

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION **RECEIVED**

IN THE MATTER OF:

JUN 25 2010

AN INVESTIGATION INTO THE ADEQUACY )  
OF THE WATER SUPPLY OF MAGOFFIN )  
COUNTY WATER DISTRICT )

PUBLIC SERVICE  
~~CASE~~ COMMISSION  
NO. 2008-00443

**RESPONSE OF MAGOFFIN COUNTY WATER DISTRICT  
TO COMMISSION STAFF'S SECOND INFORMATION REQUEST**

Comes now James W. Hoskins, Superintendent of Magoffin County Water District and for his Response to Commission Staff's Second Information Request, respectfully states as follows:

1. On March 26, 2010, Salyersville Water and Sewer ("Salyersville") and Magoffin District entered a "Consent and Release Agreement" that permits Magoffin District to purchase water from Prestonsburg City Utilities ("Prestonsburg") on an emergency basis.

a. State why Magoffin District is of the opinion that the agreement was necessary.

b. State whether Magoffin District has obtained similar consent from Salyersville for:

- (1) "Emergency Water Purchase Agreement between Paintsville Utilities Commission and Magoffin County Water District", which was entered March 29, 2010; and

(2) “Agreement Between Morgan County Water District and Magoffin Co. Water District”, which was entered April 5, 2010.

c. For each agreement listed in Item 1(b) for which Magoffin District failed to obtain Salyersville’s consent, state why Salyersville’s consent was not obtained or provided.

d. State whether, in Magoffin District’s opinion, the lack of Salyersville’s consent to the agreements listed in Item 1(b) raises any concerns about the lawfulness of those agreements.

**RESPONSE:**

1. a) The “Consent and Release Agreement” was prepared by counsel for Prestonsburg Utilities (“Prestonsburg”) and was presented as part of the “Emergency Water Supply Agreement” that was required to be signed by Prestonsburg in offering this emergency water supply source.

b) (1) No; (2) No.

c) The agreements were drafted to and presented by counsel for Morgan County and Paintsville who were all aware of the current sale/purchase of water agreement between Salyersville Water District and Magoffin Water District and neither Morgan County or Paintsville required Salyersville Water District’s consent as a pre-requisite to offering emergency water.

d) It is Magoffin District's opinion that only the parties to these individual agreements could be held accountable to the terms set forth therein, but as to those parties that executed these instruments, the terms would appear to be legal and binding. (I.e. whether reference is made to the "Emergency Water Supply Agreements" or "Consent and Release Agreement")

2. Refer to the "Emergency Water Supply Agreement" that Magoffin District and Prestonsburg entered on March 26, 2010.

a. Identify the party who is responsible for constructing and maintaining the delivery point at Highway 114.

b. Describe the current status of the delivery point at Highway 114. If not completed, state the expected date of completion.

c. State the cost of constructing and installing the metering equipment and housing for the delivery point at Highway 114.

d. Describe the type of metering equipment that will be installed for the delivery point at Highway 114.

e. Describe how Magoffin District will finance the cost of constructing and installing the metering equipment and housing for the delivery point at Highway 114.

f. List and describe the areas within Magoffin District's territory that can be served with water purchased through this delivery point.

g. Assuming that Magoffin District purchases the maximum quantity

permitted under the “Emergency Water Supply Agreement” and Magoffin District customers consume their average daily consumption, state the number of Magoffin District customers that would be served through the delivery point at Highway 114 on a daily basis and state this number as a percentage of Magoffin District’s total customers.

h. Describe the notice requirements, if any, that Magoffin District must provide to Prestonsburg before taking water through the delivery point at Highway 114. This description should include the form of the notice, the person(s) to whom notice must be given, and the amount of time that must elapse between providing notice and beginning to withdraw water through the delivery point.

i. Provide Exhibit A to the “Emergency Water Supply Agreement”.

j. State whether the service provided through the delivery point at Highway 114 will require booster pump service.

k. Describe the changes that must be made in the operation of Magoffin District’s distribution system when Magoffin District purchases water through the delivery point at Highway 114.

l. State the expected level of chlorination of water at the delivery point at Highway 114.

m. State whether Magoffin District expects to add chlorination treatment to water received through the delivery point at Highway 114.

