD. Larger sizes and capacities available.

#### 2. Have we contacted Federal Highway Administration (FHWA) to use the I-64 right of way?

a. No, we have not yet made contact to FHWA about I-64. Our plan is to run on the north side of I-64 adjacent to existing ROW, and use existing ROW where feasible.

#### 3. What is LWC capacity and how much can we "reserve" for Lexington?

- a. The Ohio River source has an unlimited water supply. LWC has 35 MGD of reserve production capacity, easily expandable to 95 MGD of reserve capacity with minor plant and transmission upgrades.
- b. LWC will commit to maintaining a reserve capacity of 15% for all of our customers, consistent with KDOW requirements.

# 4. Will LWC finance to Hwy 53 and who will pay for the portion from Hwy 53 to Lexington? How much will the pipeline cost.

a. LWC will finance, build, and own the line from Jefferson County to Hwy 53 in Shelby County, at an estimated cost of \$25 million (we are verifying that estimate). The portion from Hwy 53 to Lexington (estimated to cost \$50 million) can be financed from any combination of grants, state/federal low interest loans, and water rates. This portion of the transmission line will be dedicated for wholesale use only, and can be owned by any number of parties, including Lexington, Bluegrass Water Supply Commission, Kentucky American, the Kentucky Infrastructure Authority, or a regional consortium of partners including Louisville Water Company.

#### 5. What is the construction period, and when can the pipeline be completed?

- A significant portion of the pipeline design along I-64 is already completed from Louisville to Shelbyville. The remaining portion along I-64 from Shelbyville to the Lexington grid can be designed in 6 to 9 months. The pipeline can be bid in multiple sections to expedite construction and will take 24 months to build. The target in-service date is July 2010.
- b. A pipeline solution is both flexible and scaleable, allowing interconnections and access to both the Shelbyville and Frankfort water systems. This will allow the grid to take advantage of short term

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Page 2 of 3

available reserve capacities from these water system.

We are working on the final wording, and will discuss with Chad and Larry on Monday.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-

-----Original Message-----From: Johnstone, Rick [mailto:Rick.Johnstone@louisvilleky.gov] Sent: Thursday, July 05, 2007 8:14 AM To: Greg Heitzman Cc: Jim Smith; Vince Guenthner; Hayes, Larry Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

What has Newberry asked you to cover?

# Rick Johnstone 574–8143

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Thursday, July 05, 2007 12:25 AM
To: Johnstone, Rick
Cc: Jim Smith; Vince Guenthner
Subject: FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

Rick, we have received input from several sources regarding our presentation next Tuesday, July 10:

1. Letter rec'd from Senator Moberly with a number of questions.

2 Mayor Newberry has left me a message asking to cover several points.

2. the attached letter from the LFUCC listing key questions to answer.

We are developing our presentation to address all of these points, and we will meet on Monday afternoon with Chad and Larry to finalize the presentation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Tuesday, July 03, 2007 4:55 PM To: Greg Heitzman; Millie Durrett Subject: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

From: Thomas Calkins [tcalkins@qx.net]

Sent: Sunday, September 02, 2007 2:06 PM

- To: Stephen.reeder@ky.gov; bwsc@bluegrasswater.com; bridwell@kawc.com; kslewis@ky.gov; vguenther@lwcky.com; Greg Heitzman; Jim Smith; Paul Schoninger
- Cc: Vernon Azevedo; Tom Calkins; Rest, George; Powell, Donna; Pearce, Dave; Martin, Charles H.; Kevin Crump; Don Hassall; Don Hassall; David Billings; Damon R. Talley; Bryan Lovan; Bob Riddle; Burtner, Mayor Ed; David Barberie; Logan Askew; Julian Beard; Linda Gorton

Subject: Re: Sept 18 Council Planning Committee

I will be in Campbellsville on that day....I will advise as to whom will represent BWSC.....Charlie will be in Atlanta....

Thanks,

Tom

Original Message ---- From: Paul Schoninger
 To: jsmith@lwcky.com ; gheitzman@lwcky.com ; vguenther@lwcky.com ; kslewis@ky.gov ; bridwell@kawc.com ; bwsc@bluegrasswater.com ; Stephen.reeder@ky.gov
 Cc: Charles Martin ; Linda Gorton ; Julian Beard ; Logan Askew ; David Barberie
 Sent: Sunday, September 02, 2007 9:30 AM
 Subject: Sept 18 Council Planning Committee

This is to remind you that to please provide a copy of any written presentation for the Sept 18 Council Planning Committee to me no later than Wed Sept 12 so the material can be in the Committee packet. This will afford the Council time to review the materials prior to the meeting.

If you have to bring new materials to the Sept 18 meeting please bring enough copies for the Committee, other interested parties and the general public. Thanks. We look forward o seeing you on Tuesday September 18.

From: Paul Schoninger [paulas@lfucg.com]

Sent: Sunday, September 02, 2007 10:30 AM

- To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
- Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie

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- From: Paul Schoninger [paulas@lfucg.com]
- Sent: Monday, August 27, 2007 8:28 AM
- To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov; david.spenard@ky.gov
- Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew

Subject: RE: Aug 21 Council Planning Committee

Just a reminder that the water supply discussion will continue at the Sept 18 Council Planning Committee 1:00 PM in the 2nf floor Council Chambers of the Government Center, 200 East Main Street. You are encouraged to provide any written materials to be no later than Wednesday Sept 12 so that it will be in the Committee packet and Councilmember's can review the materials prior to the meeting.

We look forward to seeing you on Tuesday Sept 18. Thanks.

Paul Schoninger 859-258-3208

From: Jim Brammell

Sent: Wednesday, September 05, 2007 10:53 AM

To: Christy Ray

Subject: FW: Sept 18 Council Planning Committee

#### Christy,

Please note possible change in Board meeting time.

Jim

Jim Brammell Vice President, Chief Engineer Louisville Water Company 550 South Third Street Louisville, KY 40202 jbrammell@lwcky.com Office: 502.569.3641 Mobile: 502.648.8130 -----Original Message-----From: Barbara Dickens Sent: Wednesday, September 05, 2007 8:51 AM To: Greg Heitzman Cc: Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell Subject: RE: Sept 18 Council Planning Committee

Greg and I decided last evening that he will talk to Stewart first then Bev will send an email out to the BOWW members seeking to move it to either 9 am on the 18th or another day that week, if Stewart is okay with doing so.

Barbara K. Dickens Vice President, General Counsel Louisville Water Company 550 South Third Street Louisville, KY 40202 bdickens@lwcky.com 502.569.0808 fax 502.569.0850

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From: Greg Heitzman
Sent: Tuesday, September 04, 2007 6:28 PM
To: Barbara Dickens
Cc: Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell
Subject: FW: Sept 18 Council Planning Committee

Barb, we need to make our Louisville Pipeline presentation to LFUCG at 1:00 pm on Tuesday 9/18. I talked to Linda Gorton (Planning Committee Chair) today, and this is a standing meeting and can't be moved. We will present the RW Beck findings. My absence, may send an unintended message to the Council and the media. RW Beck will be

From: Barbara Crow

Sent: Tuesday, August 21, 2007 9:26 AM

To: Greg Heitzman

Subject: Pipeline Message to Employees

Greg,

Here's a draft of the pipeline communication to employees. Sorry again for the delay!

Barbara C.

Dear LWC Employees:

You received a communication from me August 1<sup>st</sup> (my first day on the job); I talked about my vision for Louisville Water Company (LWC) to become the water supplier of choice throughout the region. Many of you will remember that about 10 years ago we had discussions with Central Kentucky officials about building a pipeline to Lexington. The re-emergence of discussions regarding this project could help make that vision a reality.

Press coverage of the proposed multi-million dollar pipeline along the I-64 corridor is heating up and will continue to make headlines over the next few months. I want to make sure you have current information about what's going on.

Kentucky American, Lexington's water supplier, has a case for before the Public Service Commission (PSC) to build a \$160 million treatment facility. LWC was recently granted intervener status by the PSC, allowing us to participate in this discussion. We believe that LWC's proposal for a 58-mile pipeline is a much cheaper alternative. The PSC hearing is slated for ???????????

We will meet today with the Lexington/Fayette County Urban County Council Planning Committee to talk about our proposal. We met last night with Georgetown officials and will continue meeting with community leaders along the I-64 corridor. We have also secured the services of an independent engineering consultant to provide more firm cost estimates for the pipeline. That report will be completed before the PSC hearing.

Our message to our current customers and those potential customers living along the pipeline route continues to be:

LWC has an abundant water resource in the Ohio River and enough reserve capacity to be a viable solution for Central Kentucky's water supply issues. We provide safe, reliable, high quality drinking water to all of Metro Louisville and parts of Oldham, Shelby and Bullitt and Nelson Counties. We are prepared to provide additional water to the Bluegrass Region if it is mutually beneficial to all parties.

I will continue to forward additional information on this project as it becomes available. Thanks again for your confidence and support.

Greg Heitzman President Louisville Water Company

Greg do you want to say anything about other deadlines that you mentioned in your first employee letter maybe being pushed back because of this pressing priority. ...hirings????

Barbara Crow Louisville Water Company Public Information 502.569-3695

From: Vince Guenthner

Sent: Tuesday, July 17, 2007 3:24 PM

To: Greg Heitzman

Subject: RE: Aug 21 Council Planning Committee

## Will do.

I'll also inform Rick that we have been asked to attend the Georgetown City/

-----Original Message-----From: Greg Heitzman Sent: Tuesday, July 17, 2007 1:44 PM To: Vince Guenthner Subject: RE: Aug 21 Council Planning Committee

Let Metro know.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message----From: Vince Guenthner
Sent: Tuesday, July 17, 2007 1:41 PM
To: Greg Heitzman
Cc: Jim Smith; Patti Kaelin; Bob Miller
Subject: RE: Aug 21 Council Planning Committee

LWC along with KY American and the Bluegrass Water Supply Commission will all be making a presentation to the Council at the Planning Committee. I'm getting a list of the council members who serve on the committee. It sounds like the Committee is trying to gather as much info as possible so they can make a recommendation to the full Council on taking a position on the KY American's/LWC's proposals.

-----Original Message-----From: Greg Heitzman Sent: Tuesday, July 17, 2007 1:02 PM To: Vince Guenthner Cc: Jim Smith; Patti Kaelin; Bob Miller Subject: FW: Aug 21 Council Planning Committee

Pls make contact to get the details of expectation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Kelley Dearing-Smith Sent: Monday, July 16, 2007 4:25 PM

**To:** Jim Smith; Greg Heitzman; Vince Guenthner **Subject:** FW: Aug 21 Council Planning Committee

You may already have this -- not sure why it came to my attention; my email is on the website; that could be the reason.

Kelley

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban County Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

From:Paul Schoninger [paulas@lfucg.com]Sent:Tuesday, July 17, 2007 1:56 PMTo:Vince GuenthnerSubject:RE: Aug 21 Council Planning Committee

Planning Committee Membership

At-Large Councilmember Linda Gorton, Chair Tom Blues, 2<sup>nd</sup> District, Vice Chair Vice Mayor Jim Gray Chuck Ellingeer, At-Large Andrea James, 1<sup>st</sup> District Julian Beard, 4<sup>th</sup> District David Stevens, 5<sup>th</sup> District Kevin Stinnett, 6<sup>th</sup> District K.C. Crosbie, 7<sup>th</sup> District Jay McChord, 9<sup>th</sup> District

Paul S 3208

> -----Original Message-----From: Vince Guenthner [mailto:vguenthner@lwcky.com] Sent: Tuesday, July 17, 2007 1:38 PM To: Paul Schoninger Subject: FW: Aug 21 Council Planning Committee

Paul,

Per our discussion, please email me a list of the Council members who serve on the Planning Committee. If you have any questions or need to get in touch with me please call or email me.

Thanks

Vince Guenthner Manager, Government Affairs 502-569-3640

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
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Sent: Tuesday, July 17, 2007 1:02 PM
To: Vince Guenthner
Cc: Jim Smith; Patti Kaelin; Bob Miller
Subject: FW: Aug 21 Council Planning Committee

Pls make contact to get the details of expectation.

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Should you need any further information please do not hesitate to contact this office.

From: Bob Miller

Sent: Tuesday, July 17, 2007 1:05 PM

To: Amber Halloran

Subject: FW: Aug 21 Council Planning Committee

# FYI.

Robert K. Miller Vice President - Treasurer Louisville Water Company 550 South Third Street Louisville, KY 40202 502-569-3663 bmiller@lwcky.com

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10/29/2007

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Should you need any further information please do not hesitate to contact this office.

From: Amber Halloran

Sent: Tuesday, July 17, 2007 1:06 PM

Bob Miller To:

Subject: RE: Aug 21 Council Planning Committee

Thanks. Interesting.

Controller

Amber Halloran Louisville Water Company 550 South Third Street Louisville, Kentucky 40202 502-569-3683 phone 502-569-0815 lax -----Original Message-----From: Bob Miller Sent: Tuesday, July 17, 2007 1:05 PM To: Amber Halloran Subject: FW: Aug 21 Council Planning Committee

#### FYI.

Robert K. Miller Vice President - Treasurer Louisville Water Company 550 South Third Street Louisville, KY 40202 502-569-3663 bmiller@lwcky.com

From: Greg Heitzman Sent: Tuesday, July 17, 2007 1:02 PM To: Vince Guenthner Cc: Jim Smith; Patti Kaelin; Bob Miller Subject: FW: Aug 21 Council Planning Committee

Pls make contact to get the details of expectation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Kelley Dearing-Smith Sent: Monday, July 16, 2007 4:25 PM To: Jim Smith; Greg Heitzman; Vince Guenthner Subject: FW: Aug 21 Council Planning Committee

You may already have this -- not sure why it came to my attention; my email is on the website; that could be the reason.

Kelley

From: Paul Schoninger [mailto:paulas@lfucg.com] Sent: Mon 7/16/2007 9:22 AM To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew Subject: Aug 21 Council Planning Committee

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Sent: Tuesday, July 17, 2007 1:02 PM To: Millie Durrett

Subject: FW: Aug 21 Council Planning Committee

Post on cal

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Paul Schonionger 859-258-3208 paulas@lfucg.com

10/29/2007

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#### Dawn Czajka

From:Patti KaelinSent:Wednesday, August 22, 2007 9:27 AMTo:Greg Heitzman; Amber Halloran; Bob Miller; Barbara Dickens; Vince Guenthner; Jim SmithSubject:FW: E-mail-A-Friend: Louisville Water gives pipeline proposal

Story: Louisville Water gives pipeline proposal

Officials from the Louisville Water Company presented to the Georgetown City Council the idea of a proposed pipeline that would provide water from the Ohio River to Georgetown at a workshop on the issue Monday night.

The council members present were Chad Wallace, Marvin Thompson, Ste\_phen Glass, Renie Cooney, Mark Singer and David Lusby.

For more of this story, click on or type the URL below:

http://georgetownnews.com/articles/2007/08/21/news/news02.txt

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Read the acceptable use policy: http://systems.townnews.com/public/aup/

# Georgetown News-Graphic: News

# Page 1 of 2



There is an existing 12-inch pipeline from Frankfort to Georgetown along Hwy. 460, Heitzman said, which could be expanded to carry more water or could remain in its current condition.






#### Georgetown News-Graphic: News

If Georgetown needed more than 2 million gallons of water per day, a 16-inch pipeline would have to be built next to the 12-inch pipeline along Hwy. 460 at a cost of \$2.5 million, according to the PowerPoint presentation packet.

The Louisville Water Company is not asking Georgetown to finance any of the first two stages of the pipeline, but rather officials are just trying to find out who will be interested in purchasing water that will be going through the pipeline to determine how large the pipeline will be, Heitzman said.

The pipeline can be built by 2010, the packet states.

This project could acquire state and federal grants because it ranges across a variety of counties, Heitzman said.

This option will let central Kentucky get access to the Ohio River in a cost effective way, said Jim Smith, infrastructure planning manager for Louisville Water Company.

The Ohio River is, as the packet states, an "unlimited source of supply," and using the Ohio River would provide "long-term drought protection and a reliable, redundant source."

Local resident Roy Cornett addressed the council and said that while this sounded like a good idea, he thinks the council needs to look into the water quality of water from a reservoir versus water from a river.

<sup>□</sup> printable version <sup>□</sup> e-mail this story



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From:Mead, Andy - Lexington [amead@herald-leader.com]Sent:Thursday, August 16, 2007 11:24 AMTo:Barbara CrowSubject:LWC talking to Georgetown

I'm told LWC is making a presentation to Georgetown city council Monday. Do you have details?

Andy Mead Reporter Lexington Herald-Leader (859) 231-3319 (800) 950-6397, ext. 3319 www.kentucky.com

From:Patti KaelinSent:Thursday, July 26, 2007 8:22 AMTo:Bob MillerSubject:RE:Visit to Georgetown City Council

thanks

From: Bob Miller Sent: Wednesday, July 25, 2007 9:15 AM To: Patti Kaelin Subject: FW: Visit to Georgetown City Council

Please let me know if I can be of any help on this. Thanks.

Robert K Miller Vice President - Treasurer Louisville Water Company 550 South Third Street Louisville, KY 40202 502-569-3663 bmiller@lwcky.com

-----Original Message----- **From:** Greg Heitzman **Sent:** Saturday, July 21, 2007 9:54 AM **To:** Vince Guenthner **Cc:** Patti Kaelin; Jim Smith; Bob Miller; Amber Halloran **Subject:** RE: Visit to Georgetown City Council

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Likewise, pls meet with Patti and Jim to layout a power point for LFUG committee meeting on 8/21. We need this to me more focused, answering some of the questions the Council had, plus integrate RW Beck analysis. Essentially the presntation can be 15-20 slides on the the LWC Pipeline Proposal. This will be a level 2 presntation, a little more detail than last, so we raise the level of knowledge on the issue. Pls set up a mtg for week of July 30 for all to discuss draft layout of this presntation.

Here is a draft outline to begin

1. Overall Project Summary with map

- 2. High Level project attributes/benefits
- 3. Cost Estimate Summary
- 4. RW Beck Financial Analysis (including projected impact on Lexington rates)
- 5. Funding and Partners Concept
- 6. Pipeline Benefits
- 7. Summary Close (generic benefits of LWC solution)

Greg

From: Vince Guenthner Sent: Tue 7/17/2007 9:33 AM To: Greg Heitzman; Jim Smith; Patti Kaelin Subject: FW: Visit to Georgetown City Council

Fyi, Let's discuss. i'm available

10/29/2007

Vince Guenthner
Monday, July 23, 2007 5:32 PM
Millie Durrett
RE: Visit to Georgetown City Council

Yes that would be great

-----Original Message----From: "Millie Durrett"<mdurrett@lwcky.com> Sent: 7/23/07 4:15:21 PM To: "Vince Guenthner"<vguenthner@lwcky.com> Subject: RE: Visit to Georgetown City Council

Want me to set something up?

From: Vince Guenthner Sent: Monday, July 23, 2007 12:27 PM To: Millie Durrett Subject: FW: Visit to Georgetown City Council

Greg asked me to set up a meeting with the list below sometime the week of July 30. I don't see an opening on his calendar. Can you let me know some times that he is available for 1 hour that week?

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From:Vince GuenthnerSent:Tuesday, April 17, 2007 8:29 AMTo:'Wolf, Ron'Subject:RE: Note from Jason Baird

Thanks, Ron

-----Original Message-----From: Wolf, Ron [mailto:Ron.Wolf@louisvilleky.gov] Sent: Tuesday, April 17, 2007 7:04 AM To: Vince Guenthner Subject: FW: Note from Jason Baird

VINCE,

I received this from Jason Baird yesterday. Thought you would like to see it.

I did attend the first meeting of the Governor's pension task force yesterday. Just an organizational meeting. Next meeting is scheduled for May 14<sup>th</sup> at 1:00pm.

RON

From: Jason Baird [mailto:jbaird@fewpb.net] Sent: Monday, April 16, 2007 10:46 AM To: Wolf, Ron Subject: Note from Jason Baird

Ron:

Here is the Georgetown News-Graphic Article. www.georgetownnews.com

Print Page Monday, April 16, 2007 Last modified: Saturday, April 14, 2007 3:22 PM EDT

#### Alternate resource for water is sought

By JIM JOSEPH 4/15/07

As the Kentucky American Water Company prepares to build a pipeline through Scott County, Georgetown Mayor Karen Tingle-Sames is investigating alternate sources for the Georgetown Municipal Water and Sewer Service.

"I want to see if there is another option out there," said the mayor, who visited the Louisville Water Co. last week.

"City council is going to have to make a water decision soon," she said. "We've heard about the pipeline coming through central Kentucky, ¿ Louisville is proposing one to Frankfort carrying treated water. We already buy from Frankfort, so that's another option to look at."

Louisville Water provides service to 810,000 customers in Jefferson County, part of Oldham County and most of Bullitt County. It also sells six companies in Bullitt, Nelson, Shelby and Spencer counties. The company, which is owned by the Louisville-Jefferson County Metro Go' delivers about 131 million gallons a day.

The pipeline to Frankfort, she said, could be completed in about two years.

"Louisville draws from the Ohio River, which is a much larger source than Kentucky American has," Tingle-Sames said. "If that goes low, v real trouble."

Louisville Water has three stations drawing from the Ohio and two treatment plants. Kentucky American, which is owned by RWE, a Germa

#### Page 2 of 2

conglomerate, draws water from the Kentucky River and a reservoir in Lexington. The company serves 310,000 customers in 10 counties the treatment plants.

Tingle-Sames said city council will have three options: buying in now to the Bluegrass Water Supply Consortium; buying in later, or looking alternate source. Buying into the consortium now would be cheaper than waiting until later, she said. Buying from Louisville via Frankfort v less expensive than from Kentucky American because Louisville would be delivering treated water.

"Royal Spring has been good to us for 200 years, and it's taking care of us now, but with the growth we have going on, it won't serve us in th she said. "We have to worry about drought and pollution."

The pollution, she said, is more from "things like accidents on the interstate and the stuff they put down to melt ice on the roads" than from r well-known issues such as sewage treatment.

Regardless of which way council goes, she said, the cost of water for Georgetown residents is going to go up.

"If you're buying from someone else and it's not your own water, the cost is going to go up," she said.

The long-planned county reservoir, which remains in doubt, isn't really a solution, she said.

"The reservoir will be an exchange for the spring," she said, citing growth and the cost of running a pipeline from the reservoir site to the tre center.

"At least we have options," she said. "We're in a little better shape than some other communities."

She said she plans to visit the Frankfort Water & Electric Co. "They have to weigh their options, too," she added.

According to its Web site, the Georgetown Municipal Water and Sewer Service estimates that a family of five will pay \$39.84 a month for w based on national averages for consumption. Kentucky American says an "average residential bill" is \$21.65 a month. Louisville Water quot average residential bill for 6,000 gallons a month at \$16.43 in 2005.

Jason A. Baird Baird Government Solutions, LLC Whitaker Bank Building 305 Ann St., Suite 201 Frankfort, KY 40601 502.352.2740 502.352.2741 Fax

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Jason A. Baird Baird Government Solutions, LLC Whitaker Bank Building 305 Ann St., Suite 201 Frankfort, KY 40601 502.352.2740 502.352.2741 Fax

From:Vince GuenthnerSent:Thursday, August 30, 2007 2:06 PMTo:Kelley Dearing-Smith

Subject: RE: CAC Sept. 18

I agree that it would be a good time to update. We are meeting with the Lexington City Council on the 18<sup>th</sup> and the PSC hearing is currently scheduled for October 18. I think Greg would like want to provide the update but I am available on the 18<sup>th</sup>.

