



Greg Pruitt
County Judge/Executive
Hickman County, Kentucky
110 E. Clay Street, Clinton, KY 42031
(270) 653-4369 • FAX (270) 653-4360

RECEIVED

APR 16 2009

PUBLIC SERVICE
COMMISSION

April 13, 2009

Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

ATTN: Mr. Jeff Derouen, Executive Director

RE: Case No. 2008-00346

Dear Mr. Derouen;

I received a copy of the order entered by the Public Service Commission on April 3, 2009, on Thursday, April 9, 2009. This order makes me a party to this action and gives me twenty days to show cause why I should not be assessed a penalty pursuant to KRS 278.990(1) for aiding and abetting Purchase's failure to obtain a Certificate prior to beginning construction of the lagoon wastewater facility.

Please find enclosed a copy of the minutes of the only meeting of the PPSC board that has occurred since the date of the automobile accident that caused the system damage resulting in the work in question. Please note that I was not at that meeting. I knew absolutely nothing about this matter (the system damage, the need to do any work, the fact that work was done or not done, whether or not a proper permit/certificate had been obtained, etc) before receiving the order mentioned above.

Because I had no personal knowledge of this matter at all and was not involved in any fashion with any of the decisions which constitute this action, I respectfully request to be released from any liability as a party in this matter. If I can provide you any additional information in regard to this matter in any way, please contact me.

I appreciate your consideration in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Greg Pruitt". The signature is written in a cursive style with a large, sweeping initial "G".

Greg Pruitt
Hickman County
Judge Executive

Minutes
Purchase Public Service Corporation
Board Meeting
May 29, 2008

The Purchase Public Service Corporation Board met on May 29, 2008, at the Purchase Area Development District at 12 noon for their annual meeting.

Members Present:

Bobby Sirls, Marshall County
Richard Nash, Calvert City/Benton
Don Elias, City of Murray
Mr. Kevin Leonard, City of Mayfield
Kevin Murphy, City of Paducah
Brad Rogers, City of Mayfield
Judge/Executive Van Newberry, McCracken Co.
Doug Harnice, McCracken Co.
Judge/Executive Larry Elkins, Calloway Co.
David Ramey, Murray/Calloway County
Tommy Hodges, Fulton County

Guests:

Tim Nuckolls
Robert Robertson

Staff:

Henry Hodges
Wayne Spencer
Andy Bennett
Adam Scott
Pam Thompson
Donna Cruce
Cathy Holshouser

I. Call to Order & Welcome

Chairman Don Elias called the meeting to order and welcomed the members, visitors, and staff to the Purchase Public Service Corporation's Board Annual Meeting.

II.

Approval of Minutes

The first item for consideration was the minutes of the last meeting held on May 29, 2007. Mr. Richard Nash moved to approve the minutes and Judge/Ex. Van Newberry seconded. The motion passed unanimously.

III. 2007 Compilation Report

Chairman Elias introduced Mr. Robert Robertson of Williams, Williams, and Lentz for the presentation of the Purchase Public Service Corporation 2007 Compilation Report. Mr. Andy Bennett passed out the report to the members present. Mr. Robertson emphasized the financial statements presented were a compilation report and not an audit. He reviewed the balance sheet that compared the years 2007 and 2006 account balances on page two and the Statements of Income and Retained Earnings for the year ended December 31, 2007 on page three. He referred the board to page 3 of the 2007 report; Mr. Robertson informed the board that the Other Income item was a gain on equipment disposition at Holifield Heights. There was an accident at Holifield Heights and the equipment was severely damaged by a vehicle. The \$18,250.00 represents the gain of equipment disposition. The gain was because the equipment was fully depreciated. Mr. Robertson referred the board to page 5 of the packet and explained break down of the operating cost of the plants.

Mr. Kevin Leonard made a motion to accept the PPSC Compilation report as presented and Mr. Kevin Murphy seconded the motion. The motion passed unanimously.