n. Explain how, in light of the Kentucky Supreme Court’s decision in

*Simpson County Water District v. City of Franklin*, 872 S.W.2d 460 (Ky. 1994), the rates and service terms of the “Emergency Water Supply Agreement” are not subjected to Commission jurisdiction.

o. Identify the party to the “Emergency Water Supply Agreement” that requested the inclusion of paragraph 18.

p. Identify the party to the “Emergency Water Supply Agreement” that requested the inclusion of paragraph 21.

q. Explain why the inclusion of paragraph 21 is reasonable and necessary to the provision of water during an emergency.

r. State the maximum treatment capacity of Prestonsburg’s water treatment facilities and its current maximum daily consumption.

s. State the maximum daily amount of water that can be delivered to Magoffin District through the point of delivery on Highway 114.

**RESPONSE:**

2.a) Prestonsburg Utilities.

b) Expected completion date, July 30, 2010 (Prestonsburg will be ready, able and willing to provide by then.

c) Unknown to Magoffin Water District (Prestonsburg will construct and install).

d) Unknown to Magoffin Water District. (Prestonsburg will install)

e) The cost of construction and installation of the metering equipment will be paid for by Prestonsburg Utilities.

f) Burning Fork area of Magoffin County. (Kentucky Highway Route 114 area).

g) Approximately 700 customers or 20% of Magoffin District's total customers.

h) Phone call to David Ellis or Mike Campbell of Prestonsburg City Utilities. Time to be determined by phone call, but approximately one (1) hour for phone contact and travel to turn valve on at delivery point on Kentucky Highway Route 114 at Magoffin/Floyd County lines.

i) See attached copy of "Exhibit A" (i.e. with Prestonsburg) - "Payment Policy)

j) No.

k) Open two gate valves, close one gate valve; otherwise just normal operation and maintenance would be required. (I.e. testing, etc.)

l) 1.2. to 2.0 per million (PPM)

m) No, not expected; however proper testing will dictate.

n) The District does not maintain that the rates and service terms of the "Emergency Water Supply Agreement" are not subject to Commission jurisdiction and if so directed by the Commission Magoffin Water District will file an appropriate case with

the Commission for its consideration.

o) David Ellis, Manager of Prestonsburg Utilities.

p) David Ellis, Manager of Prestonsburg Utilities.

q) This is Prestonsburg's Standard Water Sales Contract and is our opinion this clause is not necessary for the provision of emergency water.

r) Magoffin District does not have or maintain this information on behalf of Prestonsburg's treatment facilities.

s) Magoffin District does not have or maintain this information on behalf of Prestonsburg's treatment facilities.

3. Provide the minutes of each meeting of Magoffin District's Board of Commissioners in which the "Emergency Water Supply Agreement" between Magoffin District and Prestonsburg was discussed.

**RESPONSE:** See attached minutes of meetings and previous minutes filed with the PSC.

4. Provide all correspondence, electronic mail messages, and other documents between Magoffin District and Prestonsburg in which the proposed "Emergency Water Supply Agreement" was discussed.

**RESPONSE:** None - only phone calls or personal meetings were made between Magoffin District and Prestonsburg where the "Emergency Water Supply Agreement" was discussed.

5. Refer to the “Emergency Water Purchase Agreement between Paintsville Utilities Commission and Magoffin County Water District”.

a. List and describe the areas within Magoffin District’s territory that can be served with water purchased through this delivery point.

b. State the maximum amount of water that can be taken through the delivery point under the operating conditions that exist as of June 1, 2010.

c. State whether the parties to the Emergency Water Purchase Agreement expect any changes to operating conditions that exist as of June 1, 2010 that would allow for additional water to be taken through the delivery point. If yes, describe the expected changes in operating conditions, state the expected date of the change, and describe how the change will affect the amount of water that Magoffin District could take through the delivery point.

d. Describe how the completion of Paintsville Utilities Commission’s (“Paintsville”) proposed water treatment plant will affect the quantity of water that Magoffin District may purchase under the Emergency Water Purchase Agreement.

e. In testimony provided during this proceeding, Magoffin District officials testified that Magoffin District intended to use the 8-inch water transmission main that is connected to the proposed delivery point solely for emergency purposes. State whether Magoffin District’s intentions with regard to this transmission main have changed as a result of its Emergency Water Purchase Agreement with Paintsville. If



Magoffin District's intentions have changed, describe how they have changed.

f. Describe the changes that must be made in the operation of Magoffin District's distribution system when Magoffin District purchases water through the delivery point for this contract.

g. State the cost of the 4-inch Omni meter that will be used at the delivery point.

h. State how the cost of the 4-inch Omni meter will be financed.