-----Original Message-----From: Kelley Dearing-Smith Sent: Thursday, August 30, 2007 1:37 PM To: Vince Guenthner Subject: CAC Sept. 18

Vince - we probably need to update the group on the Lexington proposal.

Greg gave an overview back in May.

Thought I'd check with you first to see what you think is needed and who should do it.

Kelley

Kelley Dearing Smith Public Information/Education, Louisville Water Company 569-3600 x2436 (cell) 533-5052

# MEMORANDUM LOUISVILLE WATER COMPANY

# CONFIDENTIAL

TO: File

ور مرجع

- FROM: John Huber
- **DATE:** April 5, 2005

RE: Conversation with Ed Lane, Lexington-Fayette Urban Council Member and Publisher of The Lane Report

- Mr. Lane's contact information is as follows: Office: 859-244-3525 Cell: 859-797-9900
- Mr. Lane is a recently elected member of the Lexington-Fayette Urban Council.
- Mr. Lane is well versed on the Central Kentucky water deficiency and related issues.

In 1989, his publication did an in-depth article on the water supply issues in Central Kentucky. He is well aware of how the no growth advocacy groups have sought to use the availability of water in their strategies. Mr. Lane is also well apprised of the functioning of the Bluegrass Water Consortium, which is now the Bluegrass Water Commission.

He summarized the current proposed Bluegrass Water Commission solution set as follows:

- 1. Raise the dam on Kentucky River Lock 10 to store more water in the pool above Lexington. To Mr. Lane this seems reasonable, but still leaves a water supply deficiency.
- 2. Build system interconnects among the various water suppliers comprising the Bluegrass Water Commission to allow wheeling of water from one supplier to another during periods of deficiency. Frankfort is the only supplier with any measurable available capacity during a drought. He perceives this as beneficial, but expensive.
- 3. Build a treatment plant in Frankfort supplied by a pipeline from the Ohio River. Mr. Lane is aware procuring the water from Louisville and building a connecting pipeline is the least-cost option, and he questions the Frankfort plant idea.

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A further concern is the fact Kentucky-American does not have a seat on the Commission, but 65% of the water used, and the cost paid, will be from Kentucky-American and its customers. Lexington-Fayette Urban government has one, but only one, seat on the Commission, while its citizens will be supporting 65% of the chosen solution.

Mr. Lane is skeptical the Council can support the solution set currently being pursued by the Commission. The proposal to build a plant in Frankfort with a pipeline to the Ohio River as the water source is of particular concern. Acquiring the water from Louisville via the pipeline provides a more efficient use of capital from Mr. Lane's perspective. Financing the pipeline is an issue. Mr. Lane wonders if we might finance a large portion of the pipeline. I advised we could certainly do that, but our investment would be dependent on the guaranteed revenue stream we might have from the contract (take or pay agreement).

We discussed our Board's position that we have available capacity, and if we could be part of a mutually beneficial solution, we're ready to work with them. We do not, however, want to be the initiator of discussions, nor do we want to impose a solution on anyone. It's a Central Kentucky issue to be solved by Central Kentuckians. If we can be part of a mutually beneficial solution, we're ready to do so.

Mr. Lane questioned whether the Governor's office might provide leadership to this topic. We discussed several alternatives, and I advised I would contact him in a few days to further discuss possibilities.

Councilman Lane did advise any pipelines built to help resolve the Central Kentucky water deficiency should not be built in Woodford Country. Woodford County is strongly opposed to any major infrastructure which might spur significant growth along the route.

I advised Mr. Lane I would be contacting Nick Rowe, President of Kentucky-American, to discuss this topic unless he would prefer otherwise. He advised he has no objections to me discussing this with Nick Rowe.

JLH/kj

# Shelbyville Municipal Water & Sewer Commission

Post Office Box 608 Shelbyville, Kentucky 40066 KAUSU

November 18, 1998

**CERTIFIED MAIL** 

Mr. Gregory C. Heitzman P.E. Vice-President-Chief Engineer Louisville Water Company 550 South Third Street Louisville, Ky. 40066

RE: Proposed Bluegrass Pipeline: Your letter dated November 13, 1998

Dear Mr. Heitzman:

Thank you for your correspondence regarding this issue that we discussed on September 30, 1998. However, in reading your recent letter I find that there must be some confusion regarding comments made during that meeting.

Following are those comments that need further clarification:

a. I stated that the Commission would be interested in possibly committing to purchase water from the Louisville Water Company on a routine basis. The quantity of water discussed (and in my letter to John Huber dated 9/23/98) was an average of 300,000 gal/month based on existing sales to the area described, that is south of I-64, and with metering points at least on Highway 55 and Highway 53, both supplied by the Louisville Water Company. During our discussions, 1 did state that a recent commercial development (Fairway Crossing) could very well increase the usage to an average of 350,000 gallons per month, and that the area of highest potential growth for the Commission could well be the areas south of I-64. (see para. 5 of my 9/23/98 letter to John Huber)

I emphasized that the Commission would not be interested in only one metering point at Highway 55 to be served by the Louisville Water Company, except for emergency use.

The Commission is not receptive to purchasing water from the Kentucky American Water Company, since it will be in essence a "middle man" and provide no additional services above those provided by the Louisville Water Company. (see para. 8 of my 9/23/98 letter to John Huber)

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I hope the following may give you more insight to our situation:

The sole purpose of our interest in this water line is:

To have an emergency water source available for the present.

To ensure that we have alternate source of water to augment our source of supply during drought periods in the future, when our source of supply nears capacity.

The Commission has recently completed its audit for FYE 6/30/98. From this audit, it is found that the Commission's cost of operating the Water Treatment Plant is \$0.46/1,000 gallons, based on gallons billed.

Several years ago, Kentucky American discussed a rate at the meter to us in an amount close to \$1.85/1,000 gallons, which is certainly more than three times our present cost, and would have to be passed on to our customers.

The Louisville Water Company rates that were "generally" discussed are much lower, and may be considered by our Commission.

The Commission is aware of the factors described above, and believes that it may be justifiable to commit to the purchase of water at higher rates in order to have an alternate supply for emergencies that could occur at any time, and to provide an alternate source to augment our present source in the future.

I must emphasize that I believe that the Commission may be willing to purchase water from Louisville to satisfy our long term needs, but am certain that you understand that they must have more information to be better prepared to consider effects and benefits of the increased costs to our customers, before a final commitment would be made.

In the interim, by copy of this letter, we respectfully request that the Public Service Commission be made aware that we respectfully request two metering points for emergency use at the time of construction of this pipeline, specifically at or near Highway 55 and Highway 53. As we have discussed before, the purpose of the two metering points, is to be able to completely supply the system south of I-64 without mixing the two different methods of disinfection (i.e., chlorine and chloramines) that are used by our companies.

For your information and per our meeting of 9/30/98, the Commission has entered into a Contract with Caldwell Tanks to construct a 1 million gallon elevated storage tank (overflow elev. is 926 ms) on the south side of 1-64 and near Highway 53).

If you have any further questions, don't hesitate to call.

Sincerely,

Gene P. Fouts P.E., C.P.E.

Manager

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cc: Mayor David B. Eaton Commissioners Frank Chuppe, City Attorney Marshall Long, State Senator-Elect Gary Tapp, State Representative-Elect Ted Igleheart, Commission Attorney John Huber, President, Louisville Water Company Ms. Helen C. Hinton, Executive Director, Public Service Commission

# **Shelbyville Municipal Water & Sewer Commission** Post Office Box 608 Shelbyville, Kentucky 40066

September 23, 1998

#### CERTIFIED MAIL

Mr. John Huber, President Louisville Water Company 435 South Third Street Louisville, Ky. 40202

RE: Louisville-Lexington Water Line

Dear Mr. Huber:

It

As a result of a call from the Attorney General's Office today, I was advised that Kentucky-American was planning on being the water provider to all entities east of the Jefferson County line. This came as a complete surprise to me, and I feel that this arrangement will be unacceptable to the Commission.

As you are aware, several months ago I met with your representative (Karen Willis) to discuss the Commission's interest in this line.

During this meeting we discussed the following:

- 1. The Commission has a source of supply with capacity projected to be adequate to provide 6.0 MGD (during a drought year comparable to 1930-31) through the year 2015.
- 2. The Commission is planning an expansion (which is now in progress) to increase the Water Treatment Plant from 4.6 MGD to 6.0 MGD.
- 3. The Commission has discussed the need for an alternative source in the event of an emergency, and agrees that the proposed water line is a viable alternative.
- 4. The Commission uses chlorine as its primary disinfectant, while the Louisville Water Company uses chloramines. It is not recommended that these disinfectants be "mixed" within a distribution system.

Copy fun. G. Neitzman, B. M. G. 9-25-98 Office 1059 Washington St. • Shelbyville, Ky. 40065 • Phone 502-633-2840 • FAX No. 502-633-1939

5. The Commission feels that the location of the proposed water line, south of I-64, provides for a logical and justifiable method to purchase water due to the ability to segregate the Commission's chlorinated system from Louisville's chloramine disinfection system. It should be recognized that the purchased water costs will be significantly higher, than our costs to generate the same water.

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The Commission would require two metering points to serve the looped system south of I-64. One location would be at Highway 55, with the other at Highway 53. We are presently advertising for bids to construct a 750,000 to 1,000,000 gallon elevated storage tank at Highway 53 (south of I-64). There are presently no elevated tanks south of I-64. Part of the justification for the construction of this tank is the consideration of a segregated system due to the proposed water line. (Overflow elevation is 926 msl)

- 6. During our meeting, Karen Ellis and myself agreed that from a technical standpoint, proper design for this area would require two metering points at the locations (Hwy 55 & 53) as described above. Of course, our intent is for the Louisville Water Company to be the supplier. As a side note, I am confident that one day, Shelbyville will again be included in the Metro Louisville Area, which help with long range planning, etc. for all parties.
- 7. The Commission is agreeable with negotiating a Water Supply Contract with the Louisville Water Company to commit to purchasing water from that area south of 1-64, which initially will average approximately 300,000 GPD, or more, and which serves an area with high growth potential.
- 8. The Commission is not receptive to purchasing water from the Kentucky American Water Company, since it will be in essence a "middle man" and provide no additional services above those provided by the Louisville Water Company. If Kentucky American were to serve our area, or a portion thereof, we would make no contractual commitments to purchase water on a daily basis, until the Commission in fact has a need for such service. We will petition the PSC to provide for an emergency connection.

I must emphasize that the Commission concurs with the planning philosophy of the Louisville Water Company that was discussed during my meeting with Karen Willis as the

best method of serving our area with water. That is, to furnish a metering point at Highway 55 and Highway 53 (South of I-64). It is emphasized that in order to commit to purchase water from the Louisville Water Company, it will be necessary to serve all customers south of I-64, which will initially require at least two metering points, with a 3rd metering point at Zaring Mill Rd. in the future.

Sincerely,

Gene P. Fouts P.E., C.P.E. Manager

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cc: Mayor David B. Eaton Commissioner Neil Hackworth Commissioner Randy Head Commissioner Tom Hardesty Frank Chuppe, Wyatt, Tarrant and Combs Ted Igleheart, Commission Attorney Ms. Helen C. Hinton, Executive Director, Public Service Commission CERTIFIES 51



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From: Gale Harper / THRD4 To: Greg Heitzman / THRD4, Patti Sheehan / THRD4

Subject: fwd: Shelbyville Water Supply

===NOTE=========9/25/98=11:47am== I've arranged a meeting for the two of you to meet with Gene Fouts and Tom Doyle of the Shelbyville Water Co. on Wednesday, September 30, 2:30 to 4:30 at their office, 1059 Washington St.

Directions:

Travel on US 60 toward Shelbyville. At the traffic light at 10th and Main (US 60 E is Main Street one way) take a left. You'll be on 10th and Washington. Take another left on US 60 West (Washington St). Travel less than a block to a new building, which is the Shelbyville Water Co. If you pass the railroad tracks, you've gone too far.

Fwd=by:=Greg=Heitzman=9/25/98=12:18pm== Fwd to: John Huber / THRD4

FYI



From:Greg HeitzmanSent:Monday, August 13, 2007 12:42 PMTo:Kathie Johnson

Subject: FW: Notes from LFUCG meeting

Pls print file

Greg C. Heitzman, P.E. President & CEO Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Wetzel, Edward [mailto:ewetzel@RWBeck.com] Sent: Friday, July 20, 2007 1:07 PM To: Jim Smith; Greg Heitzman; Vince Guenthner Cc: Lane, Michael Subject: Notes from LFUCG meeting

Attached is a memo capturing the Council questions and Greg's responses from the July 10 meeting in Lexington. Thought you might find this useful as a reminder of where the various Council members sit relative to the LWC vs. KAW plans.

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We are developing the financial model as we speak. Our plan is to have a draft tech memo comparing the costs of the LWC pipeline to the Pool 3 WTP in your hands by the end of next week.

<<LWC meeting at LFUCG\_071007.doc>>

Edward D. Wetzel, Ph.D., P.E. Executive Vice President Water and Waste Resources RW Beck 400 Professional Park Drive, Suite 100 Goodlettsville, TN 37072-2100

 Phone:
 615-851-5822

 Office:
 615-859-3900

 Cell:
 615-306-9805

 Fax
 615-851-6066



# MEMORANDUM

То:	Jim Smith		
From:	Ed Wetzel		
Subject:	Meeting Notes		
<b>Client</b> Name:	Louisville Water Company	<b>Project Number</b> : 07-70156-01213	
Project:	Technical Assistance for Water Supp	bly Alternatives	
Date:	July 20, 2007		
Date:	July 20, 2007		

On July 10, I attended a workshop meeting of the Lexington-Fayette Urban County Government (LFUCG) Council along with several representatives from the Louisville Water Company (LWC). Presenters from LWC to the Council included Greg Heitzman, Jim Smith and Vince Guenther. After a 20-minute presentation, the floor was opened up for questions from each of the 16 Council members, including the Mayor, Vice Mayor, 11 District representatives and 3 at-large members. The following summarizes the questions from each Council member and the responses from either LWC or others as specified.

#### Julian Beard, District 4

- Q: What would KAW do to provide access into pipeline?
- A: Wholesale agreement with other providers
- Q: If we decided on 36" pipeline with upstream hookups, why not go to 42"?
- A: Look out 20, 30, 40 years to determine needs/commitments May want to plan for 2 lines over 20-year period
- Q: How does PSC handle blending of costs for rates?
- A: Cannot speak for KAW or PSC

# **Tom Blues**, **District 2**

- Q: I-64 Route might be problematic. Can you comment?
- A: There will be challenges, but interstate corridor is the best option (already accommodates natural
- gas and telecom)
  - Acquire parallel right of way or use extension ROW of I-64
  - No official contract with state or FHWA
  - Pipeline construction in concert with highway construction is cost-effective

#### Linda Gorton, At-Large

Many people have approached Council about alternative solutions. Water supply is our greatest issue. Compilation of council members questions appear on blue sheets previously distributed with LWC responses.

- Q: Would I-64 pipeline require EIS?
- A: Not sure, but an advantage of existing ROW is that it minimizes environmental impacts

Q: Low cost solution would take 2-3 years to build, does that include environmental studies and ROW acquisition?

A: Yes – every bit of 3 years. Can expedite with DB or multiple sections constructed in separate contracts

- Q: Talked about unlimited source of "finished" supply aren't there issues in pipelines of finished vs raw water?
- A: Clarified finished vs raw definitions
  - Any project of this magnitude will require flow for:
    - Financial feasibility
    - Water quality maintenance

Q: You said you've talked about water supply with other communities – Frankfort is very close – are you negotiating with them?

- A: Made similar presentations to Frankfort Plant Board (FPB), but <u>not in negotiations</u> Similar presentation also made in Shelby County
- Q: Impact on regional partners important to LFUCG. How does this help the partners?
- A: LWC Board is interested in partnerships to meet needs of others LWC is open for Shelby to Fayette to anyone who is interested.

#### Don Blevins, District 10

- Q: Relationship of pipelines and the year 2010?
- A: Did some homework found that 2010 is a unique date used in other studies
- Q: Do cost estimates include land acquisition and engineering and permitting?
- A: Yes. No real property acquisition needed- rely on easements and use of ROW
- Q: Water arrives to KAW grid what needs to be done to supply other partners?
- A: BWSC has proposed a grid network to serve other suppliers
- Q: How much water do we need? 45 MGD or 25 MGD. What is the disagreement?
- A: LWC arrived at 25 MGD based on 20 MGD @ Pool 3 for KAW and 5 MGD for BWSC For apples to apples 2030 solution, LWC pipeline compares with WTP @ Pool 3

# David Stevens, District 5

- Q: Concern over what individual customers might pay?
- A: Can be determined, R.W. Beck will look at rate impacts

Need to go through the financial impacts

- Q: Does the \$1.71 include the financing of the pipeline?
- A: LWC will pay for line to Shelbyville
  - We are also willing to finance the pipeline from Shelbyville to Lexington

Q: Lots of partners in Central Kentucky – what if some want to do this and some don't – what do we do?

A: Suggest a phased approach

- First in get capacity now
- Others can join later

# Ed Lane, District 12

Q: Late 80's, KAW proposed a pipeline with LWC – what is the difference?

- A: In 1997 agreement, pipeline veered from I-64 corridor along national gas pipeline route
- LWC was making a small investment (\$5M) need for more water to the east has grown.
- (now planning a 24" water line to Shelbyville)
  - Willing to upsize to 36" @ \$26M
  - Better understanding of future needs for regulatory compliance
  - No longer an LWC/KAW deal => other utilities involved
- Q: 1-64 diversion came via objection by one major county can you go down US60?
- A: We've looked at it but it's pretty developed and more expensive

Q: In 1999, LFUCG voted to use Kentucky River. Still have not solved the problem. Can you implement quickly?

A: Need common vision for solution. It is now a real issue for Central Kentucky. Need access to Ohio River for long term solution

Q: Rate of \$1.71/1,000 gallons – how have rates changed at LWC

A: Adjust rates annually. Try to keep increases at under inflation. Recently, 911 and rising fuel

costs have driven rates (5-6.5% annually)

10-year financial pro-forma shows increases in 3-6.5% range Average of approximately 5%

May not impact wholesale rates - separate customer category

Q: Are you rate regulated?

A: We are on wholesales rates, not retail

Q: BWSC says they needed 45MGD to 67MGD (peak). If all wanted water, how could you provide the full capacity?

A: When do you need it? If more than 20 years out, build it later. If sooner, build larger pipeline now.

Two lines have advantages of staggered investment, maintenance, operational flexibility

## Jay McChord, District 9

- Q: Questioned Linda Bridwell who is responsible for fixing water supply in this area?
- A: KAW is responsible since 1885 Order pending since August 1997 to fix water supply
- Q: Questioned Don Hassell GM, BWSC about role of BWSC
- A: Formed Commission in 2004 BWSC and KAW will be in front of legislative delegation for \$35M later this week Want to solve based on 1999 resolution
- Q: Asked Legal Dept. of LFUCG for status

A: LFUCG has intervened in case with PSC. Fall-back to 1999 resolution, but this Council free to pass any other resolution they like

- Q: How do you cross Kentucky River on I-64?
- A: Buried under river or hang pipe on highway bridge.
- Q: Does it need permission from the Federal Government?
- A: Yes, from FHWA
- Q: Any concern over pressure leak danger?
- A: LWC has up to 84" lines with leak detection in our system
- Q: What are potential downsides?
- A: Don't see any. Very cost-effective solution
- Q: To Linda Bridwell, what rate increases have you seen?
- A: Don't have the answer here today.

Comments: KAW solution of the 1990s was fought

- 1999 Resolution for Kentucky River solution
- 4 years community ripped apart by a separate water issue
- \* Move this discussion to PSC Hearing in October.

## Dick DeCamp, District 3

- Q: Solution into Fayette County will require agreement with KAW?
- A: Could be the case. KAW has previously endorsed an LWC pipeline option.
- Q: At what point can PSC decide for KAW or Central Kentucky?
- A: PSC will ask questions on October 9 on KAW proposal project.

#### Kevin Stinnett, District 6

Q: \$246M vs \$56M option – no brainer. But there are questions about routings. How were costs developed?

A: Macro level cost per foot. Mid-range rather than minimum or maximum estimate.

- Q: How many pump stations?
- A: 2 lifts 1. Jefferson County (already proposed)
   2. KY53 at terminus
   Some systems may need additional storage.
- Q: When can we know if I-64 alternative is viable?
- A: If FHWA says no, not a fatal flaw still can acquire ROW adjacent to I-64 Can get answer within 30-45 days
- Q: Do you up wholesale rates every year?
- A: Have gone as long as 6 years without any wholesale increases in the past.
- Q: For Legal What if Council wanted LWC option? What do you do with 1999 resolution?
- A: Mr. Barker responded- several options to rescind resolution. But ultimately, decision made by PSC and KAW
- Q: Need for a constant flow?
- A: Yes, must have some minimum level of flow. There will be storage along the line.

# Julian Beard, District 4 (again)

- Q: Why would KAW not want to accept a cheaper alternative?
- A: Higher investment, higher cost => higher revenue
- Q: What is process (to Legal)
- A: Mr. Barker responded we feel awkward forwarding a different proposal to PSC. We are a member of BWSC. Can get the information before PSC, but it's not LFUCG's role to propose this to PSC.
- Q: Why would BWSC not want a cheaper solution?
- A: They are also an intervener in the case.

Move to put this issue into Planning Committee. Take a closer look at issue.

Mr. Lane – let it run its course at PSC. Ms. Gordon – next Planning Committee meeting August 21

# George Myers, District 8

Everyone is on board with current solution. Sending to Planning Committee sends the wrong signal

Mr. Gray – Numbers must be explained.

• Referral Vote – Carries

# **Richard Moloney, District 11**

Q: If easement along I-64 is needed, how difficult to get them with property owners?

A: LWC has many miles within easements. Sometimes need to file for condemnation. This can be 12-15 months if goes to trial. An issue regardless of the project chosen.

Q: For Legal, 1999 resolution called for most cost-effective alternative.

A: 1999 was the last official position taken. Lots of contingencies in resolution that have not occurred. You are free to take a different position. Subject to interpretation – still in effect based on dates in resolution

Q: Could city own line and make KAW use the water?

A: Mr. Barker responded – does not know if LFUCG can do that.

K.C. Crosbie, District 7 Constituents want it solved. KAW does have resources to solve the problem.

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#### **Beverly Soice**

From:	David Billings [DBillings@fewpb.com]
Sent:	Wednesday, September 27, 2006 3:18 PM
То:	chmartin@lfucg.com; Greg Heitzman; lovanbk@obg.com; VAzevedo@wmutilities.com
Cc:	dmpowell44@adelphia.net; msws@adelphia.net; DRTalley@alltel.net;
	parisutility@bellsouth.net; dhassall@bgadd.org; dblackburn@cityofberea.com;
	briddle@gmwss.com; tom_calkins@nicholasville.org
Subject:	RE: Louisville Water Company

It can only give us more leverage with KAW!

I suspect this is consistent with the wishes of the commission as a whole. As you know, LFUCG continues to vote under the direction of previously enacted resolutions (ie; KY River Solution). Since KAWC has decided to pursue that solution, thus satisfying the source criteria requested by LFUCG, not sure what LFUCG's vote in this matter means anymore.

Personally, I will assist in facilitating the LWC discussion in whatever way the commission asks. Let me know how I can help.