IV. Financial Report for the period ended April 30, 2008

Mr. Andy Bennett asked the board to turn to the last page of the board packet and review the first four months of fiscal year 2008. The revenues and expenses for all the plants are listed in this report which reflects revenue over (under) expenses of (\$14,941.00)

Mr. Bennett asked Mr. Adam Scott for an update on the Holifield Heights Plant at this time. Mr. Scott stated that the Holifield Heights is non-operational at this time. The plant is being used as a catch basin for all the waste in the neighborhood. The sludge is being hauled to the Mayfield Plant 2-3 times a week. Our plan is to build a lagoon which will replace the package plant. PPSC received a grant of \$75,000.00 and we are seeking other funds to finish the project. This is what will take place the next couple of months. Operating cost will drop tremendously once the lagoon is operating instead of the package plant.

Mr. Kevin Leonard made a motion to accept the financial report ending April 30, 2008, as presented. Mr. Kevin Murphy seconded the motion and it passed unanimously.

V. Nominating Committee Report

Chairman Don Elias asked Mr. Kevin Leonard to present the nominating committee report. Mr. Leonard presented the following nomination for the 2008-2009 officers as suggested by the nominating committee:

Mr. Don Elias	Chairman
Mr. Kevin Murphy	Vice Chairman
Mr. Richard Nash	Secretary/Treasurer

There being no other nominations from the floor, Mr. Kevin Leonard made a motion to accept the committee's nomination by acclamation. J/Ex. Larry Elkins seconded the motion and it passed with no opposition.

VI. Operating Status Report

Chairman Elias asked for a report on operation of the plants owned by PPSC.

Mr. Adam Scott presented a Power Point presentation of all the plants that are in operation. He began with the Holifield Heights and explained the damage from the car wreck that destroyed the plant. They would like to have put in septic tanks but the lots are so small that we could not approval for permits by the Health Department for septic tanks in that area. Mr. Scott reviewed the each of the plants and explained what updates need to be made to each plant. Once the funds are made available through KIA we are going to try and get the lagoon done as soon as possible.

Mr. Henry Hodges spoke with Mr. John Covington and a he suggested that the board designate Holifield Heights as an emergency situation and a health hazard in order to apply for emergency funds. Mr. Richard Nash made a motion to declare an emergency at Holifield Height's plant and to request emergency funds from the KIA and Mr. Kevin Leonard seconded the motion. The motion passed unanimously.

Mr. John Hodges was unable to attend the meeting today so Mr. Adam Scott gave the report for Great Oaks Subdivision and Blandville West Estates, both operated by the Paducah-McCracken County Joint Sewer Agency. The fence would be repaired for Blandville West next Tuesday and they are going to start painting the Great Oaks plant soon.

Next, Chairman Elias asked Mr. Kevin Murphy for a report on the Golden Acres Subdivision. Golden Acres is operated by Calvert City Water. Mr. Murphy reported that the plant is in compliance and everything is running satisfactorily. Mr. Murphy stated that routine maintenance was done last month.

VII. Other Business

Mr. Kevin Leonard would like to present a rate increase for the facilities that Mayfield Electric & Water are operating. We would like to start those proceedings in the next 30-60 days. Consumer Price Index for 07 was 4%.0. They will need an increase for all the plants except JSA. Judge/Ex. Larry Elkins made a motion to accept a rate increase at the consumer price index for Calvert City and Mayfield Electric & Water for the plants that they operate and Mr. Bobby Sirls seconded the motion. The motion passed unanimously.

Mr. Wayne Spencer reported that the KY. League of Cities has decided to file a suit against the ladies that ran into the Holifield Heights Plant. The Kentucky League of Cities insurance called to see if PPSC wanted to join them in the suit. The cost to PPSC would only be 1/3 of the \$1,000 deductible at the most. We do not have to hire legal representation for the suit.

After discussing the law suit Mr. Kevin Murphy made a motion to approve joining the lawsuit and Richard Nash seconded the motion and the motion passed unanimously.

There being no further business to come before the group at this time, Chairman Elias adjourned the meeting.

Respectfully submitted: _____
Richard Nash, PPSC Secretary