I. Stat whether Magoffin District has purchased the 4-inch Omni meter.

j. State whether Magoffin District has already installed the 4-inch Omni meter. If yes, state when.

k. Assuming that an emergency exists, that Paintsville agrees to the existence of such emergency, and that it has adequate water to supply, state the length of time necessary for Magoffin District to declare an emergency, notify Paintsville, and ready its facilities to take water under the terms of the Emergency Water Purchase Agreement.

l. Assuming that Magoffin District purchases the maximum quantity permitted under the "Emergency Water Purchase Agreement" and Magoffin District customers consume their average daily amount, state the number of Magoffin District customers that would be served through the delivery point with Paintsville on a daily basis and state this number as a percentage of Magoffin District's total customers.

m. Describe the notice requirements, if any, that Magoffin District must provide to Paintsville before taking water through the delivery point. This description should include the form of the notice, the person(s) to whom notice must be given, and the amount of time that must elapse between providing notice and beginning to withdraw water through the delivery point.

**RESPONSE:**

5.a) Burning Fork Area of Magoffin County. (Kentucky Highway Route 460 and route 114)

b) 100,000 gallon every 24 hours (based on present information from Larry Harold of Paintsville Utilities).

c) Yes, when Paintsville Utilities gets new treatment plant completed; this capacity to produce water will be greatly enhanced; however the date of completion is unknown at this time.

d) Paintsville Utilities will have an increased amount of water available for sale without adding any burden to its own customers' demands.

e) No change.

f) The 8" line must be filled with treated chlorine, pressure tested, flushed and bacteria samples must be taken before use or sale.

g) Cost unknown. Paintsville Utilities will install their own meter.

h) By Paintsville.

i) No.

j) No.

k) Approximately 48-72 hours.

l) Approximately 700 customers or 20% of Magoffin District's total customers.

m) Approximately 48-72 hours

6. Provide the minutes of each meeting of Magoffin District's Board of Commissioners in which the "Emergency Water Purchase Agreement between Paintsville Utilities Commission and Magoffin County Water District" was discussed.

**RESPONSE:** See attached minutes.

7. Provide all correspondence, electronic mail messages, and other documents between Magoffin County Water District and Paintsville in which the proposed "Emergency Water Purchase Agreement" was discussed.

**RESPONSE;** None - only phone calls or personal meetings were made between Magoffin District and Paintsville where the "Emergency Water Supply Agreement" was discussed.

8. Refer to the "Agreement Between Morgan County Water District and Magoffin County Water District".

a. Identify the location of the delivery point(s) under the Agreement.

b. Identify the party that will be responsible for the cost of constructing

and installing the meter and meter housing.

c. Identify the party that will be responsible for maintaining and testing the meter(s).

d. State whether the parties construe the agreement as limiting Magoffin District's right to withdraw water to 40,000 gallons of water daily.

e. State the conditions under which Magoffin District may request that the meter be tested or calibrated.

f. Identify the areas of Magoffin District's territory that can be served through the Morgan County Water District ("Morgan District") delivery point and, assuming that each Magoffin District customer consumes his or her average daily amount of water, state the total number of customers that could be served.

g. Describe the notice requirements, if any, that Magoffin District must provide to Morgan District before taking water through the delivery point. This description should include the form of the notice, the person(s) to whom notice must be given, and the amount of time that must elapse between providing notice and beginning to withdraw water through the delivery point.

h. Describe the changes that must be made in the operation of Magoffin District's distribution system when Magoffin District purchases water through the delivery point for this contract.

i. Describe how Magoffin District will finance the cost of constructing

and installing the facilities described in 8(h). Provide the minutes of each meeting of Magoffin District's Board of Commissioners in which the "Agreement Between Morgan County Water District and Magoffin County Water District" was discussed.

j. Provide all correspondence, electronic mail messages, and other documents between Magoffin District and Morgan District in which the proposed Agreement was discussed.