Charles H. Martin, PE

Director, Division of Sanitary Sewers

Lexington-Fayette Urban County Government

Office - (859) 425-2455

Fax - (859) 254-7787

email chmartin@lfucg.com

-----Original Message----From: Vernon Azevedo [mailto:VAzevedo@wmutilities.com] Sent: Wednesday, September 27, 2006 12:13 PM To: Charles Martin; Lovan, Bryan; gheitzman@lwcky.com Cc: dblackburn@cityofberea.com; tom\_calkins@nicholasville.org; parisutility@bellsouth.net; dhassall@bgadd.org; Billings, David; msws@adelphia.net; dmpowell44@adelphia.net; DRTalley@alltel.net; briddle@gmwss.com Subject: Louisville Water Company

Greg Heitzman called me today. As you know, LWC continues to be interested in working with BWSC as a public agency. LWC desires to have further discussions. I have advised Greg to contact Bryan and work through OBG and the Master Planning Committee. I think this is consistent with what we have authorized OBG to do in evaluating alternatives.

<sup>&</sup>gt;>> <chmartin@lfucg.com> 09/27/06 03:16PM >>>
Vernon:

Vernon

Page 1 of 1

# **Beverly Soice**

From:Vince GuenthnerSent:Friday, September 21, 2007 3:23 PMTo:Kathie Johnson; Jim SmithSubject:RE: RW Beck Report

No I did not her mailing address is

Councilwoman Linda Gorton Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

> -----Original Message----- **From:** Kathie Johnson **Sent:** Friday, September 21, 2007 2:51 PM **To:** Vince Guenthner; Jim Smith **Subject:** RW Beck Report

Vince - Greg has asked me to check with you to see whether you've sent a copy of the full RW Beck report to Linda Gorton. If not, he has asked me to send it out.

Jim – Would you send me the final RW Beck report to transmit to Linda Gorton?

Do either of you have her mailing and contact information?

Thanks.

Kathie

# **Beverly Soice**

From: Jim Smith

Sent: Tuesday, September 04, 2007 8:24 AM

To: Patti Kaelin

Subject: FW: Sept 18 Council Planning Committee

FYI

----Original Message----From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Sunday, September 02, 2007 10:30 AM
To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie
Subject: Sept 18 Council Planning Committee

This is to remind you that to please provide a copy of any written presentation for the Sept 18 Council Planning Committee to me no later than Wed Sept 12 so the material can be in the Committee packet. This will afford the Council time to review the materials prior to the meeting.

If you have to bring new materials to the Sept 18 meeting please bring enough copies for the Committee, other interested parties and the general public. Thanks. We look forward o seeing you on Tuesday September 18.

Paul Schoninger 859-258-3208 paulas@lfucg.com

at No

#### **Beverly Soice**

From: Vince Guenthner

Sent: Tuesday, July 17, 2007 3:24 PM

To: Greg Heitzman

Subject: RE: Aug 21 Council Planning Committee

#### Will do.

I'll also inform Rick that we have been asked to attend the Georgetown City/

-----Original Message-----From: Greg Heitzman Sent: Tuesday, July 17, 2007 1:44 PM To: Vince Guenthner Subject: RE: Aug 21 Council Planning Committee

Let Metro know.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 c-mail: gheitzman@lwcky.com

----Original Message----From: Vince Guenthner
Sent: Tuesday, July 17, 2007 1:41 PM
To: Greg Heitzman
Cc: Jim Smith; Patti Kaelin; Bob Miller
Subject: RE: Aug 21 Council Planning Committee

LWC along with KY American and the Bluegrass Water Supply Commission will all be making a presentation to the Council at the Planning Committee. I'm getting a list of the council members who serve on the committee. It sounds like the Committee is trying to gather as much info as possible so they can make a recommendation to the full Council on taking a position on the KY American's/LWC's proposals.

----Original Message----From: Greg Heitzman
Sent: Tuesday, July 17, 2007 1:02 PM
To: Vince Guenthner
Cc: Jim Smith; Patti Kaelin; Bob Miller
Subject: FW: Aug 21 Council Planning Committee

Pls make contact to get the details of expectation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Kelley Dearing-Smith Sent: Monday, July 16, 2007 4:25 PM

**To:** Jim Smith; Greg Heitzman; Vince Guenthner **Subject:** FW: Aug 21 Council Planning Committee

You may already have this -- not sure why it came to my attention; my email is on the website; that could be the reason.

Kelley

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From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban County Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

Paul Schonionger 859-258-3208 paulas@lfucg.com

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## **Beverly Soice**

From:Patti KaelinSent:Thursday, June 21, 2007 2:01 PMTo:Jim SmithSubject:FW:

#### fyi

From: Greg Heitzman Sent: Wednesday, June 20, 2007 4:18 PM To: Vince Guenthner; Patti Kaelin Subject: FW:

FYI, so pls set up the prep mtgs and block the calendar.

Patti, pls begin a draft for a 30 MGD, 42" solution to the KAWC 42" main, where KAWC black line crosses I-64.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Vince Guenthner Sent: Wednesday, June 20, 2007 4:10 PM To: Greg Heitzman Subject: FW:

-----Original Message-----From: Carlton, Chad [mailto:Chad.Carlton@louisvilleky.gov] Sent: Wednesday, June 20, 2007 3:12 PM To: Vince Guenthner; Barbara Crow Subject:

Here's what's up on the Herald-Leader site:

Lexington to hear pitch from Louisville Water Co.

#### By Andy Mead

AMEAD@HERALD-LEADER.COM

Lexington's Urban County Council, which said in 1999 that it wanted the city's water to come from the Kentucky River, now wants to hear what Louisville Water Co. has to say about pumping in some Ohio River water. At the suggestion of Councilwoman Linda Gorton, the council has invited Greg Heitzman, president-elect of the Louisville

company, to make a presentation at its July 10 work session. The invitation comes as Kentucky American Water is trying to persuade the state Public Service Commission to let it build a new treatment plant on the Kentucky River north of Frankfort.

Ironically, Kentucky American had pushed for a pipeline from Louisville in the 1990s. It dropped that plan after the Lexington council passed a resolution that supported the Kentucky River as the city's "preferred source of water."

Gorton said Tuesday that that 1999 resolution also said the council "supports whatever water supply options are the most costeffective."

"I want to hear all the alternatives because the Louisville people believe they might be able to do it cheaper for the ratepayers," Gorton said.

10/29/2007

Page 2 of 2

She also wants to talk about the city, not Kentucky American, building and owning the pipeline. Councilman David Stephens said he, too, thinks that idea needs to be explored.

"If the Urban County Council can finance it through industrial bonds, we can move - we won't have to wait on some other party," Stephens said.

Stevens and Gorton said, however, that they were unclear how such a plan would work out, especially if Kentucky American doesn't cooperate. The city grants a franchise to Kentucky American, but the council has no immediate jurisdiction over the private company.

Neither Kentucky American nor Louisville Water Co. immediately returned calls requesting comment. Read more about this issue in Thursday's Herald-Leader.

Chad Carlton

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Communications Director Office of Mayor Jerry Abramson Louisville Metro Government O (502) 574-1902 C (502) 439-5075 www.louisvilleky.gov

# **Beverly Soice**

From: Kathie Johnson
Sent: Monday, October 15, 2007 9:40 AM
To: Vince Guenthner
Subject: FW: Letter to Harry Moberly, State Representative, 81st District

Just following up. Did you locate a copy of the letter to Rep. Moberly?

From: Kathie Johnson Sent: Monday, October 01, 2007 5:40 PM To: Vince Guenthner Subject: Letter to Harry Moberly, State Representative, 81st District.

Vince,

Do you have a copy of a letter you may have drafted for Greg's signature to Rep. Moberly? Probably August, in response to his June 18 letter?

Kathie
From: Kathie Johnson

Sent: Monday, October 01, 2007 5:40 PM

To: Vince Guenthner

Subject: Letter to Harry Moberly, State Representative, 81st District

Vince,

Do you have a copy of a letter you may have drafted for Greg's signature to Rep. Moberly? Probably August, in response to his June 18 letter?

Kathie

Page 1 of 1

### **Beverly Soice**

From:Sutherland, Pat (LRC) [Pat.Sutherland@lrc.ky.gov]Sent:Wednesday, August 15, 2007 10:22 AMTo:Vince Guenthner

Subject: RE:

Mr. Guenthner:

No problem at all. I will give the information to Rep. Moberly and his assistant, Ruth Webb.

Thank you,

Pat Sutherland

From: Vince Guenthner [mailto:vguenthner@lwcky.com] Sent: Wednesday, August 15, 2007 10:09 AM To: Sutherland, Pat (LRC) Subject: FW:

Pat, attached is the Lexington presentation referenced in Greg Heitzman's letter. Sorry for the oversight. If you have additional questions or comments please email or call me.

Vince Guenthner Manager Government Affairs Louisville Water Company 502-569-3640

From:Jim SmithSent:Thursday, July 05, 2007 4:09 PMTo:Patti KaelinSubject:FW: Inquiry

-----Original Message-----From: Greg Heitzman Sent: Thursday, July 05, 2007 2:22 PM To: 'Johnstone, Rick' Cc: Vince Guenthner; Jim Smith Subject: Inquiry

#### **Questions from Mayor Newberry:**

- 1. What are LWC proposal terms and best and final offer (a perception they have that we are always changing our proposal)
  - a. We will present the same consistent message we have delivered to Frankfort, BWSC, and Shelby water providers
  - b. Unlimited supply from Ohio River, more than enough reserve capacity, standard wholesale rate of \$1.71, supply volume is only limited by size of main
  - c. We will propose a 36" main and supplement from reserve capacities from Shelbyville and Frankfort. A 36" main has a capacity of 22-25 MGD. Larger sizes and capacities available.

#### 2. Have we contacted Federal Highway Administration (FHWA) to use the I-64 right of way?

a. No, we have not yet made contact to FHWA about I-64. Our plan is to run on the north side of I-64 adjacent to existing ROW, and use existing ROW where feasible.

#### 3. What is LWC capacity and how much can we "reserve" for Lexington?

- a. The Ohio River source has an unlimited water supply. LWC has 35 MGD of reserve production capacity, easily expandable to 95 MGD of reserve capacity with minor plant and transmission upgrades.
- b. LWC will commit to maintaining a reserve capacity of 15% for all of our customers, consistent with KDOW requirements.

# 4. Will LWC finance to Hwy 53 and who will pay for the portion from Hwy 53 to Lexington? How much will the pipeline cost.

a. LWC will finance, build, and own the line from Jefferson County to Hwy 53 in Shelby County, at an estimated cost of \$25 million (we are verifying that estimate). The portion from Hwy 53 to Lexington (estimated to cost \$50 million) can be financed from any combination of: grants, state/federal low interest loans, and water rates. This portion of the transmission line will be dedicated for wholesale use only, and can be owned by any number of parties, including Lexington, Bluegrass Water Supply Commission, Kentucky American, the Kentucky Infrastructure Authority, or a regional consortium of partners including Louisville Water Company.

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- b. A pipeline solution is both flexible and scaleable, allowing interconnections and access to both the Shelbyville and

Page 2 of 3

Frankfort water systems. This will allow the grid to take advantage of short term available reserve capacities from these water system.

We are working on the final wording, and will discuss with Chad and Larry on Monday.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

> -----Original Message-----From: Johnstone, Rick [mailto:Rick.Johnstone@louisvilleky.gov] Sent: Thursday, July 05, 2007 8:14 AM To: Greg Heitzman Cc: Jim Smith; Vince Guenthner; Hayes, Larry Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

What has Newberry asked you to cover?

Rick Johnstone 574-8143

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Thursday, July 05, 2007 12:25 AM
To: Johnstone, Rick
Cc: Jim Smith; Vince Guenthner
Subject: FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

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-----Original Message-----From: Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Tuesday, July 03, 2007 4:55 PM To: Greg Heitzman; Millie Durrett Subject: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

<<Letter - LWC.pdf>>

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Page 3 of 3

#### **Beverly Soice**

From:Johnstone, Rick [Rick.Johnstone@louisvilleky.gov]Sent:Thursday, July 05, 2007 2:33 PMTo:Greg HeitzmanSubject:RE: Inquiry

Thanks. So far, so good.....

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From: Greg Heitzman [mailto:gheitzman@lwcky.com] Sent: Thursday, July 05, 2007 2:22 PM To: Johnstone, Rick Cc: Vince Guenthner; Jim Smith Subject: Inquiry

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<<Letter - LWC.pdf>>

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Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company

10/29/2007

550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

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Page 2 of 2

#### **Beverly Soice**

From:Jim SmithSent:Thursday, July 05, 2007 8:20 AMTo:Patti KaelinSubject:FW: Scanned document <2 pages ~75 KB> - 7/3/2007 4:26:18 PM

-----Original Message-----From: Greg Heitzman Sent: Thursday, July 05, 2007 12:25 AM To: Johnstone, Rick Cc: Jim Smith; Vince Guenthner Subject: FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

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Lexington-Fayette Urban County Council

Jim Gray Vice Mayor

Linda Gorton At-Large Member

Chuck Ellinger II At-Large Member

Andrea James 1st District

Tom Blues 2nd District

Dick DeCamp 3rd District

Julian Beard 4th District

David B. Stevens 5th District

Kevin O. Stinnett 6th District

K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

**Don Blevins** 10th District

Richard P. Moloney 11th District

Ed Lane 12th District July 3, 2007

435 South Third St. Louisville, KY 40202

Dear Mr. Heitzman:

There is an interest within Fayette County to discuss the possibilities of an I-64 pipeline to carry water from Louisville to Lexington. On June 19<sup>th</sup>, 2007, the Lexington Fayette Urban County Council voted to ask the Louisville Water Company to make a presentation regarding this possibility. Council Members are particularly interested in learning whether this potential water supply source would be cost effective for the rate payers.

In order to give some structure to the presentation, I have solicited questions from my Council colleagues. It has been suggested that the presentation be simple in delivery for those who may not be well-versed on the previous water issue. The following are the submitted questions:

- How large of an aqueduct (pipe) is necessary to supply Central Kentucky?
- How will the price of water be determined?
- How long would it take to build the pipeline and be in operation?
- Has Louisville Water Company been talking with other communities about water supply? Are you able to say which communities?
- What would be the guaranteed water capacity versus the committed water capacity to Lexington?
- Who will pay for the extension of a pipeline to Louisville?
- What is your capacity for those you serve and is your planned capacity growing (10%, 20%, 30%) over the next 25-30 years?
- What is the feasibility of this project? Can it actually be done on the north side of I-64, with approval to use the State Right of Way?
- What is the comparison to alternatives in terms of reliability?
- What would be the potential cost to consumers?



# Lexington-Fayette Urban County Council

Jim Gray Vice Mayor

Linda Gorton At-Large Member

Chuck Ellinger II At-Large Member

Andrea James 1st District

Tom Blues 2nd District

Dick DeCamp 3rd District

Julian Beard 4th District

David B. Stevens 5th District

Kevin O. Stinnett 6th District

K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

Don Blevins 10th District

**Richard P. Moloney** 11th District

Ed Lane 12th District

- What would be the effects on those who are our regional partners in the Bluegrass Regional Water Commission?
- What is the potential development impact along a Louisville to Lexington pipeline route?
- What are potential downsides?

Many thanks for your willingness to make this presentation on July 10, 2007. Our meeting begins at 3:00 PM in the Council Chamber at 200 East Main Street. We look forward to meeting with you.

Sincerely,

CC:

Linda Gorton

Linda Gorton, RN Council Member At-Large

Mayor Council Members Don Kelly Charles Martin Rebecca Langston

Page 1 of 1

#### **Beverly Soice**

From: Patti Kaelin

Sent: Tuesday, July 03, 2007 10:04 AM

To: Greg Heitzman

Cc: Jim Smith

Subject: RE: July 10 Presentation

Ok

Jim and I have been working on this.

Thanks.

From: Greg Heitzman Sent: Tuesday, July 03, 2007 9:28 AM To: Jim Smith; Patti Kaelin; Vince Guenthner Cc: Bob Miller Subject: July 10 Presentation

Pls meet today and layout the PP presentation for July 10, and let's all meet Friday morning at 8:00 am

Pls use the Frankfort Plant Board template, and modify that presentation for the following:

- 1. a 42" main to deliver 30 MGD, 36" main to deliver 25 MGD, and other sizes, capacities (24", 30")
- 2. costs to build line along I-64 to the intersection of the proposed KAWC 42" line
- 3. an estimate of the KAWC 42" main from the Louisville pipeline to the KAWC grid
- 4. cross check Rep Moberly letter to make sure each of his points are covered, but keep the same format/look of the FPB presentation.

At the end of the day we need these key points communicated

Ohio River supply (twin rivers) \$1.71 wholesale rate 30 MGD pipeline capacity, expandable to 90 MGD LWC builds to Shelbyville (need minimum Take/Pay MGD from Bob for us to justify LWC paying full cost of 42" to Hwy 53) Cost of 42" from Hwy 53 to KAWC system connection Regional solution attractive for state/federal grants

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

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From:FitzKRC@aol.comSent:Wednesday, June 20, 2007 4:26 PMTo:Greg HeitzmanSubject:Re: O'Brien and Gere

My fax is being squirrelly, so Tom Marshall agreed to bring the letter down to your office since he was heading that way. It soul be there later today.

Also, House A&R Chair Harry Moberly will be sending a letter tomorrow asking how LWC can participate in providing a solution to central Kentucky's water needs. Hopefully it will be the invitation you need to provide more broadly a range of options and solutions.

Open Records request will follow shortly!

Fitz

In a message dated 6/20/2007 2:19:26 P.M. Eastern Daylight Time, gheitzman@lwcky.com writes:

Tom: I believe this is what we need. You can FAX the letter to 502-569-0827.

I'll review the report. I also need the records request from you regarding the BWSC proposals and presentation made by LWC.

Thank you.

Greg C. Heitzman, P.E.

Sr. Vice President of Operations

Louisville Water Company

550 S Third Street

Louisville, KY 40202

502-569-3681

e-mail: gheitzman@lwcky.com

-----Original Message-----From: FitzKRC@aol.com [mailto:FitzKRC@aol.com] Sent: Wednesday, June 20, 2007 2:03 PM To: Greg Heitzman Subject: O'Brien and Gere

Hi Greg.

Did you need the O'Brien and Gere Report from 2004 or their 2007 letter comparing the Pool 3 option to the LWC option? The report itself is attached, and I can fax the 2007 letter.

Fitz

The essence of tragedy is not the doing of evil by evil men but the doing of evil by good men, out of weakness, indecision, sloth, inability to act in accordance with what they know to be right." I.F. Stone

See what's free at AOL.com.

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From: Patti KaelinSent: Wednesday, June 13, 2007 12:25 PMTo: Greg Heitzman

Subject: RE: phone numbers

Ok

thanks

From: Greg Heitzman Sent: Wednesday, June 13, 2007 12:04 PM To: Patti Kaelin Cc: Jim Smith; Vince Guenthner Subject: RE: phone numbers

Called both, left msg for Shelby Judge Rothenberger, talked to Darrell, and left msg for Deputy Judge Rusty Newton.

Darrell is fine with our approach, as of now, we will not attend, unless either Judge or Deputy Judge calls me back to attend.

Jim, pls be on standby, for last minute attendance.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

> -----Original Message-----From: Patti Kaelin Sent: Tuesday, June 12, 2007 2:03 PM To: Greg Heitzman Cc: Jim Smith Subject: phone numbers

Shelby Co Judge Rob Rothenberger 633-1220 (office)

Darrell Dees 220-0161 (cell)

From: Patti Kaelin

Sent: Monday, April 16, 2007 10:51 AM

To: Greg Heitzman

Subject: RE: Shelby Co Trans Mtg

ok

----Original Message---From: Greg Heitzman
Sent: Monday, April 16, 2007 10:48 AM
To: Patti Kaelin
Cc: Vince Guenthner; Jim Smith
Subject: Shelby Co Trans Mtg

Pls get the meeting info to Vince, so he can advise the Georgetown Mayor's office. I'll advise David Billings. You take care of NSWC, WSWD, and Jim Shelbyville.

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From: Vince Guenthner

Sent: Friday, September 21, 2007 3:23 PM

To: Kathie Johnson; Jim Smith

Subject: RE: RW Beck Report

No I did not her mailing address is

Councilwoman Linda Gorton Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

> -----Original Message-----From: Kathie Johnson Sent: Friday, September 21, 2007 2:51 PM To: Vince Guenthner; Jim Smith Subject: RW Beck Report

Vince - Greg has asked me to check with you to see whether you've sent a copy of the full RW Beck report to Linda Gorton. If not, he has asked me to send it out.

Jim - Would you send me the final RW Beck report to transmit to Linda Gorton?

Do either of you have her mailing and contact information?

Thanks.

Kathie

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From:Greg-HeitzmanSent:Thursday, October 11, 2007 5:47 PMTo:Bob MillerSubject:FW: Louis. Water Co. - LOJIC

FYI.

From: Gerald Martin [mailto:gerald@riverhillcapital.com] Sent: Thu 10/11/2007 5:07 PM To: Greg Heitzman Subject: FW: Louis. Water Co. - LOJIC

Greg: I was talking to Kent Oyler today about a deal he brought to us. At the end of that call, he mentioned that he and you had just talked and my name came up. I believe he said you told him about efforts being considered to exploit LWC's systems and technology for LWC's and Metro's financial benefit. I mentioned the initial contacts with the Genscape founders and our plans to meet with them to get their ideas about the potential for LOJIC to expand. I think Kent also sees potential benefits from contacts between LWC and the Technology Center at U of L to explore other proprietary technology, systems or devices that LWC engineering efforts have developed or could develop and patent for possible license by others. I wanted you to be aware of my conversation with him in case he contacts you.

Jim Gray, Vice Mayor of Lexington - Fayette Metro is supposed to call me sometime today according to his legislative aide, Maureen Watson. I will extend your offer to participate in a conference call with you to answer his questions and to give our perspective on the merits of LWC's proposal to supply water to the Bluegrass Region. I'll call you when I hear from him. Jerry

From: Gerald Martin [mailto:gerald@riverhillcapital.com] Sent: Thursday, October 11, 2007 3:44 PM To: 'kent@oyler.net' Subject: Louis. Water Co. - LOJIC

To follow up on our conversation today about the Louisville Water Company (LWC), I'm sending you the link to the website of the Louisville Jefferson County Information Consortium (LOJIC) that Greg Heitzman mentioned to you recently. It is: <u>www.lojic.org</u> It will give you an idea of the types of information that it gathers and can offer to subscribers over the internet. I think it has significant potential to expand both what it gathers, how it gathers it and where it can offer its services. Greg has been instrumental in its development and expansion although MSD took the lead in getting LOJIC organized and serves as the project management agency that oversees its operations.

I have arranged a meeting on 11/2/07 with Sterling Lapinski and Sean O'Leary from Genscape and Bill Strench of Frost Brown Todd with Greg Heitzman, President of LWC, Bob Miller CFO of LWC and myself to describe it to them. Then we hope to brainstorm what potential it may have to expand its services or the geographic markets in which it operates and attract outside capital so that the City's agencies aren't the primary funding sources. I'll let you know if anything significant comes from that meeting.

If you have other thoughts or suggestions on contacts (like U of L) that could help LWC to exploit the expertise, systems and technology it has developed as a highly-respected water provider, please give Greg or me a call with contact names and addresses. Thanks, Jerry

From: Greg Heitzman

Sent: Thursday, October 11, 2007 5:44 PM

To: Gerald Martin

Subject: RE: Louis. Water Co. - LOJIC

I did meet Kent on Monday evening at Leadership Dinner at GE, and discussed the possibility of leveraging some of the LWC technology overseas (specifically China). Kent was interested, and I plan to follow up with him. We'll keep all our options open.

Let me know if you hear from Vice Mayor Gray

Greg.

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Frankfort water systems. This will allow the grid to take advantage of short term available reserve capacities from these water system.

We are working on the final wording, and will discuss with Chad and Larry on Monday.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message----From: Johnstone, Rick [mailto:Rick.Johnstone@louisvilleky.gov]
Sent: Thursday, July 05, 2007 8:14 AM
To: Greg Heitzman
Cc: Jim Smith; Vince Guenthner; Hayes, Larry
Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

What has Newberry asked you to cover?

Rick Johnstone 574-8143

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Thursday, July 05, 2007 12:25 AM
To: Johnstone, Rick
Cc: Jim Smith; Vince Guenthner
Subject: FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

Rick, we have received input from several sources regarding our presentation next Tuesday, July 10:

1. Letter rec'd from Senator Moberly with a number of questions.

2. Mayor Newberry has left me a message asking to cover several points.

2. the attached letter from the LFUCC listing key questions to answer.

We are developing our presentation to address all of these points, and we will meet on Monday afternoon with Chad and Larry to finalize the presentation.

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<<Letter - LWC.pdf>>

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10/29/2007

distribute them by email please visit http://www.ecopy.com

Page 3 of 3

From:Johnstone, Rick [Rick.Johnstone@louisvilleky.gov]Sent:Thursday, July 05, 2007 2:33 PMTo:Greg HeitzmanSubject:RE: Inquiry

Thanks. So far, so good .....

## Rick Johnstone 574-8143

From: Greg Heitzman [mailto:gheitzman@lwcky.com] Sent: Thursday, July 05, 2007 2:22 PM To: Johnstone, Rick Cc: Vince Guenthner; Jim Smith Subject: Inquiry

#### **Questions from Mayor Newberry:**

- 1. What are LWC proposal terms and best and final offer (a perception they have that we are always changing our proposal)
  - a. We will present the same consistent message we have delivered to Frankfort, BWSC, and Shelby water providers
  - b. Unlimited supply from Ohio River, more than enough reserve capacity, standard wholesale rate of \$1.71, supply volume is only limited by size of main
  - c. We will propose a 36" main and supplement from reserve capacities from Shelbyville and Frankfort. A 36" main has a capacity of 22-25 MGD. Larger sizes and capacities available.

#### 2. Have we contacted Federal Highway Administration (FHWA) to use the I-64 right of way?

a. No, we have not yet made contact to FHWA about I-64. Our plan is to run on the north side of I-64 adjacent to existing ROW, and use existing ROW where feasible.

#### 3. What is LWC capacity and how much can we "reserve" for Lexington?

- a. The Ohio River source has an unlimited water supply. LWC has 35 MGD of reserve production capacity, easily expandable to 95 MGD of reserve capacity with minor plant and transmission upgrades.
- b. LWC will commit to maintaining a reserve capacity of 15% for all of our customers, consistent with KDOW requirements.

# 4. Will LWC finance to Hwy 53 and who will pay for the portion from Hwy 53 to Lexington? How much will the pipeline cost.

a. LWC will finance, build, and own the line from Jefferson County to Hwy 53 in Shelby County, at an estimated cost of \$25 million (we are verifying that estimate). The portion from Hwy 53 to Lexington (estimated to cost \$50 million) can be financed from any combination of: grants, state/federal low interest loans, and water rates. This portion of the transmission line will be dedicated for wholesale use only, and can be owned by any number of parties, including Lexington, Bluegrass Water Supply Commission, Kentucky American, the Kentucky Infrastructure Authority, or a regional consortium of partners including Louisville Water Company.

### 5. What is the construction period, and when can the pipeline be completed?

- a. A significant portion of the pipeline design along I-64 is already completed from Louisville to Shelbyville. The remaining portion along I-64 from Shelbyville to the Lexington grid can be designed in 6 to 9 months. The pipeline can be bid in multiple sections to expedite construction and will take 24 months to build. The target in-service date is July 2010.
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<<Letter - LWC.pdf>>

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10/29/2007

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#### **Beverly Soice**

From:Jim SmithSent:Thursday, July 05, 2007 8:20 AMTo:Patti KaelinSubject:FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

-----Original Message----- **From:** Greg Heitzman **Sent:** Thursday, July 05, 2007 12:25 AM **To:** Johnstone, Rick **Cc:** Jim Smith; Vince Guenthner **Subject:** FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

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From:Greg HeitzmanSent:Monday, August 13, 2007 12:42 PMTo:Kathie Johnson

Subject: FW: Notes from LFUCG meeting

Pls print file

Greg C. Heitzman, P.E. President & CEO Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Wetzel, Edward [mailto:ewetzel@RWBeck.com] Sent: Friday, July 20, 2007 1:07 PM To: Jim Smith; Greg Heitzman; Vince Guenthner Cc: Lane, Michael Subject: Notes from LFUCG meeting

Attached is a memo capturing the Council questions and Greg's responses from the July 10 meeting in Lexington. Thought you might find this useful as a reminder of where the various Council members sit relative to the LWC vs. KAW plans.

We are developing the financial model as we speak. Our plan is to have a draft tech memo comparing the costs of the LWC pipeline to the Pool 3 WTP in your hands by the end of next week.

<<LWC meeting at LFUCG\_071007.doc>>

Edward D. Wetzel, Ph.D., P.E. Executive Vice President Water and Waste Resources RW Beck 400 Professional Park Drive, Suite 100 Goodlettsville, TN 37072-2100

 Phone:
 615-851-5822

 Office:
 615-859-3900

 Cell:
 615-306-9805

 Fax
 615-851-6066

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Phone:615-851-5822Office:615-859-3900Cell:615-306-9805Fax615-851-6066

#### Notes from LFUCG meeting

#### **Beverly Soice**

From:Greg HeitzmanSent:Friday, July 20, 2007 10:02 PMTo:Millie DurrettSubject:FW: Notes from LFUCG meeting

pls print attachment

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Phone: 615-851-5822 Office: 615-859-3900 Cell: 615-306-9805 Fax 615-851-6066

From: Greg Heitzman

Sent: Friday, August 03, 2007 1:21 PM

To: Jim Smith; Vince Guenthner

Subject: FW: Aug 21 Council Planning Committee

Vince, note they e-mailed to Kelley.

I agree with you, that we don't forward any new info.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message---From: Charles Martin [mailto:chmartin@lfucg.com]
Sent: Friday, August 03, 2007 12:04 PM
To: Greg Heitzman
Cc: fosteo@kycounsel.com
Subject: FW: Aug 21 Council Planning Committee

FYI

-----Original Message-----From: Paul Schoninger Sent: Monday, July 16, 2007 9:23 AM To: 'ksmith@lwcky.com'; 'pscinfo@ky.gov'; 'kslewis@ky.gov'; 'bridwell@kawc.com'; 'bwsc@bluegrasswater.com'; 'Stephen.reeder@ky.gov' Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban County Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

Paul Schonionger 859-258-3208 paulas@lfucg.com

From: Charles Martin [chmartin@lfucg.com]

Sent: Friday, August 03, 2007 12:04 PM

To: Greg Heitzman

Cc: fosteo@kycounsel.com

Subject: FW: Aug 21 Council Planning Committee

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Sent: Friday, August 03, 2007 1:21 PM

To: 'Charles Martin'

Subject: RE: Aug 21 Council Planning Committee

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#### Standard Herald

### **Beverly Soice**

From:Patti KaelinSent:Monday, July 16, 2007 8:03 AMTo:Greg Heitzman; Bob Miller; Amber Halloran; Jim Smith; Vince Guenthner

Subject: FW: An article from www.kentucky.com

From: patti [mailto:pkaelin@lwcky.com] Sent: Sunday, July 15, 2007 9:52 PM To: Patti Kaelin Subject: An article from www.kentucky.com

And a second second	patti has sent you the following story:
	Posted on Saturday, Jul. 14, 2007
	Water solution
	Louisville Water Co.'s pipeline pitch is not as attractive as it appears on the surface but deserves closer examination, if only to assure Lexington ratepayers that their local government is looking out for them.
	As Vice Mayor Jim Gray said after the Urban County Council heard Louisville Water's presentation this week, "the numbers we've heard are going to have to be explained sooner or later."
	Sooner is better. Kentucky American Water's proposal to build a new treatment plant and pipeline north of Frankfort will be the subject of a hearing before the state Public Service Commission in October. The company, which has already invested a lot of time and money in the plan, hopes to break ground by year's end.
	Rea <u>d More</u>

#### Standard Herald

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	X
1	$\square$

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## Water solution

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Read More...

From: Sent: To: Subject: Philip Scott [ScottPR@obg.com] Friday, July 06, 2007 9:11 AM Susan Camp good luck



Louisville waterline idea to g...

still sounds doubtful

.....

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# Louisville waterline idea to get new look COUNCILWOMAN ASKS FOR PRESENTATION

#### By Andy Mead

#### AMEAD@HERALD-LEADER.COM

Lexington's Urban County Council, which said in 1999 that it wanted the city's water to come from the Kentucky River, now wants to hear what the Louisville Water Co. has to say about pumping in some Ohio River water.

At the suggestion of Councilwoman Linda Gorton, the council has invited Greg Heitzman, president-elect of the Louisville company, to make a presentation at its July 10 work session. The invitation comes as Kentucky American Water is trying to persuade the state Public Service Commission to let it build a new treatment plant on the Kentucky River north of Frankfort to augment Lexington's supply. The company has offered to increase the capacity of the plant and share ownership with towns around Lexington that are part of the Bluegrass Water Supply Commission, if the commission can come up with its share of the cost.

A pipeline from Louisville would throw a wrench into those plans. Ironically, Kentucky American had pushed for a pipeline from Louisville in the 1990s. It dropped that plan after the Lexington council passed a resolution saying it supported the Kentucky River as the city's "preferred source of water."

Gorton pointed out Tuesday that the1999 resolution also said the council "supports whatever water supply options are the most cost-effective."

"I want to hear all the alternatives because the Louisville people believe they might be able to do it cheaper for the ratepayers," Gorton said.

She also wants to talk about the city's building and owning the pipeline instead of Kentucky American.

Councilman David Stephens said he, too, thinks that idea needs to be explored.

"If the Urban County Council can finance it through industrial bonds, we can move -- we won't have to wait on some other party," Stephens said.

Both Stevens and Gorton said, however, that they were unclear how such a plan would work out, especially if Kentucky American doesn't cooperate. The city grants a franchise to Kentucky American, but the council has no immediate jurisdiction over the private company. In 2003, the

council tried to acquire the water company through condemnation. A new council majority ended that attempt in 2005. In a referendum last fall, voters decisively turned down an attempt to restart the effort.

Kentucky American president Nick Rowe said in a statement that his company already is well on its way toward solving the region's periodic water shortages.

"Kentucky American Water and the Bluegrass Water Supply Commission believe the Central Kentucky water supply issue has already been studied and debated enough," he said.

Rowe said he was confident that the Kentucky River plant "is the most cost-effective and feasible regional solution."

"If approved, it will ensure that by early summer of 2010, our region will have ample water supply -- even during drought times like these -- for the first time in 20 years," he said.

Vince Guenthner, the Louisville Water Co.'s manager of government affairs, said Heitzman would be glad to appear before the council "and answer any questions they have."

"If the elected leaders, community leaders, in Lexington want a specific alternative, we certainly have an unlimited supply in the Ohio River and enough reserve capacity to supply the Bluegrass region," he said. "We're willing ... to talk about how that might work."

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The Louisville pipeline proposal also was extremely unpopular with a large segment of the public.

It drew protests from people along the planned route, from people who worried it would stimulate growth between Lexington and Louisville, from people concerned about Ohio River water and from those who thought it would foster neglect of the system of dams that holds the water supply on the Kentucky River. The Kentucky River Authority, which maintains the system, gets most of its money from fees paid by people who use water from the river. Arguments against the Louisville pipeline were bolstered by a study by the University of Kentucky's Water Resources Research Institute, which said increasing water storage and building more treatment capacity on the Kentucky River was cheaper than the Louisville pipeline

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Institute Director Lindell Ormsbee, who led the study, said this week that he has not compared the Louisville proposal with Kentucky American's current proposal for a Kentucky River treatment plant.

A significant part of the price tag his 1997 study hung on the Louisville pipeline was the cost of pumping the water to Lexington. The study anticipated Kentucky American expanding treatment capacity at its current plant with no pipeline. There would be costs involved in pumping through a shorter pipeline from Kentucky American's proposed plant north of Frankfort, Ormsbee said. That pipeline also has drawn fire from people along its projected path, particularly in Franklin County. On June 1, the Franklin County Fiscal Court passed a resolution opposing the Kentucky River plant. Instead, the court said, it wants "a water supply strategy that includes access to water from the Ohio River, the largest river east of the Mississippi..."

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Reach Andy Mead at (859) 231-3319 or (800) 950-6397, Ext. 3319



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#### Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

#### **Beverly Soice**

From:Vince GuenthnerSent:Thursday, July 05, 2007 8:19 AMTo:Patti KaelinSubject:FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

#### fyi

-----Original Message-----From: Greg Heitzman Sent: Thursday, July 05, 2007 12:25 AM To: Johnstone, Rick Cc: Jim Smith; Vince Guenthner Subject: FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

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Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Tuesday, July 03, 2007 4:55 PM To: Greg Heitzman; Millie Durrett Subject: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

<<Letter - LWC.pdf>>

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## Lexington-Fayette Urban County Council

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Linda Gorton At-Large Member

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Tom Blues 2nd District

Dick DeCamp 3rd District

Julian Beard 4th District

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K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

**Don Blevins** 10th District

Richard P. Moloney 11th District

Ed Lane 12th District July 3, 2007

435 South Third St. Louisville, KY 40202

Dear Mr. Heitzman:

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In order to give some structure to the presentation, I have solicited questions from my Council colleagues. It has been suggested that the presentation be simple in delivery for those who may not be well-versed on the previous water issue. The following are the submitted questions:

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Sincerely,

CC:

Linda Gorton

Linda Gorton, RN Council Member At-Large

Mayor Council Members Don Kelly Charles Martin Rebecca Langston

From: Johnstone, Rick [Rick.Johnstone@louisvilleky.gov]
Sent: Thursday, July 05, 2007 8:14 AM
To: Greg Heitzman
Cc: Jim Smith; Vince Guenthner; Hayes, Larry
Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

What has Newberry asked you to cover?

# Rick Johnstone 574-8143

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From:Patti KaelinSent:Thursday, June 21, 2007 2:01 PMTo:Jim SmithSubject:FW:

fyi

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-----Original Message-----From: Carlton, Chad [mailto:Chad.Carlton@louisvilleky.gov] Sent: Wednesday, June 20, 2007 3:12 PM To: Vince Guenthner; Barbara Crow Subject:

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Neither Kentucky American nor Louisville Water Co. immediately returned calls requesting comment. Read more about this issue in Thursday's Herald-Leader.

#### Chad Carlton

Communications Director Office of Mayor Jerry Abramson Louisville Metro Government O (502) 574-1902 C (502) 439-5075 www.louisvilleky.gov

From:Vince GuenthnerSent:Thursday, June 21, 2007 9:24 AMTo:'Johnstone, Rick'

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fyi

-----Original Message----- **From:** Vince Guenthner **Sent:** Thursday, June 21, 2007 8:20 AM **To:** Greg Heitzman; Jim Smith; Patti Kaelin; Barbara Crow; Kelley Dearing-Smith; Marianne Butler **Subject:** 

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Stevens and Gorton said, however, that they were unclear how such a plan would work out, especially if Kentucky American doesn't cooperate. The city grants a franchise to Kentucky American, but the council has no immediate jurisdiction over the private company.

Neither Kentucky American nor Louisville Water Co. immediately returned calls requesting comment.

Page 2 of 2

Read more about this issue in Thursday's Herald-Leader.

Chad Carlton Communications Director Office of Mayor Jerry Abramson Louisville Metro Government O (502) 574-1902 C (502) 439-5075 www.louisvilleky.gov

From:Patti KaelinSent:Wednesday, June 20, 2007 4:41 PMTo:Greg Heitzman

Subject: RE:

ok

From: Greg Heitzman Sent: Wednesday, June 20, 2007 4:18 PM To: Vince Guenthner; Patti Kaelin Subject: FW:

FYI, so pls set up the prep mtgs and block the calendar.

Patti, pls begin a draft for a 30 MGD, 42" solution to the KAWC 42" main, where KAWC black line crosses I-64.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message----- **From:** Vince Guenthner **Sent:** Wednesday, June 20, 2007 4:10 PM **To:** Greg Heitzman **Subject:** FW:

-----Original Message-----From: Carlton, Chad [mailto:Chad.Carlton@louisvilleky.gov] Sent: Wednesday, June 20, 2007 3:12 PM To: Vince Guenthner; Barbara Crow Subject:

Here's what's up on the Herald-Leader site:

Lexington to hear pitch from Louisville Water Co.

#### By Andy Mead

#### AMEAD@HERALD-LEADER.COM

Lexington's Urban County Council, which said in 1999 that it wanted the city's water to come from the Kentucky River, now wants to hear what Louisville Water Co. has to say about pumping in some Ohio River water.

At the suggestion of Councilwoman Linda Gorton, the council has invited Greg Heitzman, president-elect of the Louisville company, to make a presentation at its July 10 work session.

The invitation comes as Kentucky American Water is trying to persuade the state Public Service Commission to let it build a new treatment plant on the Kentucky River north of Frankfort.

Ironically, Kentucky American had pushed for a pipeline from Louisville in the 1990s. It dropped that plan after the Lexington council passed a resolution that supported the Kentucky River as the city's "preferred source of water."

Gorton said Tuesday that that 1999 resolution also said the council "supports whatever water supply options are the most cost-effective."

"I want to hear all the alternatives because the Louisville people believe they might be able to do it cheaper for the ratepayers," Gorton said.

Page 2 of 2

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Neither Kentucky American nor Louisville Water Co. immediately returned calls requesting comment. Read more about this issue in Thursday's Herald-Leader.

#### Chad Carlton

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Neither Kentucky American nor Louisville Water Co. immediately returned calls requesting comment. Read more about this issue in Thursday's Herald-Leader.

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From: Patti Kaelin

Sent: Wednesday, June 20, 2007 5:02 PM

To: Patti Kaelin

Subject: An article from www.kentucky.com

patti has sent you the following story:



Posted on Wednesday, Jun. 20, 2007

## Lexington to hear pitch from Louisville Water Co.

By Andy Mead

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At the suggestion of Councilwoman Linda Gorton, the council has invited Greg Heitzman, president-elect of the Louisville company, to make a presentation at its July 10 work session.

The invitation comes as Kentucky American Water is trying to persuade the state Public Service Commission to let it build a new treatment plant on the Kentucky River north of Frankfort.

Read More.

## Louisville waterline idea to get new look

#### **COUNCILWOMAN ASKS FOR PRESENTATION**

#### By Andy Mead

#### AMEAD@HERALD-LEADER.COM

Lexington's Urban County Council, which said in 1999 that it wanted the city's water to come from the Kentucky River, now wants to hear what the Louisville Water Co has to say about pumping in some Ohio River water.

At the suggestion of Councilwoman Linda Gorton, the council has invited Greg Heitzman, president-elect of the Louisville company, to make a presentation at its July 10 work session.

The invitation comes as Kentucky American Water is trying to persuade the state Public Service Commission to let it build a new treatment plant on the Kentucky River north of Frankfort to augment Lexington's supply. The company has offered to increase the capacity of the plant and share ownership with towns around Lexington that are part of the Bluegrass Water Supply Commission, if the commission can come up with its share of the cost.

A pipeline from Louisville would throw a wrench into those plans Ironically, Kentucky American had pushed for a pipeline from Louisville in the 1990s. It dropped that plan after the Lexington council passed a resolution saying it supported the Kentucky River as the city's "preferred source of water."

Gorton pointed out Tuesday that the 1999 resolution also said the council "supports whatever water supply options are the most cost-effective."

"I want to hear all the alternatives because the Louisville people believe they might be able to do it cheaper for the ratepayers," Gorton said.

She also wants to talk about the city's building and owning the pipeline instead of Kentucky American.

Councilman David Stephens said he, too, thinks that idea needs to be explored.

"If the Urban County Council can finance it through industrial bonds, we can move -- we won't have to wait on some other party," Stephens said.

Both Stevens and Gorton said, however, that they were unclear how such a plan would work out, especially if Kentucky American doesn't cooperate. The city grants a franchise to Kentucky American, but the council has no immediate jurisdiction over the private company. In 2003, the council tried to acquire the water company through condemnation. A new council majority ended that attempt in 2005. In a referendum last fall, voters decisively turned down an attempt to restart the effort.

Kentucky American president Nick Rowe said in a statement that his company already is well on its way toward solving the region's periodic water shortages.

"Kentucky American Water and the Bluegrass Water Supply Commission believe the Central Kentucky water supply issue has already been studied and debated enough," he said.

Rowe said he was confident that the Kentucky River plant "is the most cost-effective and feasible regional solution."

"If approved, it will ensure that by early summer of 2010, our region will have ample water supply -- even during drought times like these -- for the first time in 20 years," he said.

Vince Guenthner, the Louisville Water Co.'s manager of government affairs, said Heitzman would be glad to appear before the council "and answer any questions they have."

"If the elected leaders, community leaders, in Lexington want a specific alternative, we certainly have an unlimited supply in the Ohio River and enough reserve capacity to supply the Bluegrass region," he said. "We're willing ... to talk about how that might work."

Louisville water officials have said they will extend a pipeline to Shelbyville if Central Kentucky communities want to meet them there. Louisville has much more treatment capacity than it needs because industrial water use in that city has declined since 1978.

The Ohio is considered inexhaustible. In any given year, there is more water in the Kentucky River than needed, but it can run low during droughts. Kentucky American says its plan to build another plant downriver from its current ones avoids much of that problem because there is more water in the river at that point.

In the long run, the Kentucky River Authority is considering putting gates on two Kentucky River dams that can hold more water in dry times. One set of gates would go on the dam that holds the pool that supplies Lexington. The other would go on the dam nearest Kentucky American's proposed plant. Both would be built by the river authority. But plans by the Army Corps of Engineers to raise another dam upriver from Lexington have been stalled for years.

Kentucky American officials said in 1999 that they bowed to the council's wishes and dropped the Louisville pipeline plan because the council represented more than 90 percent of the company's customers.

The Louisville pipeline proposal also was extremely unpopular with a large segment of the public.

It drew protests from people along the planned route, from people who worried it would stimulate growth between Lexington and Louisville, from people concerned about Ohio River water and from those who thought it would foster neglect of the system of dams that holds the water supply on the Kentucky River. The Kentucky River Authority, which maintains the system, gets most of its money from fees paid by people who use water from the river.

Arguments against the Louisville pipeline were bolstered by a study by the University of Kentucky's Water Resources Research Institute, which said increasing water storage and building more treatment capacity on the Kentucky River was cheaper than the Louisville pipeline proposal.

Institute Director Lindell Ormsbee, who led the study, said this week that he has not compared the Louisville proposal with Kentucky American's current proposal for a Kentucky River treatment plant.

A significant part of the price tag his 1997 study hung on the Louisville pipeline was the cost of pumping the water to Lexington. The study anticipated Kentucky American expanding treatment capacity at its current plant with no pipeline. There would be costs involved in pumping through a shorter pipeline from Kentucky American's proposed plant north of Frankfort, Ormsbee said.