**RESPONSE:**

8. a) Kentucky 134 on Johnson Fork at Magoffin County and Morgan County line.

b) Magoffin County Water District.

c) Magoffin County Water District.

d) No.

e) Either party may request if either party is not satisfied with the reading.

f) West of Salyersville, Johnson Fork, Grape Creek and White Oak areas of Magoffin County. Approximately 300 Magoffin County Water District customers from Morgan County line could be served.

g) Phone call to Steve Pelfrey, time to be determined by phone call, approximate time one hour.

h) Open two gate valves.

i) Already constructed and financed. Magoffin County Water District and

was financed through joint funds with Morgan County.

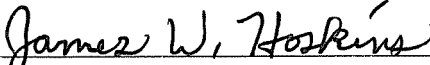
j) None - only phone calls or personal meetings were made between Magoffin District and Morgan where the “Emergency Water Supply Agreement” was discussed

9. Define “sufficient quantities of water to meet the needs of Magoffin County”.

**RESPONSE:** An amount sufficient to meet the needs and demands of Magoffin County Water District customers on an emergency basis.

10. Assuming that Magoffin District lacks sufficient quantities of water to meet the needs of Magoffin County, describe how Magoffin District will select a supplier from whom to purchase water on an emergency basis. Provide a ranking of the available suppliers in order of “most likely to purchase from” to “least likely to purchase from” and explain the basis for this ranking.

**RESPONSE:** Will chose from the three (3) Emergency Water Sources based on such factors as availability, cost, time to make water available and state of emergency.

  
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JAMES W. HOSKINS, SUPERINTENDENT  
MAGOFFIN COUNTY WATER DISTRICT  
749 PARKWAY ROAD  
P. O. BOX 490  
SALYERSVILLE, KY 41465

**CERTIFICATE**

This is to certify that a true and correct copy of the foregoing was this the 24<sup>th</sup> day of June, 2010, mailed postage prepaid to the following:

Ms. Sandy Gruzesky  
Division of Water  
Energy and Environment Cabinet  
200 Fair Oaks Lane, Fourth Floor  
Frankfort, KY 40601

Hon. Mary Stephens  
Office of General Counsel  
200 Fair Oaks Lane, First Floor  
Frankfort, KY 40601

DEP Division of Water  
Frankfort Office Park  
14 Reilly Road  
Frankfort, KY 40601

Thomas Howard, Superintendent  
Salyersville Water Works  
401 College Street  
Salyersville, KY 41465

Judy Jackson, Chair  
Salyersville Water Works  
401 College Street  
Salyersville, KY 41465

Billy J. Rowe, Sr.  
HC 60, Box 255  
Salyersville, KY 41465

Hon. Gerald Wuetcher  
Executive Advisor  
Public Service Commission of Kentucky  
211 Sower Blvd.  
P. O. Box 615  
Frankfort, KY 40602-0615

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

the original to:

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

  
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JAMES W. HOSKINS





Payment is due when bills are mailed. If payment is not received in our office by the 15th of the following month, a 25% penalty will be added to the account(s) of customers who have not paid their bill in full. The customer's bill will include notice that a 25% penalty will be added to the account(s) if payment is made after the fifteenth day of the month, and on the twentieth day services will be disconnected. If a customer has a dispute with a bill the customer may contact a customer service representative by calling (606) 886-6871. If it is necessary to remove the meter for non-payment, customers will be required to pay their bill(s) in full, plus a \$45.00 reconnection fee before service is restored. For the convenience of our customers, we have a night deposit box located at the front of our building.

**THIS BILL IS THE ONLY NOTICE YOU WILL RECEIVE AND  
FAILURE TO RECEIVE YOUR BILL DOES NOT EXCUSE PAYMENT**

Commissioners meetings are held on the third Tuesday of each month beginning at 6:00 p.m. located on the 2<sup>nd</sup> floor of Prestonsburg city's Utilities Building.

**UNITS**

Water 1 = 1,000 GL

Sewer 1 = 1,000 GL

Gas 1 = 1,000 GL

**ADDRESS CORRECTION**

Complete this section if your address  
on reverse side is incorrect

NAME
ADDRESS
CITY
STATE/ZIP
NEW PHONE

**RATES AVAILABLE UPON REQUEST  
NOT RESPONSIBLE FOR MAIL DELIVERY**

WE ACCEPT VISA, MASTERCARD AND DISCOVER  
CONSERVE ENERGY - USE GAS AND WATER WISELY • REPORT LEAKS PROMPLY



## MINUTES

November 14, 2008

9:00 A. M.