That pipeline also has drawn fire from people along its projected path, particularly in Franklin County. On June 1, the Franklin County Fiscal Court passed a resolution opposing the Kentucky River plant. Instead, the court said, it wants "a water supply strategy that includes access to water from the Ohio River, the largest river east of the Mississippi..."

In the absence of another study, Ormsbee, who has conducted studies for the river authority, said he would favor a Kentucky River plant for some of the secondary issues, such as keeping attention on the Kentucky River.

But after years of discussion, he said, the most important thing is that someone do something to increase the region's water supply.

Reach Andy Mead at (859) 231-3319 or (800) 950-6397, Ext. 3319

#### October 29, 2007

Please call the sender to let them know that you received the message in error, then shred and discard the document. Thank you.

From:Thomas Marshall [tamarshall@mac.com]Sent:Friday, September 21, 2007 7:18 AMTo:Jim Smith

Subject: for your reading today, Lex H-L lead editorial

## Fear of brain strain

#### City hall shirking duty on water options

Now that Louisville has done a study of Lexington's water supply options, you would think Lexington at least would do as much.

But you'd be wrong.

This decision, so critical to the future of this city and region, is generating a stunning lack of interest in some quarters of city hall, including the office of Mayor Jim Newberry.

At a time when some cities would be aggressively negotiating for the best deal, Lexington is sitting back like a medieval princess trusting daddy to pick the right suitor. (Daddy in this case is the Kentucky Public Service Commission.)

At a meeting of the Urban County Council's planning committee earlier this week, Louisville Water Co. presented an analysis by consulting firm R.W. Beck that, no surprise, showed the Louisville pipeline alternative would be cheaper than Kentucky American Water's plan to build a treatment plant and pipeline north of Frankfort.

We wouldn't have expected a study paid for by Louisville Water to say anything else, although this one was buttressed by an impressive collection of numbers and projections.

Studies by Kentucky American and the Bluegrass Water Supply Commission, which is made up of local governments, have said the treatment plant option is cheaper.

Kentucky American's plan for piping water from the new treatment plant has generated fierce opposition from landowners in the scenic Elkhorn Valley of Franklin County whose property would be affected.

Kudos to the planning committee chaired by Councilwoman Linda Gorton for trying to drill down into the details. But without a budget or consultants, the committee won't get far.

And some on the council don't even want to try.

At Tuesday's meeting, Councilman Jay McChord led the "let the PSC do it" chorus, saying that there's no need for the council to trouble its head with a bunch of complicated technical details because that's the PSC's job.

Kentucky American Water president Nick Rowe chimed in, pointing out that the PSC has engineers, accountants and other professionals who deal with these details every day.

Excuse us. But the voters elected a mayor and council to look out for the best interests of the city and its residents. And, yes, that involves wading through the complicated technical details of all sorts of subjects, including how best to provide public utilities.

Wading through those technical details often requires outside expertise. The city recently budgeted about \$200,000 to study its facilities needs. Surely the source of water for the next half-century merits as much study.

Yes, the PSC has the final say over whether or not Kentucky American is permitted to build a treatment plant and under what conditions. And yes, the PSC has a well-qualified staff.

## Page 2 of 2

The PSC has also put great store in what Lexington's mayor and council have recommended in the past, and would again.

More important, the public would know that the options had been scrutinized with the best interests of this city in mind. After all, the public will be paying for this decision for a long time.

From:Greg HeitzmanSent:Thursday, October 11, 2007 5:42 PMTo:Jack WangSubject:FW: Louis. Water Co. - LOJIC

FYI on some of the ideas floatring around for venture capital investments using LWC technology (including some of your ideas).

I'm taking the lead for now, and I'll keep you posted along the way.

From: Gerald Martin [mailto:gerald@riverhillcapital.com] Sent: Thu 10/11/2007 5:07 PM To: Greg Heitzman Subject: FW: Louis. Water Co. - LOJIC

Greg: I was talking to Kent Oyler today about a deal he brought to us. At the end of that call, he mentioned that he and you had just talked and my name came up. I believe he said you told him about efforts being considered to exploit LWC's systems and technology for LWC's and Metro's financial benefit. I mentioned the initial contacts with the Genscape founders and our plans to meet with them to get their ideas about the potential for LOJIC to expand. I think Kent also sees potential benefits from contacts between LWC and the Technology Center at U of L to explore other proprietary technology, systems or devices that LWC engineering efforts have developed or could develop and patent for possible license by others. I wanted you to be aware of my conversation with him in case he contacts you.

Jim Gray, Vice Mayor of Lexington - Fayette Metro is supposed to call me sometime today according to his legislative aide, Maureen Watson. I will extend your offer to participate in a conference call with you to answer his questions and to give our perspective on the merits of LWC's proposal to supply water to the Bluegrass Region. I'll call you when I hear from him. Jerry

From: Gerald Martin [mailto:gerald@riverhillcapital.com] Sent: Thursday, October 11, 2007 3:44 PM To: 'kent@oyler.net' Subject: Louis. Water Co. - LOJIC

To follow up on our conversation today about the Louisville Water Company (LWC), I'm sending you the link to the website of the Louisville Jefferson County Information Consortium (LOJIC) that Greg Heitzman mentioned to you recently. It is: <u>www.lojic.org</u> It will give you an idea of the types of information that it gathers and can offer to subscribers over the internet. I think it has significant potential to expand both what it gathers, how it gathers it and where it can offer its services. Greg has been instrumental in its development and expansion although MSD took the lead in getting LOJIC organized and serves as the project management agency that oversees its operations.

I have arranged a meeting on 11/2/07 with Sterling Lapinski and Sean O'Leary from Genscape and Bill Strench of Frost Brown Todd with Greg Heitzman, President of LWC, Bob Miller CFO of LWC and myself to describe it to them. Then we hope to brainstorm what potential it may have to expand its services or the geographic markets in which it operates and attract outside capital so that the City's agencies aren't the primary funding sources. I'll let you know if anything significant comes from that meeting.

If you have other thoughts or suggestions on contacts (like U of L) that could help LWC to exploit the expertise, systems and technology it has developed as a highly-respected water provider, please give Greg or me a call with contact names and addresses. Thanks, Jerry

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From: Greg Heitzman

Sent: Friday, March 23, 2007 8:28 AM

To: Vince Guenthner

Subject: RE: Georgetown Mayor

keep me posted

From: Vince Guenthner Sent: Fri 3/23/2007 6:01 AM To: Greg Heitzman Subject: Georgetown Mayor

I left a message for Mayor Karen Tingle-Sames on Wednesday morning but she has not returned my call. Here is a brief sketch of what I've been able to learn about her:

- Republican
- Three term city council member
- Defeated two term incumbent Mayor Everette Varney in November by fewer than 100 votes
- She ran on a platform of fiscal accountability and aggressive recruitment of new businesses
- She opposed Mayor Varney's proposal to implement impact fees on development

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- She opposed Mayor Varney's proposal to implement impact fees on development

From: Gerald Martin [gerald@riverhillcapital.com]

Sent: Wednesday, October 17, 2007 12:22 PM

To: Greg Heitzman

Subject: My conversation with Jim Gray

Greg: I've been thinking about what Jim Gray asked me yesterday about any possibilities we could see for Lex.-Fayette Urban County Government ("LFUCG") to get "equily" in some form as part of the transaction proposed by LWC. Would it be reasonable to suggest a structure whereby a new municipal company or district is set up with LFUCG as the majority owner and LWC and other Bluegrass water members as minority owners, which would finance and construct the pipeline and enter into the long-term contract to purchase wholesale water from LWC at a price that would generate a profit to the owners of the new entity. And, as part of LWC's agreement to become an investor in this new entity, LWC would agree that should American Water decide to divest Ky. American Water ("KAW") during the term of the contract with LWC, we would agree to pursue such acquisition of KAW only with the approval of LFUCG and in conjunction with this new entity. This may also help address Jim's concerns that by giving their approval to the plan for the new plant construction (which will result in much higher water rates), LFUCG will substantially reduce or eliminate any chance it may have to terminate or substantially renegotiate the terms of the franchise it has with KWC when it expires in 2015.

Call me after you've talked to Jim and if you want to discuss this "equity" idea. Jerry
From: Karen Tingle-Sames [karen.tinglesames@georgetownky.gov]

Sent: Tuesday, July 17, 2007 8:33 AM

To: Vince Guenthner

Subject: Visit to Georgetown City Council

Dear Vince,

My City council would like to invite you and Greg Weitzman and or Jim Smith, to talk to the council about the Louisville water line. It is time for the council to start to hear their options and form a decision. I was wondering if you could come to Georgetown on Aug 20th a Monday night about 5:30 or 6:00? Please check your schedules and see if this is possible. I would like to let the council know this week. Thank you very much Mayor Karen Tingle Sames Georgetown

Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

NOTICE OF CONFIDENTIALITY: This e-mail, including any attachments, is intended only for the use of the individual or entity to which it is addressed and may contain confidential information that is legally privileged and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are notified that any review, use, disclosure, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please contact the sender by reply e-mail and destroy all copies of the original message.

From:Kelley Dearing-SmithSent:Monday, July 16, 2007 4:25 PM

To: Jim Smith; Greg Heitzman; Vince Guenthner

Subject: FW: Aug 21 Council Planning Committee

You may already have this -- not sure why it came to my attention; my email is on the website; that could be the reason.

Kelley

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com;
Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban County Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

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# **Beverly Soice**

From:ViSent:TiTo:GiSubject:F\

Vince Guenthner Tuesday, July 17, 2007 9:34 AM Greg Heitzman; Jim Smith; Patti Kaelin FW: Visit to Georgetown City Council

1



Visit to Georgetown City Counc...

Fyi, Let's discuss. i'm available

- · · · ·

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Georgetown

# Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

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Page 1 of 2

# **Beverly Soice**

From: Greg Heitzman

Sent: Tuesday, July 17, 2007 1:02 PM

To: Vince Guenthner

Cc: Jim Smith; Patti Kaelin; Bob Miller

Subject: FW: Aug 21 Council Planning Committee

Pls make contact to get the details of expectation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message----- **From:** Kelley Dearing-Smith **Sent:** Monday, July 16, 2007 4:25 PM **To:** Jim Smith; Greg Heitzman; Vince Guenthner **Subject:** FW: Aug 21 Council Planning Committee

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Should you need any further information please do not hesitate to contact this office.

Paul Schonionger 859-258-3208

10/29/2007

paulas@lfucg.com

Page 2 of 2

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To: Millie Durrett

Subject: FW: Aug 21 Council Planning Committee

Post on cal

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

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Kelley

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

Paul Schonionger 859-258-3208 paulas@lfucg.com

10/29/2007

Page 1 of 1

# **Beverly Soice**

From: Melynda Milburn [mmilburn@lfucg.com]

Sent: Monday, July 09, 2007 2:32 PM

To: Greg Heitzman

Cc: Vince Guenthner

Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

The following email is from Council Member Linda Gorton-

Greg-

Thank you. I hope your voice has returned. I had a nice chat with Vince and look forward to meeting you both.

Best regards, Linda Gorton, RN Council Member At-Large

#### Melynda Milburn

Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com ----Original Message-----From: Greg Heitzman [mailto:gheitzman@lwcky.com] Sent: Thursday, July 05, 2007 12:25 AM To: Melynda Milburn Cc: Vince Guenthner Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

Thank you for the letter. This will help shape our presentation to assure we maximize the use of time of the Council. Our presentation will address these issue and we will be available for questions to elaborate on any of these elements.

.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

> -----Original Message-----From: Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Tuesday, July 03, 2007 4:55 PM To: Greg Heitzman; Millie Durrett Subject: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

<<Letter - LWC.pdf>>

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# Lexington-Fayette Urban County Council

**Jim Gray** Vice Mayor

Linda Gorton At-Large Member

Chuck Ellinger II At-Large Member

Andrea James

Tom Blues 2nd District

Dick DeCamp 3rd District

Julian Beard 4th District

David B. Stevens 5th District

Kevin O. Stinnett 6th District

K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

Don Blevins 10th District

Richard P. Moloney 11th District

Ed Lane 12th District July 3, 2007

435 South Third St. Louisville, KY 40202

Dear Mr. Heitzman:

There is an interest within Fayette County to discuss the possibilities of an I-64 pipeline to carry water from Louisville to Lexington. On June 19<sup>th</sup>, 2007, the Lexington Fayette Urban County Council voted to ask the Louisville Water Company to make a presentation regarding this possibility. Council Members are particularly interested in learning whether this potential water supply source would be cost effective for the rate payers.

In order to give some structure to the presentation, I have solicited questions from my Council colleagues. It has been suggested that the presentation be simple in delivery for those who may not be well-versed on the previous water issue. The following are the submitted questions:

- How large of an aqueduct (pipe) is necessary to supply Central Kentucky?
- How will the price of water be determined?
- How long would it take to build the pipeline and be in operation?
- Has Louisville Water Company been talking with other communities about water supply? Are you able to say which communities?
- What would be the guaranteed water capacity versus the committed water capacity to Lexington?
- Who will pay for the extension of a pipeline to Louisville?
- What is your capacity for those you serve and is your planned capacity growing (10%, 20%, 30%) over the next 25-30 years?
- What is the feasibility of this project? Can it actually be done on the north side of I-64, with approval to use the State Right of Way?
- What is the comparison to alternatives in terms of reliability?
- What would be the potential cost to consumers?



# Lexington-Fayette Urban County Council

**Jim Gray** Vice Mayor

Linda Gorton At-Large Member

Chuck Ellinger II At-Large Member

Andrea James 1st District

Tom Blues 2nd District

Dick DeCamp 3rd District

**Julian Beard** 4th District

David B. Stevens 5th District

Kevin O. Stinnett 6th District

K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

Don Blevins
10th District

**Richard P. Moloney** 11th District

Ed Lane 12th District

- What would be the effects on those who are our regional partners in the Bluegrass Regional Water Commission?
- What is the potential development impact along a Louisville to Lexington pipeline route?
- What are potential downsides?

Many thanks for your willingness to make this presentation on July 10, 2007. Our meeting begins at 3:00 PM in the Council Chamber at 200 East Main Street. We look forward to meeting with you.

Sincerely,

CC:

Linda Gorton

Linda Gorton, RN Council Member At-Large

Mayor Council Members Don Kelly Charles Martin Rebecca Langston

Page 1 of 1

# **Beverly Soice**

From:Kathie JohnsonSent:Friday, September 21, 2007 3:34 PMTo:Jim SmithSubject:RE:RW Beck Report

Thanks.

From: Jim Smith Sent: Friday, September 21, 2007 3:25 PM To: Vince Guenthner; Kathie Johnson Subject: RE: RW Beck Report

Attached is the RW Beck report

-----Original Message-----From: Vince Guenthner Sent: Friday, September 21, 2007 3:23 PM To: Kathie Johnson; Jim Smith Subject: RE: RW Beck Report

No I did not her mailing address is

Councilwoman Linda Gorton Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

> -----Original Message-----From: Kathie Johnson Sent: Friday, September 21, 2007 2:51 PM To: Vince Guenthner; Jim Smith Subject: RW Beck Report

Vince - Greg has asked me to check with you to see whether you've sent a copy of the full RW Beck report to Linda Gorton. If not, he has asked me to send it out.

Jim – Would you send me the final RW Beck report to transmit to Linda Gorton?

Do either of you have her mailing and contact information?

Thanks.

# Page 1 of 1

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Subject: RE: RW Beck Report

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Jim - Would you send me the final RW Beck report to transmit to Linda Gorton?

Do either of you have her mailing and contact information?

Thanks.

From: Kathie Johnson

Sent:Friday, September 21, 2007 3:24 PMTo:Vince Guenthner

Subject: RE: RW Beck Report

Thanks Vince.

From: Vince Guenthner Sent: Friday, September 21, 2007 3:23 PM To: Kathie Johnson; Jim Smith Subject: RE: RW Beck Report

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Councilwoman Linda Gorton Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

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Subject: RW Beck Report

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Jim – Would you send me the final RW Beck report to transmit to Linda Gorton?

Do either of you have her mailing and contact information?

Thanks.

From:Greg HeitzmanSent:Thursday, September 06, 2007 12:00 PMTo:Vince Guenthner

Subject: FW: Sept 18 Council Planning Committee

Pls respond that we will present the RW Beck study, but will not have any documents in advance.

Greg C. Heitzman, P.E. President & CEO Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Paul Schoninger [mailto:paulas@lfucg.com] Sent: Sunday, September 02, 2007 10:30 AM To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie Subject: Sept 18 Council Planning Committee

This is to remind you that to please provide a copy of any written presentation for the Sept 18 Council Planning Committee to me no later than Wed Sept 12 so the material can be in the Committee packet. This will afford the Council time to review the materials prior to the meeting.

If you have to bring new materials to the Sept 18 meeting please bring enough copies for the Committee, other interested parties and the general public. Thanks. We look forward o seeing you on Tuesday September 18.

From: Kathie Johnson on behalf of Greg Heitzman

Sent: Thursday, September 06, 2007 11:46 AM

To: Vince Guenthner

Subject: FW: Sept 18 Council Planning Committee

Please email that we will present an evaluation of LWC pipeline.

----- Original Message -----From: Paul Schoninger To: jsmith@lwcky.com ; gheitzman@lwcky.com ; vguenther@lwcky.com ; kslewis@ky.gov ; bridwell@kawc.com ; bwsc@bluegrasswater.com ; Stephen.reeder@ky.gov Cc: Charles Martin ; Linda Gorton ; Julian Beard ; Logan Askew ; David Barberie Sent: Sunday, September 02, 2007 9:30 AM Subject: Sept 18 Council Planning Committee

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From: Jim Brammell

Sent: Wednesday, September 05, 2007 10:53 AM

To: Christy Ray

Subject: FW: Sept 18 Council Planning Committee

Christy,

Please note possible change in Board meeting time.

Jim

Jim Brammell Vice President, Chief Engineer Louisville Water Company 550 South Third Street Louisville, KY 40202 jbrammell@lwcky.com Office: 502.569.3641 Mobile: 502.648.8130 -----Original Message-----From: Barbara Dickens Sent: Wednesday, September 05, 2007 8:51 AM To: Greg Heitzman Cc: Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell Subject: RE: Sept 18 Council Planning Committee

Greg and I decided last evening that he will talk to Stewart first then Bev will send an email out to the BOWW members seeking to move it to either 9 am on the 18th or another day that week, if Stewart is okay with doing so.

Barbara K. Dickens Vice President, General Counsel Louisville Water Company 550 South Third Street Louisville, KY 40202 bdickens@lwcky.com 502.569.0808 fax 502.569.0850

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From: Greg Heitzman
Sent: Tuesday, September 04, 2007 6:28 PM
To: Barbara Dickens
Cc: Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell
Subject: FW: Sept 18 Council Planning Committee

Barb, we need to make our Louisville Pipeline presentation to LFUCG at 1:00 pm on Tuesday 9/18. I talked to Linda Gorton (Planning Committee Chair) today, and this is a standing meeting and can't be moved. We will present the RW Beck findings. My absence, may send an unintended message to the Council and the media. RW Beck will be

#### presenting their analysis.

#### I see 3 options:

- 1. Jim and Vince (plus RW Beck) present without me, I attend the LWC Board meeting.
- 2. We move the LWC Board to that morning at 9:00, and I attend the LFUCG mtg for the LWC presentation.
- 3. I attend the LFUCG mtg, and miss the LWC Board meeting.

If we can pull it off, I prefer option #2, so I can attend both. Can you have Bev check the availability for a quorum for the 9/18 mtg, and ask in a 9:00 am Board mtg is an option. The Compensation Committee would then follow the Board mtg at 11:00 am, and we could serve lunch for the committee. Susan and you can attend that mtg, and I can miss the comp committee mtg. If we leave by 11:15, we can make the LFUCG by 1:00 pm.

Call me Tuesday on the cell 533-5073 to discuss pros/cons.

Greg C. Heitzman, P.E. President & CEO Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message----From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Sunday, September 02, 2007 10:30 AM
To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie
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To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
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1 3

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-	Ded. Dr.	
From:	Barbara Dickens	
Sent:	Wednesday, September 05, 2007 8:51 AM	
To:	Greg Heitzman	
Cc:	Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell	
Subject: RE: Sept 18 Council Planning Committee		

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Barbara K. Dickens Vice President, General Counsel Louisville Water Company 550 South Third Street Louisville, KY 40202 bdickens@lwcky.com 502.569.0808 fax 502.569.0850

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Cc: Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell
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10/29/2007

A . 24

Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Paul Schoninger [mailto:paulas@lfucg.com] Sent: Sunday, September 02, 2007 10:30 AM To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie Subject: Sept 18 Council Planning Committee

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- From: Thomas Calkins [tcalkins@qx.net]
- Sent: Sunday, September 02, 2007 2:06 PM
- To: Stephen.reeder@ky.gov; bwsc@bluegrasswater.com; bridwell@kawc.com; kslewis@ky.gov; vguenther@lwcky.com; Greg Heitzman; Jim Smith; Paul Schoninger
- Cc: Vernon Azevedo; Tom Calkins; Rest, George; Powell, Donna; Pearce, Dave; Martin, Charles H.; Kevin Crump; Don Hassall; Don Hassall; David Billings; Damon R. Talley; Bryan Lovan; Bob Riddle; Burtner, Mayor Ed; David Barberie; Logan Askew; Julian Beard; Linda Gorton

Subject: Re: Sept 18 Council Planning Committee

I will be in Campbellsville on that day....I will advise as to whom will represent BWSC.....Charlie will be in Atlanta....

Thanks,

Tom

----- Original Message -----From: Paul <u>Schoninger</u> To: jsmith@lwcky.com ; gheitzman@lwcky.com ; vguenther@lwcky.com ; kslewis@ky.gov ; bridwell@kawc.com ; bwsc@bluegrasswater.com ; Stephen.reeder@ky.gov Cc: <u>Charles Martin</u> ; <u>Linda Gorton</u> ; <u>Julian Beard</u> ; Logan <u>Askew</u> ; <u>David Barberie</u> Sent: Sunday, September 02, 2007 9:30 AM Subject: Sept 18 Council Planning Committee

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`;-

From:Melynda Milburn [mmilburn@lfucg.com]Sent:Wednesday, August 22, 2007 9:38 AMTo:Williams, Marc D (KYTC)Cc:Greg Heitzman; Nick.Rowe@amwater.com; Council Members; Council StaffSubject:FW: Scanned document <1 page ~48 KB> -- 8/22/2007 8:59:53 AM



Melynda Milburn Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com

----Original Message----From: Melynda Milburn Sent: Wednesday, August 22, 2007 9:31 AM To: Melynda Milburn Subject: Scanned document <1 page ~48 KB> -- 8/22/2007 8:59:53 AM

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### **Beverly Soice**

From:Melynda Milburn [mmilburn@lfucg.com]Sent:Friday, August 17, 2007 3:30 PMTo:Greg Heitzman; Vince GuenthnerSubject:FW: Scanned document <7 pages ~267 KB> -- 8/17/2007 2:56:50 PM



water.pdf (267 KB)

From CM Gorton

Melynda Milburn Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com ----Original Message----From: Melynda Milburn

Sent: Friday, August 17, 2007 3:29 PM To: Melynda Milburn Subject: Scanned document <7 pages ~267 KB> -- 8/17/2007 2:56:50 PM

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- From: Paul Schoninger [paulas@lfucg.com]
- Sent: Sunday, September 02, 2007 10:30 AM
- To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
- Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie
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- From: Paul Schoninger [paulas@lfucg.com]
- Sent: Monday, August 27, 2007 8:28 AM
- To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov; david.spenard@ky.gov
- **Cc:** Charles Martin; Linda Gorton; Julian Beard; Logan Askew
- Subject: RE: Aug 21 Council Planning Committee

Just a reminder that the water supply discussion will continue at the Sept 18 Council Planning Committee 1:00 PM in the 2nf floor Council Chambers of the Government Center, 200 East Main Street. You are encouraged to provide any written materials to be no later than Wednesday Sept 12 so that it will be in the Committee packet and Councilmember's can review the materials prior to the meeting.

We look forward to seeing you on Tuesday Sept 18. Thanks.

Paul Schoninger 859-258-3208

From: Melynda Milburn [mmilburn@lfucg.com]

Friday, August 31, 2007 8:35 AM Sent:

Greg Heitzman To:

Subject: Water Restrictions

The following email is from CM Gorton-

Dear Greg,

Could you please inform me as to whether or not Louisville is on water restrictions? Thanks!

Linda Gorton, RN Council Member At-Large

Melynda Milburn Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com

From: Kathie Johnson on behalf of Greg Heitzman Friday, August 31, 2007 5:28 PM Sent: 'Melynda Milburn' To:

Subject: RE: Water Restrictions

The Louisville Water Company has no restrictions on water use at this time.

**From:** Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Friday, August 31, 2007 8:35 AM To: Greg Heitzman Subject: Water Restrictions

The following email is from CM Gorton-

Dear Greg,

Could you please inform me as to whether or not Louisville is on water restrictions? Thanks!

Linda Gorton, RN Council Member At-Large

Melynda Milburn Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com

From: Jim Smith

Sent: Tuesday, September 04, 2007 8:24 AM

To: Patti Kaelin

Subject: FW: Sept 18 Council Planning Committee

FYI

-----Original Message----From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Sunday, September 02, 2007 10:30 AM
To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
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From:Jim SmithSent:Friday, August 03, 2007 2:10 PMTo:Patti KaelinSubject:FW: Aug 21 Council Planning Committee

#### FYI

----Original Message----From: Greg Heitzman
Sent: Friday, August 03, 2007 1:21 PM
To: Jim Smith; Vince Guenthner
Subject: FW: Aug 21 Council Planning Committee

Vince, note they e-mailed to Kelley.

I agree with you, that we don't forward any new info.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message---From: Charles Martin [mailto:chmartin@lfucg.com]
Sent: Friday, August 03, 2007 12:04 PM
To: Greg Heitzman
Cc: fosteo@kycounsel.com
Subject: FW: Aug 21 Council Planning Committee

FYI

-----Original Message-----From: Paul Schoninger Sent: Monday, July 16, 2007 9:23 AM To: 'ksmith@lwcky.com'; 'pscinfo@ky.gov'; 'kslewis@ky.gov'; 'bridwell@kawc.com'; 'bwsc@bluegrasswater.com'; 'Stephen.reeder@ky.gov' Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew Subject: Aug 21 Council Planning Committee

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You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

• • • • •

Page 2 of 2

Should you need any further information please do not hesitate to contact this office.

From: Karen Tingle-Sames [karen.tinglesames@georgetownky.gov]

Sent: Thursday, July 19, 2007 4:14 PM

To: Vince Guenthner

Subject: RE: Visit to Georgetown City Council

Thank you. I will tell them on Monday. I am not going to be able to be with you on Friday, I am already booked for the day. I will get back with you about the detail on Tues July 24. Thanks again. Mayor Karen Tingle Sames

From: Vince Guenthner [mailto:vguenthner@lwcky.com]
Sent: Thursday, July 19, 2007 3:08 PM
To: Karen Tingle-Sames
Cc: Greg Heitzman
Subject: RE: Visit to Georgetown City Council

Dear Mayor,

Thank you, for the invitation. Louisville Water Company will be happy to attend the meeting on August 20 and present information to the Georgetown City Council. At this point I'm not exactly sure who will attend but we will definitely be in attendance and prepared to answer questions.

-----Original Message----- **From:** Karen Tingle-Sames [mailto:karen.tinglesames@georgetownky.gov] **Sent:** Tuesday, July 17, 2007 8:33 AM **To:** Vince Guenthner **Subject:** Visit to Georgetown City Council

Dear Vince,

My City council would like to invite you and Greg Weitzman and or Jim Smith, to talk to the council about the Louisville water line. It is time for the council to start to hear their options and form a decision. I was wondering if you could come to Georgetown on Aug 20th a Monday night about 5:30 or 6:00? Please check your schedules and see if this is possible. I would like to let the council know this week. Thank you very much Mayor Karen Tingle Sames Georgetown

*Mayor Karen Tingle-Sames* City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

NOTICE OF CONFIDENTIALITY: This e-mail, including any attachments, is intended only for the use of the individual or entity to which it is addressed and may contain confidential information that is legally privileged and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are notified that any review, use, disclosure, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please contact the sender by reply e-mail and destroy all copies of the original message.

From: Vince Guenthner

Sent:Tuesday, July 17, 2007 3:24 PMTo:Greg Heitzman

Subject: RE: Aug 21 Council Planning Committee

#### Will do.

I'll also inform Rick that we have been asked to attend the Georgetown City/

-----Original Message-----From: Greg Heitzman Sent: Tuesday, July 17, 2007 1:44 PM To: Vince Guenthner Subject: RE: Aug 21 Council Planning Committee

Let Metro know.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

> -----Original Message-----From: Vince Guenthner Sent: Tuesday, July 17, 2007 1:41 PM To: Greg Heitzman Cc: Jim Smith; Patti Kaelin; Bob Miller Subject: RE: Aug 21 Council Planning Committee

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Pls make contact to get the details of expectation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Kelley Dearing-Smith Sent: Monday, July 16, 2007 4:25 PM

**To:** Jim Smith; Greg Heitzman; Vince Guenthner **Subject:** FW: Aug 21 Council Planning Committee

You may already have this -- not sure why it came to my attention; my email is on the website; that could be the reason.

Kelley

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From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

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Should you need any further information please do not hesitate to contact this office.

From:Paul Schoninger [paulas@lfucg.com]Sent:Tuesday, July 17, 2007 1:56 PMTo:Vince GuenthnerSubject:RE: Aug 21 Council Planning Committee

Planning Committee Membership

At-Large Councilmember Linda Gorton, Chair Tom Blues, 2<sup>nd</sup> District, Vice Chair Vice Mayor Jim Gray Chuck Ellingeer, At-Large Andrea James, 1<sup>st</sup> District Julian Beard, 4<sup>th</sup> District David Stevens, 5<sup>th</sup> District Kevin Stinnett, 6<sup>th</sup> District K.C. Crosbie, 7<sup>th</sup> District Jay McChord, 9<sup>th</sup> District

Paul S 3208

> -----Original Message-----From: Vince Guenthner [mailto:vguenthner@lwcky.com] Sent: Tuesday, July 17, 2007 1:38 PM To: Paul Schoninger Subject: FW: Aug 21 Council Planning Committee

Paul,

Per our discussion, please email me a list of the Council members who serve on the Planning Committee. If you have any questions or need to get in touch with me please call or email me.

Thanks

Vince Guenthner Manager, Government Affairs 502-569-3640

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
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Paul Schonionger 859-258-3208 paulas@lfucg.com

-

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10/29/2007

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From: Vince Guenthner

Sent: Thursday, July 19, 2007 3:08 PM

To: 'Karen Tingle-Sames'

Cc: Greg Heitzman

Subject: RE: Visit to Georgetown City Council

#### Dear Mayor,

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Mayor Karen Tingle-Sames

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-1 >--

#### **Beverly Soice**

From: Amber Halloran

Sent: Tuesday, July 17, 2007 1:06 PM

To: Bob Miller

Subject: RE: Aug 21 Council Planning Committee

Thanks. Interesting.

Amber Halloran Controller Louisville Water Company 550 South Third Street Louisville, Kentucky 40202 502-569-0815 fax -----Original Message-----From: Bob Miller Sent: Tuesday, July 17, 2007 1:05 PM To: Amber Halloran Subject: FW: Aug 21 Council Planning Committee

#### FYI.

Robert K. Miller Vice President - Treasurer Louisville Water Company 550 South Third Street Louisville, KY 40202 502-569-3663 bmiller@lwcky.com

From: Greg Heitzman
Sent: Tuesday, July 17, 2007 1:02 PM
To: Vince Guenthner
Cc: Jim Smith; Patti Kaelin; Bob Miller
Subject: FW: Aug 21 Council Planning Committee

Pls make contact to get the details of expectation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Kelley Dearing-Smith Sent: Monday, July 16, 2007 4:25 PM To: Jim Smith; Greg Heitzman; Vince Guenthner Subject: FW: Aug 21 Council Planning Committee

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Kelley

a New

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Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
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From:	Greg Heitzman
Sent:	Thursday, July 05, 2007 12:25 AM
To:	Melynda Milburn
Cc:	Vince Guenthner
Subject	: RE: Scanned document <2 pages ~75 KB> 7/3/2007 4:26:18 PM

Thank you for the letter. This will help shape our presentation to assure we maximize the use of time of the Council. Our presentation will address these issue and we will be available for questions to elaborate on any of these elements.

Greg C. Heikman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

> -----Original Message-----From: Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Tuesday, July 03, 2007 4:55 PM To: Greg Heitzman; Millie Durrett Subject: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

<<Letter - LWC.pdf>>

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From:Melynda Milburn [mmilburn@lfucg.com]Sent:Tuesday, July 03, 2007 4:55 PMTo:Greg Heitzman; Millie DurrettSubject:Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

<<Letter - LWC.pdf>>

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# Lexington-Fayette Urban County Council

#### Jim Gray Vice Mayor

Linda Gorton At-Large Member

Chuck Ellinger II At-Large Member

Andrea James 1st District

Tom Blues 2nd District

Dick DeCamp 3rd District

Julian Beard 4th District

David B. Stevens 5th District

Kevin O. Stinnett 6th District

K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

**Don Blevins** 10th District

Richard P. Moloney 11th District

Ed Lane 12th District July 3, 2007

435 South Third St. Louisville, KY 40202

Dear Mr. Heitzman:

There is an interest within Fayette County to discuss the possibilities of an I-64 pipeline to carry water from Louisville to Lexington. On June 19<sup>th</sup>, 2007, the Lexington Fayette Urban County Council voted to ask the Louisville Water Company to make a presentation regarding this possibility. Council Members are particularly interested in learning whether this potential water supply source would be cost effective for the rate payers.

In order to give some structure to the presentation, I have solicited questions from my Council colleagues. It has been suggested that the presentation be simple in delivery for those who may not be well-versed on the previous water issue. The following are the submitted questions:

- How large of an aqueduct (pipe) is necessary to supply Central Kentucky?
- How will the price of water be determined?
- How long would it take to build the pipeline and be in operation?
- Has Louisville Water Company been talking with other communities about water supply? Are you able to say which communities?
- What would be the guaranteed water capacity versus the committed water capacity to Lexington?
- Who will pay for the extension of a pipeline to Louisville?
- What is your capacity for those you serve and is your planned capacity growing (10%, 20%, 30%) over the next 25-30 years?
- What is the feasibility of this project? Can it actually be done on the north side of 1-64, with approval to use the State Right of Way?
- What is the comparison to alternatives in terms of reliability?
- What would be the potential cost to consumers?



# Lexington-Fayette Urban County Council

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K. C. Crosbie 7th District

George G. Myers 8th District

Jay McChord 9th District

Don Blevins 10th District

Richard P. Moloney 11th District

**Ed Lane** 12th District

- What would be the effects on those who are our regional partners in the Bluegrass Regional Water Commission?
- What is the potential development impact along a Louisville to Lexington pipeline route?
- What are potential downsides?

Many thanks for your willingness to make this presentation on July 10, 2007. Our meeting begins at 3:00 PM in the Council Chamber at 200 East Main Street. We look forward to meeting with you.

Sincerely,

CC:

Linda Gorton

Linda Gorton, RN Council Member At-Large

Mayor Council Members Don Kelly Charles Martin Rebecca Langston

From: Ellen Kessler [ellen.kessler@georgetownky.gov]

Sent: Thursday, April 05, 2007 2:19 PM

To: Vince Guenthner

Subject: RE: Directions to Louisville Water Company

Thank you so much... I will have the Mayor there. Ellen

-----Original Message-----From: Vince Guenthner [mailto:vguenthner@lwcky.com] Sent: Thursday, April 05, 2007 2:11 PM To: Ellen.Kessler@georgetownky.gov Subject: Directions to Louisville Water Company

This is to confirm or meeting with Mayor Tingle-Sames on Tuesday April 10, 2007 at 10:00 a.m. Representatives from Louisville Water Company will include:

Greg Heitzman, Senior Vice President for Operations Jim Smith, Director of Engineer Planning Vince Guenthner, Manager Government Affairs

Please disregard the directions I gave you over the phone I think the following is a little easier.

Louisville Water Company (LWC) 550 South Third Street Louisville, KY 40202

Take I-64 west toward Louisville. As you approach the I-64/I-65 merger you will want to stay on I-64 by staying in the right lane. Take I-64 all the way to the Third Street/River Road Exit (exit 5-B). Once on the ramp get into the left lane of the ramp. At the bottom of the ramp you want to go straight. Once you pass River Road you are on Third Street. Stay on Third Street until you reach LWC headquarters. You will pass the following streets:

Main Market Jefferson Muhammad Ali Guthrie

LWC's parking garage is attached to our corporate headquarters. The garage and office building are located on the right between Guthrie and Chestnut. Once you pass Guthrie the LWC parking garage is the very next entrance on the right. Park in visitor parking on the lower level.

Walk in the lobby and ask the guard for me.

If you have any questions, please call or email me.

Vince Guenthner Manager, Government Affairs 502-569-3640 502-533-5014 (cell)

· po

From:	Vince Guenthner
Sent:	Thursday, July 19, 2007 3:09 PM
To:	Vince Guenthner
Subject:	FW: Visit to Georgetown City Council



Visit to Georgetown City Counc...

-----Original Message----From: Vince Guenthner Sent: Tuesday, July 17, 2007 9:34 AM To: Greg Heitzman; Jim Smith; Patti Kaelin Subject: FW: Visit to Georgetown City Council

Fyi, Let's discuss. i'm available

#### **Beverly Soice**

From:	Wolf, Ron [Ron.Wolf@louisvilleky.gov]
Sent:	Wednesday, July 18, 2007 11:28 AM
To:	Vince Guenthner
Subject:	FW: Saturday edition Lex H-L



Lex H-L\_ ATT14421933.txt -14-2007 \_ Water sc (230 B)

Fyi (in case you missed it, which I doubt).

----Original Message----From: Thomas Marshall [mailto:tamarshall@mac.com] Sent: Monday, July 16, 2007 2:08 PM To: Wolf, Ron Subject: Saturday edition Lex H-L

> > The editorial in the Jul 14th (Sat.) Lexington Herald-Leader has > flaws, but it does call for a serious review of the LWC option. > Ron, if you have problems opening the file, please let me know. My > email address is tamarshall@mac.com

>

From: Karen Tingle-Sames [karen.tinglesames@georgetownky.gov]

Sent: Tuesday, July 17, 2007 8:33 AM

To: Vince Guenthner

Subject: Visit to Georgetown City Council

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Mayor Karen Tingle Sames Georgetown

#### Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

August 21, 2007

Mr. Marc Williams, PE, Commissioner Kentucky Transportation Cabinet

RE: Use of I-64 Right-of-Way for Water Supply Pipeline

Dear Marc:

As you can imagine a reliable water supply is critical to Lexington and Central Kentucky. A safe and effective transportation network is equally important to the residents of Central Kentucky.

Officials with the Louisville Water Company have developed a proposal to construct a pipeline from Louisville into Central Kentucky supplying us with treated water from the Ohio River. They have proposed utilizing right-of-way along the I-64 corridor.

Officials with Kentucky American Water have cautioned the local government that the Kentucky Transportation Cabinet may not grant an encroachment permit to the Louisville Water Company or any entity allowing a pipeline to be constructed within the I-64 ROW. They refer to a comparable proposal in the early 1990's that would have also used the I-64 ROW for a similar pipeline from Louisville to Lexington that was not supported by the Transportation Cabinet.

As Chair of the Urban County Council Planning Committee I am asking for your input. Would the Transportation Cabinet consider an encroachment permit application from the Louisville Water Company as described above? If yes, what criteria would be used to evaluate such a proposal? Any other thoughts on this matter would be greatly appreciated.

I completely understand that any comments the Transportation Cabinet would have at the present would be preliminary until you at least received an encroachment permit from Louisville Water. However, I would not want to expend time and other resources on a proposal that the Cabinet could not support. Conversely I would not want to reject any proposal without having your input.

I look forward to your response. If you need any further information please do not hesitate to contact me.

inda Sonton 1 mm Linda Gorton

Councilmember-At-Large

Cc: Greg Heitzman, Louisville Water Company Nick Rowe, Kentucky American Water Company Tom Caulkins, Bluegrass Water Commission

From: Karen Tingle-Sames [karen.tinglesames@georgetownky.gov]

Sent: Tuesday, July 17, 2007 8:33 AM

To: Vince Guenthner

Subject: Visit to Georgetown City Council

Dear Vince,

My City council would like to invite you and Greg Weitzman and or Jim Smith, to talk to the council about the Louisville water line. It is time for the council to start to hear their options and form a decision. I was wondering if you could come to Georgetown on Aug 20th a Monday night about 5:30 or 6:00? Please check your schedules and see if this is possible. I would like to let the council know this week. Thank you very much Mayor Karen Tingle Sames Georgetown

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#### Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

From: Vince Guenthner

Sent: Thursday, July 19, 2007 3:08 PM

To: 'Karen Tingle-Sames'

Cc: Greg Heitzman

Subject: RE: Visit to Georgetown City Council

#### Dear Mayor,

Thank you, for the invitation. Louisville Water Company will be happy to attend the meeting on August 20 and present information to the Georgetown City Council. At this point I'm not exactly sure who will attend but we will definitely be in attendance and prepared to answer questions.

-----Original Message----- **From:** Karen Tingle-Sames [mailto:karen.tinglesames@georgetownky.gov] **Sent:** Tuesday, July 17, 2007 8:33 AM **To:** Vince Guenthner **Subject:** Visit to Georgetown City Council

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#### Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

From:Charles Martin [chmartin@lfucg.com]Sent:Friday, August 03, 2007 12:04 PMTo:Greg HeitzmanCc:fosteo@kycounsel.com

Subject: FW: Aug 21 Council Planning Committee

FYI

-----Original Message----From: Paul Schoninger
Sent: Monday, July 16, 2007 9:23 AM
To: 'ksmith@lwcky.com'; 'pscinfo@ky.gov'; 'kslewis@ky.gov'; 'bridwell@kawc.com'; 'bwsc@bluegrasswater.com'; 'stephen.reeder@ky.gov'
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

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The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

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#### Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

From:Paul Schoninger [paulas@lfucg.com]Sent:Tuesday, July 17, 2007 1:56 PMTo:Vince GuenthnerSubject:RE: Aug 21 Council Planning Committee

Planning Committee Membership

At-Large Councilmember Linda Gorton, Chair Tom Blues, 2<sup>nd</sup> District, Vice Chair Vice Mayor Jim Gray Chuck Ellingeer, At-Large Andrea James, 1<sup>st</sup> District Julian Beard, 4<sup>th</sup> District David Stevens, 5<sup>th</sup> District Kevin Stinnett, 6<sup>th</sup> District K.C. Crosbie, 7<sup>th</sup> District Jay McChord, 9<sup>th</sup> District

Paul S 3208

----Original Message----From: Vince Guenthner [mailto:vguenthner@lwcky.com]
Sent: Tuesday, July 17, 2007 1:38 PM
To: Paul Schoninger
Subject: FW: Aug 21 Council Planning Committee

Paul,

Per our discussion, please email me a list of the Council members who serve on the Planning Committee. If you have any questions or need to get in touch with me please call or email me.

Thanks

Vince Guenthner Manager, Government Affairs 502-569-3640

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

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You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

From: Ellen Kessler [ellen.kessler@georgetownky.gov]

Sent: Thursday, April 05, 2007 2:19 PM

To: Vince Guenthner

Subject: RE: Directions to Louisville Water Company

Thank you so much...I will have the Mayor there. Ellen

-----Original Message-----From: Vince Guenthner [mailto:vguenthner@lwcky.com] Sent: Thursday, April 05, 2007 2:11 PM To: Ellen.Kessler@georgetownky.gov Subject: Directions to Louisville Water Company

This is to confirm or meeting with Mayor Tingle-Sames on Tuesday April 10, 2007 at 10:00 a.m. Representatives from Louisville Water Company will include:

Greg Heitzman, Senior Vice President for Operations Jim Smith, Director of Engineer Planning Vince Guenthner, Manager Government Affairs

Please disregard the directions I gave you over the phone I think the following is a little easier.

Louisville Water Company (LWC) 550 South Third Street Louisville, KY 40202

Take I-64 west toward Louisville. As you approach the I-64/I-65 merger you will want to stay on I-64 by staying in the right lane. Take I-64 all the way to the Third Street/River Road Exit (exit 5-B). Once on the ramp get into the left lane of the ramp. At the bottom of the ramp you want to go straight. Once you pass River Road you are on Third Street. Stay on Third Street until you reach LWC headquarters. You will pass the following streets:

Main Market Jefferson Muhammad Ali Guthrie

LWC's parking garage is attached to our corporate headquarters. The garage and office building are located on the right between Guthrie and Chestnut. Once you pass Guthrie the LWC parking garage is the very next entrance on the right. Park in visitor parking on the lower level.

Walk in the lobby and ask the guard for me.

If you have any questions, please call or email me.

Vince Guenthner Manager, Government Affairs 502-569-3640 502-533-5014 (cell)

From: Vince Guenthner

Sent: Thursday, April 05, 2007 2:11 PM

To: 'Ellen.Kessler@georgetownky.gov'

Subject: Directions to Louisville Water Company

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Walk in the lobby and ask the guard for me.

If you have any questions, please call or email me.

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From:	Vince Guenthner
Sent:	Tuesday, July 17, 2007 9:34 AM
To:	Greg Heitzman; Jim Smith; Patti Kaelin
Subject:	FW: Visit to Georgetown City Council
Attachments:	Visit to Georgetown City Council



Visit to Georgetown City Counc...

Fyi, Let's discuss. i'm available

From: Greg Heitzman

Sent: Tuesday, September 04, 2007 6:28 PM

To: Barbara Dickens

Cc: Vince Guenthner; Susan Lehmann; Bob Miller; Jim Brammell

Subject: FW: Sept 18 Council Planning Committee

Barb, we need to make our Louisville Pipeline presentation to LFUCG at 1:00 pm on Tuesday 9/18. I talked to Linda Gorton (Planning Committee Chair) today, and this is a standing meeting and can't be moved. We will present the RW Beck findings. My absence, may send an unintended message to the Council and the media. RW Beck will be presenting their analysis.

I see 3 options:

- 1. Jim and Vince (plus RW Beck) present without me, I attend the LWC Board meeting.
- 2. We move the LWC Board to that morning at 9:00, and I attend the LFUCG mtg for the LWC presentation.
- 3. I attend the LFUCG mtg, and miss the LWC Board meeting.

If we can pull it off, I prefer option #2, so I can attend both. Can you have Bev check the availability for a quorum for the 9/18 mtg, and ask in a 9:00 am Board mtg is an option. The Compensation Committee would then follow the Board mtg at 11:00 am, and we could serve lunch for the committee. Susan and you can attend that mtg, and I can miss the comp committee mtg. If we leave by 11:15, we can make the LFUCG by 1:00 pm.

Call me Tuesday on the cell 533-5073 to discuss pros/cons.

Greg C. Heitzman, P.E. President & CEO Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Paul Schoninger [mailto:paulas@lfucg.com] Sent: Sunday, September 02, 2007 10:30 AM To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie Subject: Sept 18 Council Planning Committee

This is to remind you that to please provide a copy of any written presentation for the Sept 18 Council Planning Committee to me no later than Wed Sept 12 so the material can be in the Committee packet. This will afford the Council time to review the materials prior to the meeting.

If you have to bring new materials to the Sept 18 meeting please bring enough copies for the Committee, other interested parties and the general public. Thanks. We look forward o seeing you on Tuesday September 18.

From:Patti KaelinSent:Monday, August 20, 2007 2:10 PMTo:Vince GuenthnerAttachments:georgetown.ppt

From:Patti KaelinSent:Monday, August 20, 2007 4:12 PMTo:Jim SmithAttachments:georgetown.ppt



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Louisville Water Company

# Georgetown City Council Presentation to

August 20, 2007

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- LWC was chartered in 1854 as a municipal corporation.
- LWC is a nationally recognized utility with demonstrated technical, managerial and financial capacity in all areas of water utility operations.
- LWC water quality exceeds all US EPA and KY Division of Water regulatory requirements, as well as the high standards of the EPA Partnership for Safe Drinking Water.
- LWC provides retail and wholesale water service to 850,000 people in Metro Louisville and the following counties:
  - Bullitt County
- Nelson County
- Oldham County
- Spencer County Shelby County
   Spencer County


<ul> <li>LWC's water source is the C that will meet all water supple that will meet all water supple that will meet all water supple that will an average flow of near buring the 1999 drought, LVC percent of the available capa gallons per day (MGD) which LVC's historical maximum of LVC's historical maximum of Central Kentucky. LVC here availy be increased</li> </ul>
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for quality, service and value.



## LWC Financial Capacity

- LWC Revenue Bonds are rated AA+ by Standard and Poor's Corporation and Aa1 by Moody's Investors Service. These ratings are among the highest in the United States. 巖
- LWC has the capacity to finance capital improvements to extend service to Central Kentucky.
- LWC has the organizational flexibility to enter into a wide range of partnership opportunities.

LWC Water Rates	LWC establishes water rates on cost-of-service principles established by the American Water Works Association (AWWA).	LWC water rates are among the lowest in the state. The typical residential monthly water bill for 2007 is \$18.40 for 6,000 gallons of consumption.	LWC standard wholesale rate for 2007 is \$1.71 per thousand gallons.

LWC will provide alternative wholesale rates based upon minimum purchase, duration of contract, capacity reserved, and contributed capital. 

t and Georgetown	
ounty, Frankfort	Solution
Shelby C	Pipeline

- The Interstate 64 pipeline is a regional water solution with potential partners including North Shelby Water Company, West Shelby Water District, US 60 Water District, and the cities of Shelbyville, Frankfort and Georgetown. 聯
- LWC has been meeting monthly with the Shelby County water providers and attending the Bluegrass Water Supply Commission meetings. W.
- LWC has presented regional pipeline solutions to Frankfort Plant Board on May 15, 2007. 龖
- Shelbyville Water and Sewer Commission on June 18, 2007. Lexington-Fayette Urban County Council on July 10, 2007. Capital Community Economic and Industrial Development Authority of Franklin County on July 19, 2007.

## Shelby County, Frankfort and Georgetown Pipeline Solution

]

- LWC will build a 24 inch transmission line along Interstate 64 from Jefferson County to Frankfort.
  - LWC will build and fund the portion of the main from Jefferson County to KY Hwy 53, approximately 86,000 feet, at an estimated cost of \$18.5 million.
- If needed, LWC will finance the portion of the main from KY Hwy 53 to Frankfort, approximately 108,000 feet, at an estimated cost of \$17.3 million.
- Georgetown water supply is available from Frankfort (FPB).
- Option 1 -- 2 MGD requires no additional investment to received water from FPB.
  - Option 2 -- 2 to 5 MGD requires construction of a 16 inch water main parallel to the existing 12 inch water main in Hwy 460, approximately 24,800 feet, at a cost of \$2.5 million.





### Frankfort and Georgetown Solution Shelby County, Pipeline

- 24 inch transmission line provides 10 MGD capacity. 識
- Pipeline flow of 2 MGD is necessary to assure water quality, and financial feasibility of project.
- LWC will provide water service to wholesale customers connecting to the pipeline at the LWC wholesale rate of \$1.71 per thousand gallons (2007 standard wholesale rate). 鱋
- Pipeline can be built by 2010.

# Benefits of a Regional Pipeline Solution

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- Provides an unlimited source of supply from the Ohio River.
- Provides a low cost and timely regional solution.
- Is attractive for state and federal grants.
- Provides long term drought protection and a reliable, redundant source.
- Provides connectivity for water providers in the Central Kentucky Region.

## Contact Information

i.

Louisville Water Company 550 South Third Street Louisville, KY 40202 **Jim Smith** Infrastructure Planning Manager 502-569-3687 jsmith@lwcky.com

**Greg Heitzman** President 502-569-3681 gheitzman@lwcky.com Vince Guenthner Government Affairs Manager 502-569-3640 vguenthner@lwcky.com

### Dawn Czajka

From: Karen Tingle-Sames [karen.tinglesames@georgetownky.gov]

Sent: Thursday, July 19, 2007 4:14 PM

To: Vince Guenthner

Subject: RE: Visit to Georgetown City Council

Thank you. I will tell them on Monday. I am not going to be able to be with you on Friday, I am already booked for the day. I will get back with you about the detail on Tues July 24. Thanks again. Mayor Karen Tingle Sames

From: Vince Guenthner [mailto:vguenthner@lwcky.com] Sent: Thursday, July 19, 2007 3:08 PM To: Karen Tingle-Sames Cc: Greg Heitzman Subject: RE: Visit to Georgetown City Council

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City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

NOTICE OF CONFIDENTIALITY: This e-mail, including any attachments, is intended only for the use of the individual or entity to which it is addressed and may contain confidential information that is legally privileged and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are notified that any review, use, disclosure, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please contact the sender by reply e-mail and destroy all copies of the original message.

### Dawn Czajka

From:	Vince Guenthner
Sent:	Thursday, July 19, 2007 3:09 PM
То:	Vince Guenthner
Subject:	FW: Visit to Georgetown City Council

Attachments: Visit to Georgetown City Council



Visit to Georgetown City Counc...

-----Original Message----From: Vince Guenthner Sent: Tuesday, July 17, 2007 9:34 AM To: Greg Heitzman; Jim Smith; Patti Kaelin Subject: FW: Visit to Georgetown City Council

Fyi, Let's discuss. i'm available

Page 1 of 1

### **Beverly Soice**

From: Greg Heitzman

Sent: Friday, August 03, 2007 1:21 PM

To: Jim Smith; Vince Guenthner

Subject: FW: Aug 21 Council Planning Committee

Vince, note they e-mailed to Kelley.

I agree with you, that we don't forward any new info.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message----- **From:** Charles Martin [mailto:chmartin@lfucg.com] **Sent:** Friday, August 03, 2007 12:04 PM **To:** Greg Heitzman **Cc:** fosteo@kycounsel.com **Subject:** FW: Aug 21 Council Planning Committee

FYI

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Should you need any further information please do not hesitate to contact this office.

From: Greg Heitzman

Sent: Friday, August 03, 2007 1:21 PM

To: 'Charles Martin'

Subject: RE: Aug 21 Council Planning Committee

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Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

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Should you need any further information please do not hesitate to contact this office.

- From: Paul Schoninger [paulas@lfucg.com]
- Sent: Monday, August 27, 2007 8:28 AM
- To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov; david.spenard@ky.gov
- **Cc:** Charles Martin; Linda Gorton; Julian Beard; Logan Askew
- Subject: RE: Aug 21 Council Planning Committee

Just a reminder that the water supply discussion will continue at the Sept 18 Council Planning Committee 1:00 PM in the 2nf floor Council Chambers of the Government Center, 200 East Main Street. You are encouraged to provide any written materials to be no later than Wednesday Sept 12 so that it will be in the Committee packet and Councilmember's can review the materials prior to the meeting.

We look forward to seeing you on Tuesday Sept 18. Thanks.

Paul Schoninger 859-258-3208

From: Thomas Calkins [tcalkins@qx.net]

Sent: Sunday, September 02, 2007 2:06 PM

To: Stephen.reeder@ky.gov; bwsc@bluegrasswater.com; bridwell@kawc.com; kslewis@ky.gov; vguenther@lwcky.com; Greg Heitzman; Jim Smith; Paul Schoninger

Cc: Vernon Azevedo; Tom Calkins; Rest, George; Powell, Donna; Pearce, Dave; Martin, Charles H.; Kevin Crump; Don Hassall; Don Hassall; David Billings; Damon R. Talley; Bryan Lovan; Bob Riddle; Burtner, Mayor Ed; David Barberie; Logan Askew; Julian Beard; Linda Gorton

Subject: Re: Sept 18 Council Planning Committee

I will be in Campbellsville on that day....I will advise as to whom will represent BWSC.....Charlie will be in Atlanta....

Thanks,

Tom

----- Original Message -----From: Paul Schoninger To: jsmith@lwcky.com ; gheitzman@lwcky.com ; vguenther@lwcky.com ; kslewis@ky.gov ; bridwell@kawc.com ; bwsc@bluegrasswater.com ; Stephen reeder@ky.gov Cc: Charles Martin ; Linda Gorton ; Julian Beard ; Logan Askew ; David Barberie Sent: Sunday, September 02, 2007 9:30 AM Subject: Sept 18 Council Planning Committee

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From: Jim Smith

Sent: Tuesday, September 04, 2007 8:24 AM

To: Patti Kaelin

Subject: FW: Sept 18 Council Planning Committee

FYI

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From:Jim SmithSent:Friday, August 03, 2007 2:10 PMTo:Patti KaelinSubject:FW: Aug 21 Council Planning Committee

### FYI

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Sent: Friday, August 03, 2007 1:21 PM
To: Jim Smith; Vince Guenthner
Subject: FW: Aug 21 Council Planning Committee

Vince, note they e-mailed to Kelley.

I agree with you, that we don't forward any new info.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message----From: Charles Martin [mailto:chmartin@lfucg.com]
Sent: Friday, August 03, 2007 12:04 PM
To: Greg Heitzman
Cc: fosteo@kycounsel.com
Subject: FW: Aug 21 Council Planning Committee

FYI

----Original Message----From: Paul Schoninger
Sent: Monday, July 16, 2007 9:23 AM
To: 'ksmith@lwcky.com'; 'pscinfo@ky.gov'; 'kslewis@ky.gov'; 'bridwell@kawc.com'; 'bwsc@bluegrasswater.com'; 'Stephen.reeder@ky.gov'
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Page 2 of 2

Should you need any further information please do not hesitate to contact this office.

- From: Paul Schoninger [paulas@lfucg.com]
- Sent: Sunday, September 02, 2007 10:30 AM
- To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
- Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie
- Subject: Sept 18 Council Planning Committee

This is to remind you that to please provide a copy of any written presentation for the Sept 18 Council Planning Committee to me no later than Wed Sept 12 so the material can be in the Committee packet. This will afford the Council time to review the materials prior to the meeting.

If you have to bring new materials to the Sept 18 meeting please bring enough copies for the Committee, other interested parties and the general public. Thanks. We look forward o seeing you on Tuesday September 18.

From:Greg HeitzmanSent:Thursday, September 06, 2007 12:00 PMTo:Vince GuenthnerSubject:FW: Sept 18 Council Planning Committee

Pls respond that we will present the RW Beck study, but will not have any documents in advance.

Greg C. Heitzman, P.E. President & CEO Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message----From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Sunday, September 02, 2007 10:30 AM
To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com;
Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie
Subject: Sept 18 Council Planning Committee

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From: Kathie Johnson on behalf of Greg Heitzman

Sent: Thursday, September 06, 2007 11:46 AM

To: Vince Guenthner

Subject: FW: Sept 18 Council Planning Committee

Please email that we will present an evaluation of LWC pipeline.

 ---- Original Message --- From: Paul Schoninger
 To: jsmith@lwcky.com ; gheitzman@lwcky.com ; vguenther@lwcky.com ; kslewis@ky.gov ; bridwell@kawc.com ; bwsc@bluegrasswater.com ; Stephen.reeder@ky.gov
 Cc: Charles Martin ; Linda Gorton ; Julian Beard ; Logan Askew ; David Barberie
 Sent: Sunday, September 02, 2007 9:30 AM
 Subject: Sept 18 Council Planning Committee

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From:Jim SmithSent:Tuesday, September 04, 2007 8:24 AMTo:Patti Kaelin

To: Patti Kaelin Subject: FW: Sept 18 Council Planning Committee

### FYI

----Original Message----From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Sunday, September 02, 2007 10:30 AM
To: Jim Smith; Greg Heitzman; vguenther@lwcky.com; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com;
Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew; David Barberie
Subject: Sept 18 Council Planning Committee

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If you have to bring new materials to the Sept 18 meeting please bring enough copies for the Committee, other interested parties and the general public. Thanks. We look forward o seeing you on Tuesday September 18.

### Dawn Czajka

From: Karen Tingle-Sames [karen.tinglesames@georgetownky.gov]

Sent: Thursday, July 19, 2007 4:14 PM

To: Vince Guenthner

Subject: RE: Visit to Georgetown City Council

Thank you. I will tell them on Monday. I am not going to be able to be with you on Friday, I am already booked for the day. I will get back with you about the detail on Tues July 24. Thanks again. Mayor Karen Tingle Sames

From: Vince Guenthner [mailto:vguenthner@lwcky.com]
Sent: Thursday, July 19, 2007 3:08 PM
To: Karen Tingle-Sames
Cc: Greg Heitzman
Subject: RE: Visit to Georgetown City Council

Dear Mayor,

Thank you, for the invitation. Louisville Water Company will be happy to attend the meeting on August 20 and present information to the Georgetown City Council. At this point I'm not exactly sure who will attend but we will definitely be in attendance and prepared to answer questions.

----Original Message----From: Karen Tingle-Sames [mailto:karen.tinglesames@georgetownky.gov]
Sent: Tuesday, July 17, 2007 8:33 AM
To: Vince Guenthner
Subject: Visit to Georgetown City Council

Dear Vince,

My City council would like to invite you and Greg Weitzman and or Jim Smith, to talk to the council about the Louisville water line. It is time for the council to start to hear their options and form a decision. I was wondering if you could come to Georgetown on Aug 20th a Monday night about 5:30 or 6:00? Please check your schedules and see if this is possible. I would like to let the council know this week. Thank you very much Mayor Karen Tingle Sames Georgetown

### Mayor Karen Tingle-Sames

City of Georgetown 100 Court Street Georgetown,KY 40324 502-863-9800

NOTICE OF CONFIDENTIALITY: This e-mail, including any attachments, is intended only for the use of the individual or entity to which it is addressed and may contain confidential information that is legally privileged and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are notified that any review, use, disclosure, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please contact the sender by reply e-mail and destroy all copies of the original message.

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### **Beverly Soice**

From:Vince GuenthnerSent:Tuesday, July 10, 2007 10:18 AMTo:Barbara CrowSubject:FW: Presentation at the LFUCG Work Session - July 10, 2007Importance:High

### directions

-----Original Message-----From: Greg Heitzman Sent: Tuesday, July 03, 2007 8:46 AM To: Vince Guenthner Subject: FW: Presentation at the LFUCG Work Session - July 10, 2007 Importance: High

### FYI

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Patsy Boots [mailto:pboots@lfucg.com] Sent: Thursday, June 28, 2007 11:32 AM To: Greg Heitzman Cc: Arty Greene Subject: Presentation at the LFUCG Work Session - July 10, 2007 Importance: High

### Dear Mr. Heitzman:

On behalf of the Mayor and the Urban County Council, we appreciate the opportunity to hear your presentation on the Louisville Water Company at our Work Session on July 10, 2007. The meeting starts at 3pm at the Government Center located at 200 E Main Street. Please arrive by 2:45pm. The Council Chambers is located on the 2<sup>nd</sup> floor across from the two main elevators. Mr. Arty Greene, an Aide to the Mayor and Council Liaison, will meet you in the Council Chambers.

### Directions from Louisville:

From Louisville to Lexington take I-64. Once you come to the I-64 / I-75 split, you need to head south on I-75. Take Exist 113 which will be the Paris exit. At the end of the exit ramp, turn RIGHT. It would be best to stay in the left lane. Stay on Broadway. You will travel across New Circle Rd. Continue on Broadway. After the next two traffic signals, you will see the SEVENTH ST and DELCAMP on the right. Continue on BROADWAY until you get to come to SECOND ST. Turn LEFT on SECOND ST. This is a one way street. Stay in your right lane. At the second traffic signal, turn RIGHT on UPPER ST. This is a one way street – turn into the left lane. Travel through the next light at MAIN ST. Turn LEFT onto VINE ST at the next traffic signal into the second lane from the left. Travel on Vine through the next traffic signal at LIMESTONE. The next traffic signal will be at QUALITY ST. Turn LEFT on Quality. This is a two-way street. This will bring you back to MAIN ST. Turn left on Main and stay in the left lane. About a half-block

### Page 2 of 2

up you will see the Kentucky Theatre sign. Next to the Theatre is our parking garage. You will see a sign "Not for Public Parking." Immediately turn left English-style into the Garage. Ahead on the left is a Security Office. They will allow you to park on the ground level of the garage. You may walk out of the garage and turn left. You will see the Government Center. Enter and sign in at the Security Desk on the first floor.

Should you need assistance on the road, please call Mr. Greene on his cell phone 859-533-2046 or me.

Sincerely,

Pat Boots Office of the Mayor 200 E Main Street 859-258-3115 pboots@lfucg.com

e - Crista

### **Beverly Soice**

From: Greg Heitzman
Sent: Thursday, June 28, 2007 12:38 PM
To: 'Patsy Boots'
Subject: RE: Presentation at the LFUCG Work Session - July 10, 2007

Thanks, Patsy, we'll be there. At 2:45.

Can you give me a feel for the Council would like to see presented and the amount if time we have.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

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Page 2 of 2

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Pat Boots Office of the Mayor 200 E Main Street 859-258-3115 pboots@lfucg.com

From:	Patsy Boots [pboots@lfucg.com]
Sent:	Thursday, June 28, 2007 11:32 AM
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Cc:	Arty Greene
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Sincerely,

Pat Boots Office of the Mayor 200 E Main Street 859-258-3115 pboots@lfucg.com

From:	Greg Heitzman
Sent:	Wednesday, September 27, 2006 5:21 PM
То:	'chmartin@lfucg.com'; 'VAzevedo@wmutilities.com'
Cc:	Jim Smith
Subject: RE: Louisville Water Company	

Vernon and Charlie, thank you for your prompt response. Jim Smith of my staff will contact Bryan Lovan for a meeting with the OBG Engineers in the next 1-2 weeks

We also desire to meet with the BWSC Master Planning Committee in the next month, to discuss some new partnering concepts and update our December 2005 proposal to BWSC. Our Capital Program budget for 2007-11 now includes a project to extend a 16" to 24" transmission main along I-64 into Shelby County within the next 5 years to accommodate growth in eastern Jefferson County and Shelby County. With this project now in our 5 year plan, the water main can be sized to provide an added increment of supply needed for the BGWSC in a very cost effective manner. We have also evaluated a number of different water demand scenarios that would reduce the water rate (cost per 1000 gallons) for BWSC.

Charlie, I will call you tomorrow to ask when we might be able to meet with you and members of your committee.

Greg C. Heitzman, P.E. Sr. VP of Operations and Chief Engineer Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

> -----Original Message-----From: chmartin@lfucg.com [mailto:chmartin@lfucg.com] Sent: Wednesday, September 27, 2006 3:16 PM To: VAzevedo@wmutilities.com; lovanbk@obg.com; Greg Heitzman Cc: dblackburn@cityofberea.com; tom\_calkins@nicholasville.org; parisutility@bellsouth.net; dhassall@bgadd.org; dbillings@fewpb.com; msws@adelphia.net; dmpowell44@adelphia.net; DRTalley@alltel.net; briddle@gmwss.com Subject: RE: Louisville Water Company

Vernon:

I suspect this is consistent with the wishes of the commission as a whole. As you know, LFUCG continues to vote under the direction of previously enacted resolutions (ie; KY River Solution). Since KAWC has decided to pursue that solution, thus satisfying the source criteria requested by LFUCG, not sure what LFUCG's vote in this matter means anymore.

Personally, I will assist in facilitating the LWC discussion in whatever way the commission asks. Let me know how I can help.

Charles H. Martin, PE Director, Division of Sanitary Sewers Lexington-Fayette Urban County Government Office - (859) 425-2455 Fax - (859) 254-7787 email chmartin@lfucg.com

----Original Message----From: Vernon Azevedo [mailto:VAzevedo@wmutilities.com]
Sent: Wednesday, September 27, 2006 12:13 PM
To: Charles Martin; Lovan, Bryan; gheitzman@lwcky.com
Cc: dblackburn@cityofberea.com; tom\_calkins@nicholasville.org; parisutility@bellsouth.net;
dhassall@bgadd.org; Billings, David; msws@adelphia.net; dmpowell44@adelphia.net; DRTalley@alltel.net;
briddle@gmwss.com
Subject: Louisville Water Company

Greg Heitzman called me today. As you know, LWC continues to be interested in working with BWSC as a public agency. LWC desires to have further discussions. I have advised Greg to contact Bryan and work through OBG and the Master Planning Committee. I think this is consistent with what we have authorized OBG to do in evaluating alternatives.

Charlie - I trust that this is okay with you as Chair of that committee

Vernon

From: Kathie Johnson on behalf of Greg Heitzman

Sent: Friday, August 31, 2007 5:28 PM

To: 'Melynda Milburn'

Subject: RE: Water Restrictions

The Louisville Water Company has no restrictions on water use at this time.

From: Melynda Milburn [mailto:mmilburn@lfucg.com] Sent: Friday, August 31, 2007 8:35 AM To: Greg Heitzman Subject: Water Restrictions

The following email is from CM Gorton-

Dear Greg,

Could you please inform me as to whether or not Louisville is on water restrictions? Thanks!

Linda Gorton, RN Council Member At-Large

### Melynda Milburn

Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com

From: Thomas Calkins [tcalkins@qx.net]

Sent: Sunday, September 02, 2007 2:06 PM

To: Stephen.reeder@ky.gov; bwsc@bluegrasswater.com; bridwell@kawc.com; kslewis@ky.gov; vguenther@lwcky.com; Greg Heitzman; Jim Smith; Paul Schoninger

Cc: Vernon Azevedo; Tom Calkins; Rest, George; Powell, Donna; Pearce, Dave; Martin, Charles H.; Kevin Crump; Don Hassall; Don Hassall; David Billings; Damon R. Talley; Bryan Lovan; Bob Riddle; Burtner, Mayor Ed; David Barberie; Logan Askew; Julian Beard; Linda Gorton

Subject: Re: Sept 18 Council Planning Committee

I will be in Campbellsville on that day....I will advise as to whom will represent BWSC.....Charlie will be in Atlanta....

Thanks,

Tom

----- Original Message -----From: Paul Schoninger To: jsmith@lwcky.com ; gheitzman@lwcky.com ; vguenther@lwcky.com ; kslewis@ky.gov ; bridwell@kawc.com ; bwsc@bluegrasswater.com ; Stephen.reeder@ky.gov Cc: Charles Martin ; Linda Gorton ; Julian Beard ; Logan Askew ; David Barberie Sent: Sunday, September 02, 2007 9:30 AM Subject: Sept 18 Council Planning Committee

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From: Melynda Milburn [mmilburn@lfucg.com]

Friday, August 31, 2007 8:35 AM Sent:

Greg Heitzman To:

Subject: Water Restrictions

The following email is from CM Gorton-

Dear Greg,

Could you please inform me as to whether or not Louisville is on water restrictions? Thanks!

Linda Gorton, RN Council Member At-Large

**Melynda Milburn** Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com

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### **Beverly Soice**

From: Sent: To: Cc: Subject: Melynda Milburn [mmilburn@lfucg.com] Wednesday, August 22, 2007 9:38 AM Williams, Marc D (KYTC) Greg Heitzman; Nick.Rowe@amwater.com; Council Members; Council Staff FW: Scanned document <1 page ~48 KB> -- 8/22/2007 8:59:53 AM



memo.pdf (48 KB)

Melynda Milburn Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com

-----Original Message-----From: Melynda Milburn Sent: Wednesday, August 22, 2007 9:31 AM To: Melynda Milburn Subject: Scanned document <1 page ~48 KB> -- 8/22/2007 8:59:53 AM

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August 21, 2007

Mr. Marc Williams, PE, Commissioner Kentucky Transportation Cabinet

RE: Use of I-64 Right-of-Way for Water Supply Pipeline

Dear Marc:

As you can imagine a reliable water supply is critical to Lexington and Central Kentucky. A safe and effective transportation network is equally important to the residents of Central Kentucky.

Officials with the Louisville Water Company have developed a proposal to construct a pipeline from Louisville into Central Kentucky supplying us with treated water from the Ohio River. They have proposed utilizing right-of-way along the I-64 corridor.

Officials with Kentucky American Water have cautioned the local government that the Kentucky Transportation Cabinet may not grant an encroachment permit to the Louisville Water Company or any entity allowing a pipeline to be constructed within the I-64 ROW. They refer to a comparable proposal in the early 1990's that would have also used the I-64 ROW for a similar pipeline from Louisville to Lexington that was not supported by the Transportation Cabinet.

As Chair of the Urban County Council Planning Committee I am asking for your input. Would the Transportation Cabinet consider an encroachment permit application from the Louisville Water Company as described above? If yes, what criteria would be used to evaluate such a proposal? Any other thoughts on this matter would be greatly appreciated.

I completely understand that any comments the Transportation Cabinet would have at the present would be preliminary until you at least received an encroachment permit from Louisville Water. However, I would not want to expend time and other resources on a proposal that the Cabinet could not support. Conversely I would not want to reject any proposal without having your input.

I look forward to your response. If you need any further information please do not hesitate to contact me.

Linda Sorta Linda Gorton

Councilmember-At-Large

Cc: Greg Heitzman, Louisville Water Company Nick Rowe, Kentucky American Water Company Tom Caulkins, Bluegrass Water Commission
From: Sent: To: Subject:

•

Melynda Milburn [mmilburn@lfucg.com] Friday, August 17, 2007 3:30 PM Greg Heitzman; Vince Guenthner FW: Scanned document <7 pages ~267 KB> -- 8/17/2007 2:56:50 PM



water.pdf (267 KB)

From CM Gorton

Melynda Milburn Aide to Council Member Linda Gorton At-Large, Lexington-Fayette Urban County Council 200 East Main Street Lexington, KY 40507

Council Office: (859) 258-3200 Direct Line: (859) 258-3828 mmilburn@lfucg.com ----Original Message-----From: Melynda Milburn Sent: Friday, August 17, 2007 3:29 PM To: Melynda Milburn Subject: Scanned document <7 pages ~267 KB> -- 8/17/2007 2:56:50 PM

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# Lexington-Fayette Urban County Council

# FAX COVER SHEET

TO: Vince G.			
FROM: Linda Gorton			
DATE: 8-17.07			
RE: H20			
FAX NUMBER: 502-569-0827			
PHONE NUMBER:			
TOTAL # PAGES, COVER INCLUDED: 7			
NOTES / COMMENTS: GREG + Vince -			

Thanks for your time today! Have a good weekend, Zinda

Gorton Blues Gray Ellinger James Beard Stevens Stinnett Crosbie McChord



# AGENDA PLANNING COMMITTEE August 21, 2007 1:00 P.M

ø	I-64 Louisville Water Pipeline – Beard	(1-21)
0	DDA Land Bank – James	(22-29)
0	Loudon Avenue Phase 1 – James (Time Permitting)	(30)
0	Liberty Road Update – Stinnett (Time Permitting)	(31-32)
ø	Newtown Pike Status - Farmer (Time Permitting)	
٥	Items Referred to Committee	(33)

#### "Planning Committee, to which should be referred matters relating to parks, planning and zoning, housing, transportation, grants, legislation and social services."

Council Rules & Procedures, Section 2.102(1)



#### BLUEGRASS WATER-Q&A

#### What did Kentucky American Water file on March 30?



#### Where will the treatment plant and waterline be located?

The proposed water treatment plant will be located near Monterey, in Owen County, and the water transmission line will run from the water treatment plant site through Franklin and Scott counties, then tie into Kentucky American Water's existing distribution system in Fayette County.

#### What and where is the source of water for this plant?

The treatment plant will draw water from pool 3 of the Kentucky River. The intake for the treatment plant will be located in Franklin County.

#### Does this new project replace existing facilities?

This water supply project is being built to augment Kentucky American Water's existing sources of water supply and water treatment facilities.

#### Why is this project important?

More than 20 years of substantial research by multiple organizations clearly indicates that a sufficient supply of water is not currently available to meet the needs of Kentucky American Water's customers during a drought of record. In fact, the company is currently under mandate by the PSC to address the problem. PSC Order No. 93-434, dated August 21, 1997, states:

"Kentucky-American shall take the necessary and appropriate measures to obtain sources of supply so that the quantity and quality of water delivered to its distribution system shall be sufficient to adequately, dependably, and safely supply the total reasonable requirements of its customers under maximum consumption through the year 2020."

The new water treatment plant and underground waterline will address this need through 2030. This project is not being built for a future need - it is being constructed for an existing need.



#### What will happen if this project doesn't occur?

Many Kentuckians depend on the Central Kentucky region for jobs, health care, education and other services. If a lack of sufficient water supply occurs, businesses and organizations may be required to curtail services, reduce operations, or even shut down temporarily - all of which could have long-term effects.

#### When will construction begin? End?

We are hopeful that the PSC will approve the project in time for us to begin construction later this year, and complete the project by early summer 2010.

#### When was the last drought?

The last significant drought in this region was in 1999. The company's demand management plan, designed to encourage reduction of water use during emergency times, was in effect for 18 weeks - from June 23 through October 25. The company has 15,000 more customers today than it did in 1999.

#### Why can't customers simply conserve more water? Is that a solution?

The company has made a concerted effort to encourage Central Kentuckians to use water wisely through an ongoing consumer education campaign, and will continue to do so, but the water supply problem is beyond the point where conservation will solve it.

#### How much will this project cost?

The project's estimated cost is \$160 million for the 20 mgd facility and water line.

#### Will rates increase because of this project?

Any infrastructure project of this magnitude will certainly have an impact on rates. A greater economic burden would be felt by the community, though, if we do not solve the water supply problem. We estimate that, as a result of this project, the average water bill may increase approximately \$8 - \$10 a month. Customers would begin seeing a portion of that total increase on their bills by mid-construction of the project.

#### Is this a project to benefit Lexington/Fayette County only?

Kentucky American Water serves customers in portions of 10 counties, and this project will initially help meet the needs of customers in seven of those counties, including Fayette, Bourbon, Clark, Harrison, Jessamine, Scott and Woodford.

A partnership with the Bluegrass Water Supply Commission would mean several other communities will also depend on this water treatment plant and waterline, including

Berea, Cynthiana, Frankfort, Georgetown, Lancaster, Mount Sterling, Nicholasville, Paris and Winchester.

The water supply problem is a regional issue, not a "Lexington" issue.

#### Will this project create new jobs?

We project that there will be seven new jobs created for staffing the new water treatment plant.

#### What is the Bluegrass Water Supply Commission?

The BWSC is a group of municipal representatives in the region who have also been studying the water supply deficit and who have concluded through their research that a water supply solution is needed. The company has been working with the group for eight years.

The company is currently in negotiations with the BWSC on a potential joint partnership of the water treatment plant and water transmission line. The BWSC's board approved in January 2007 to fund a second design of the treatment plant, which expands the plant's treatment capacity to help meet BWSC communities' additional water demands (which totals approximately 5 MGD).

#### I thought the Kentucky River didn't have enough water to meet our needs.

The company currently withdraws water from pool 9 of the Kentucky River. It will continue to do so, but, with the new treatment plant, it will also be able to withdraw from pool 3, which is located downstream from pool 9. Between pools 9 and 3, there are numerous cities that discharge treated wastewater back into the river, and there are additional tributaries which flow into the river, providing ample supply to use. In addition, there are no other communities downstream from pool 3 that rely on the river for water supply.

#### How is the water quality in pool 3?

The water quality in pool 3 has been researched and the pool is appropriate for use as a drinking water source. The company intends to provide water from the new plant that meets the same nationally-recognized water quality standards as it currently does from its two Fayette County facilities.

In the 1990s, the company proposed running a pipeline from the Louisville Water Company to Lexington, but then pulled back from that solution at the Lexington-Fayette Urban County Councils' request. Was the company wrong about that solution?

In the 1990s the company determined that the Louisville Water Company solution was the most economical solution for our customers, and no other area providers had addressed a regional approach. In 1999 we agreed to explore a Kentucky River solution and to work on more of a regional solution with other municipalities. That is what we have done, and the outcome is the project we have submitted to the PSC. The project we have filed is the least cost, most feasible solution.

#### Why not add a pipeline from the Ohio River to the plant as well?

At this time we do not believe there is a need to construct a pipeline to the Ohio River, and it would not be appropriate to ask our customers to pay for this additional cost until there is a need.

#### When will you start construction?

We must first receive PSC approval for the project. We are hopeful that we can begin construction in the fall of 2007, allowing us to complete the project by early summer 2010, several months before the Alltech FEI World Equestrian Games.

#### Won't the new waterline impact private property or natural areas?

Kentucky American Water reviewed several potential routes for the 30-mile underground waterline, and then selected one route over the others after reviewing a variety of factors - environmental and cultural concerns, feasibility of construction and operation, and cost. We also solicited feedback from property owners in the area.

There will be some short-term disruption during construction. However, we intend to minimize the impact to the area as much as feasible by laying the waterline in existing roadways as possible, diverting the route around sensitive areas as much as possible, etc. And, we will work to quickly restore disrupted areas so there will be little evidence of the construction. We have been communicating with property owners along the route since December, and will continue to remain in close contact with them to answer questions and address their concerns.

Kentucky American Water is sensitive to property owners' concerns and is an environmentally friendly company.

#### What kinds of environmental projects is the company involved in?

Kentucky American Water is the first utility in the state to join the Kentucky Department of Environmental Protection's Kentucky EXCEL environmental leadership program. A few other examples:

- Leading corporate sponsor of the Lexington-Fayette Urban County Government's Reforest the Bluegrass project since its inception in 1999
- Annual sponsor of Arbor Day at the Arboretum, the state's official botanical garden
- 2007 title sponsor of the Downtown Lexington Corporation's Downtown Sweepstakes cleanup event
- Long-time leading supporter of McConnell Springs, commonly regarded as the place where Lexington was named
- Corporate property in Fayette County is deemed wildlife friendly by the Kentucky Department of Fish and Wildlife's Business Conservation Partnership program
- Company provides funding annually to watershed protection causes and organizations through the American Water Environmental Grant Program
- Company sponsors an annual scholarship for high school seniors focused on environmental stewardship the Ripple Effect Scholarship Program, as well as an annual watershed protection poster contest.

#### How can I learn more about the project?

Visit <u>www.bluegrasswater.com</u> for more information on the project and to stay current on new developments with it. You may also call 1-877-24WATER to request more information.

From: Greg Heitzman

Sent: Friday, August 03, 2007 1:21 PM

To: 'Charles Martin'

Subject: RE: Aug 21 Council Planning Committee

#### Thanks.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message----From: Charles Martin [mailto:chmartin@lfucg.com]
Sent: Friday, August 03, 2007 12:04 PM
To: Greg Heitzman
Cc: fosteo@kycounsel.com
Subject: FW: Aug 21 Council Planning Committee

FYI

-----Original Message-----From: Paul Schoninger Sent: Monday, July 16, 2007 9:23 AM To: 'ksmith@lwcky.com'; 'pscinfo@ky.gov'; 'kslewis@ky.gov'; 'bridwell@kawc.com'; 'bwsc@bluegrasswater.com'; 'Stephen.reeder@ky.gov' Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew Subject: Aug 21 Council Planning Committee

Recently the Lexington Fayette Urban County Council heard a presentation from Louisville Water regarding a proposal to run a pipeline from the Ohio River into Fayette County to serve future water needs. The Council decided to consider this water supply option further by referring this to the Council Planning Committee.

The Planning Committee will meet on Tuesday August 21 at 1:00 PM to hear more about this proposal. The meeting will be held in the 2<sup>nd</sup> floor Council Chambers of the Government Center, 200 East Main Street, Lexington.

If you have any written information that you or your organization would like the Council to consider prior to the meeting please forward it to my attention. I will need to have the information before the end of business Wednesday August 15.

You are also encouraged to attend and offer testimony on this proposal at the Aug 21 meeting.

Should you need any further information please do not hesitate to contact this office.

Paul Schonionger 859-258-3208 paulas@lfucg.com

From:Paul Schoninger [paulas@lfucg.com]Sent:Tuesday, July 17, 2007 1:56 PMTo:Vince GuenthnerSubject:RE: Aug 21 Council Planning Committee

Planning Committee Membership

At-Large Councilmember Linda Gorton, Chair Tom Blues, 2<sup>nd</sup> District, Vice Chair Vice Mayor Jim Gray Chuck Ellingeer, At-Large Andrea James, 1<sup>st</sup> District Julian Beard, 4<sup>th</sup> District David Stevens, 5<sup>th</sup> District Kevin Stinnett, 6<sup>th</sup> District K.C. Crosbie, 7<sup>th</sup> District Jay McChord, 9<sup>th</sup> District

Paul S 3208

-----Original Message----From: Vince Guenthner [mailto:vguenthner@lwcky.com]
Sent: Tuesday, July 17, 2007 1:38 PM
To: Paul Schoninger
Subject: FW: Aug 21 Council Planning Committee

Paul,

Per our discussion, please email me a list of the Council members who serve on the Planning Committee. If you have any questions or need to get in touch with me please call or email me.

Thanks

Vince Guenthner Manager, Government Affairs 502-569-3640

From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
Cc: Charles Martin; Linda Gorton; Julian Beard; Logan Askew
Subject: Aug 21 Council Planning Committee

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From: Paul Schoninger [mailto:paulas@lfucg.com]
Sent: Mon 7/16/2007 9:22 AM
To: Kelley Dearing-Smith; pscinfo@ky.gov; kslewis@ky.gov; bridwell@kawc.com; bwsc@bluegrasswater.com; Stephen.reeder@ky.gov
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Paul Schonionger 859-258-3208 paulas@lfucg.com

Page 1 of 1

**Beverly Soice** 

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From: Vince Guenthner

Sent: Wednesday, August 01, 2007 9:05 AM

To: Millie Durrett

July 14, 2007

The Honorable Harry Moberly, Jr. House of Representatives Capitol Annex, Room 366 702 Capitol Avenue Frankfort, KY 40601

Dear Representative Moberly:

This is a follow up to your request of June 18, 2007 for information regarding Louisville Water Company's ability to meet the water supply needs of Central Kentucky. Following is a response to each question outlined in your letter.

#### Scope and Costs of an I-64 Pipeline

Louisville Water Company (LWC) proposes to build a 36 inch pipeline from Jefferson County to Fayette County, along Interstate 64. The pipeline would be in public right-of-way or immediately adjacent to I-64. The total estimated cost is \$82 million. LWC will build and fund the portion from Jefferson County to KY Hwy 53 in Shelby County, at an estimated \$26 million. The balance of the project at \$56 million can be financed with grants and low interest loans, or by municipalities or water suppliers in the region.

#### Capacity and Benefits

A 36 inch pipeline will provide up to 30 million gallons a day (MGD) of supply capacity and the minimum amount required to be purchased is 5 MGD. Louisville Water Company's current wholesale rate is \$1.71 per 1,000 gallons. The benefits of an I-64 pipeline include:

- Provides access to the unlimited source of supply of the Ohio River
- Provides low cost and timely regional solution
- Is attractive for state and federal grants
- Provides long term drought protection and a reliable, redundant source
- Provides connectivity for water providers in the Central Kentucky region

#### Regulatory Requirements and Timing

Louisville Water Company believes a pipeline can be built from Jefferson to Fayette County in 2-3 years. We would have to receive approval of pipeline plans from the KY Division of Water and approvals from the KY Transportation

Cabinet and Army Corp of Engineers for routine permits associated with water main projects. Additionally, we will need approval from the KY Public Service Commission if a wholesale contract is signed with a PSC regulated utility. Pipelines of this length and magnitude are not un-common in the industry and will not pose any significant technical problems. We believe an I-64 pipeline can be built by the 2010 Equestrian Games. It is doubtful we or any other current proposal could have the pipeline built in time to meet the City of Winchester's additional needs by 2009.

#### **EPA Drinking Water Regulations**

Louisville Water Company has started construction at our BE Payne water treatment plant on an advanced treatment alternative called Riverbank Filtration (RBF). With the completion of the RBF project, LWC will be able to continue to exceed all EPA water quality standards including the Enhanced Surface Water Treatment Rule and the Disinfection By Product Rule. This construction project will be completed in 2010. Furthermore, the cost of the project has already been built into our capital plan budgets and projections of water rate increases. We anticipate annual water rate increases to average 5 percent over the next 10 years.

#### Questions Related to KY River Authority

Finally, Louisville Water Company understands the importance of the KY River Authority's mission to maintain and improve the locks and dams of the KY River and we are open to solutions including appropriate fees that would assure the continued viability of KRA.

I have also included a copy of the power point presentation and responses to questions presented July 10the to the Lexington-Fayette Urban County Council.

Thank you, for the opportunity to respond to your letter. If you have any questions or would like to discuss this in more detail please call me at 502-569-3681 or Vince Guenthner, LWC's Manger of Government Affairs at 502-569-3640.

Sincerely,

Gregory C. Heitzman, P. E. President

cc: Vince Guenthner

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From:Vince GuenthnerSent:Friday, July 13, 2007 12:02 PMTo:Millie DurrettSubject:Rep Moberly letter

Attached is the letter incorporating changes from Greg, Patti and Jim.

July 14, 2007

The Honorable Harry Moberly, Jr. House of Representatives Capitol Annex, Room 366 702 Capitol Avenue Frankfort, KY 40601

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Sincerely,

Gregory C. Heitzman, P. E. President

cc: Vince Guenthner

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## **Beverly Soice**

From: Greg Heitzman

Sent: Thursday, July 12, 2007 11:45 PM

To: Millie Durrett

Cc: Vince Guenthner

Subject: FW: Response to Rep Moberly

Pls check and print for me to sign.

Vince, I made a few changes, pls look over and make any changes with Millie.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

-----Original Message-----From: Vince Guenthner Sent: Thursday, July 12, 2007 10:43 AM To: Greg Heitzman; Jim Smith Subject: Response to Rep Moberly

Attached is a draft response. Please review and edit as you see appropriate.

July 12, 2007

The Honorable Harry Moberly, Jr. House of Representatives Capitol Annex, Room 366 702 Capitol Avenue Frankfort, KY 40601

Dear Representative Moberly:

This is in response to your request of \_\_\_\_\_\_ for information regarding Louisville Water Company's ability to meet the water supply needs of Central Kentucky. Following is a response to each question outlined in your letter.

#### Scope and Costs of an I-64 Pipeline

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#### Kentucky River Authority

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I have also included a copy of the power point presentation and responses to questions presented July 10<sup>th</sup> to the Lexington-Fayette Urban County Council .

Thank you, for the opportunity to respond to your letter. If you have any questions or would like to discuss this in more detail please call me at 502-569-3681 or Vince Guenthner, LWC's Manger of Government Affairs at 502-569-3640.

Sincerely,

Gregory C. Heitzman, P. E. President

Cc: Vince Guenthner

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From:Patti KaelinSent:Thursday, July 12, 2007 11:44 AMTo:Vince GuenthnerSubject:RE: Response to Rep Moberly

See my suggestion in the first paragraph - can you believe the nerve of me offering a change!!!!

The letter looks very good!

Jim forwarded to me.

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July 11, 2007

The Honorable Harry Moberly, Jr. House of Representatives Capitol Annex, Room 366 702 Capitol Avenue Frankfort, KY 40601

Dear Representative Moberly:

This is in response to your request for information regarding Louisville Water Company's ability to meet the water supply needs of Central Kentucky. Following is a response to each question outlined in your letter.

#### Questions Related to Scope and Costs of an I-64 Pipeline

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anticipated that all of these approvals can be easily obtained. Pipelines of this length and magnitude are not un-common in the industry and will not pose any significant technical problems. We believe an I-64 pipeline can be built by the 2010 Equestrian Games. It is doubtful we or any other current proposal could have the pipeline built in time to meet the City of Winchester's additional needs by 2009.

#### Questions Related to New EPA Drinking Water Regulations

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#### Questions Related to KY River Authority

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Sincerely,

Gregory C. Heitzman, P. E. President Elect

Pa - •

From:Jim SmithSent:Thursday, July 12, 2007 11:30 AMTo:Patti KaelinSubject:FW: Response to Rep Moberly

-----Original Message----- **From:** Vince Guenthner **Sent:** Thursday, July 12, 2007 10:43 AM **To:** Greg Heitzman; Jim Smith **Subject:** Response to Rep Moberly

Attached is a draft response. Please review and edit as you see appropriate.

From:Vince GuenthnerSent:Thursday, July 12, 2007 10:43 AMTo:Greg Heitzman; Jim SmithSubject:Response to Rep Moberly

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July 11, 2007

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From: Johnstone, Rick [Rick.Johnstone@louisvilleky.gov]

Sent: Thursday, July 05, 2007 8:14 AM

To: Greg Heitzman

**Cc:** Jim Smith; Vince Guenthner; Hayes, Larry

Subject: RE: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

What has Newberry asked you to cover?

# Rick Johnstone 574-8143

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Thursday, July 05, 2007 12:25 AM
To: Johnstone, Rick
Cc: Jim Smith; Vince Guenthner
Subject: FW: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

Rick, we have received input from several sources regarding our presentation next Tuesday, July 10:

1. Letter rec'd from Senator Moberly with a number of questions.

2. Mayor Newberry has left me a message asking to cover several points.

2. the attached letter from the LFUCC listing key questions to answer.

We are developing our presentation to address all of these points, and we will meet on Monday afternoon with Chad and Larry to finalize the presentation.

Greg C. Heitzman, P.E. Sr. Vice President of Operations Louisville Water Company 550 S Third Street Louisville, KY 40202 502-569-3681 e-mail: gheitzman@lwcky.com

----Original Message----From: Melynda Milburn [mailto:mmilburn@lfucg.com]
Sent: Tuesday, July 03, 2007 4:55 PM
To: Greg Heitzman; Millie Durrett
Subject: Scanned document <2 pages ~75 KB> -- 7/3/2007 4:26:18 PM

<<Letter - LWC.pdf>>

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