Commissioners present were: Randall Hardin, Millow D. McCarty, Kenneth Auxier and Chester Howard. Randall Salyer was absent. Others present were: Eddie Brown, Brenda Powers, Allen McCarty, James Hoskins, Shirley Borders and others who had bid on our equipment.

Randall Hardin made a motion to approve the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Bids on equipment was opened and read aloud. The highest bidder on the bush hog was Kenneth Williams. The highest bidder on the dump truck was Kenny Hattton. Equipment was awarded to the highest bidders on the dump truck and the bush hog. Chester Howard made a motion to not accept the bids on the pick up truck and keep the truck for parts. Millow seconded the motion. All voted Yea.

Randall Hardin made a motion for Jim to notify the highest bidder and let them know that the equipment must be picked up within seven days or the equipment will be awarded to the second highest bidder. Chester seconded the motion. All voted Yea.

Jim reported that the new computer equipment has been installed and that the mail scanner is in the process of being ordered. The water line has been tied in on Rt. 460 to Johnson County and 60 ft. of line laid but a check valve or master meter has not been put in.

We need to look at long term options to solve our water problems. Eddie reported that Prestonsburg is going to put a water storage tank in near the county line. Randall reported that Morgan County is going to bring their line to the Magoffin County line.

Millow made a motion to pay all bills. Kenneth seconded the motion. All voted Yea.

In other business, clothing allowance and pay raises were discussed. Jim said due to the economy and budget that Allen, Shirley, Debra and himself have agreed to not get any salary increase this year so the other employees can get a pay increase. Randall Hardin made a motion to give the other employees each a \$600 pay increase and that all employees be given an after tax clothing allowance of \$500. Kenneth seconded the motion. All vote Yea.

Jim had Robin Lemaster to come in and be recognized for locating a customer that had accidentally left over \$500 in an envelope and seeing that the money was returned to her.

Jim and the commissioners expressed their appreciation of her honesty.

The 2009 budget that had been presented to the commissioners was discussed. Randall Hardin made a motion to approve the budget. Millow seconded the motion. All voted Yea.

Brenda went over information on the \$1,000,000 grant for Project 18A, 18B and 18C. She said she did not know if we were going to get the \$400,000 or if Salyersville was going to get it.

Jim is going to order the mail scanner and other supplies that KIA is going to pay for.

Randall Hardin made a motion to adjourn. Chester seconded the motion. All voted Yea.

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SECRETARY

MINUTES

December 12, 2008

9:00 A. M.

Commissioners present were: Randall Hardin, Chester Howard and Millow D. McCarty. Commissioners absent were: Kenneth Auxier and Randall Salyer. Others present were: Eddie Brown, Brenda Powers, Allen McCarty, James Hoskins and Shirley Borders.

Meeting was called to order by Randall Hardin. Millow made a motion to approve the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Brenda discussed the Grant Agreement. Randall Hardin made a motion to accept the Grant Agreement. Chester seconded the motion. All voted Yea.

Jim reported that Eddie had come down and helped with the information that we had to send to the Public Service Commission. He said that the meeting date with PSC had been changed to February 10, at 10:00 A.M.

Jim said most of our supplies that KIA was paying for has been received.

Millow made a motion to pay all bills. Chester seconded the motion. All voted Yea.

Jim discussed the information that he had received from Maynard Insurance which showed an increase of 14.4 percent on employees health insurance. The Commissioners told him to try to get some other quotes of policies that are similar to what we now have.

Brenda and Eddie discussed the loss of the \$400,000 that we thought we were going to get from KIA. We will get the \$1,000,000 which will consist of \$600,000 for the radio meter reading system and \$400,000 for the line construction projects. All projects will be left in the project profile.

Randall Hardin made a motion to approve the projects as listed above. Chester seconded the motion. All voted Yea.

Brenda invited everyone over to the ADD office Thursday for their open house.

(Our future water supply was discussed.)

Randall made a motion to adjourn. Millow seconded the motion. All voted Yea.

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## MINUTES

January 9, 2009

9:00 A.M.

All Commissioners were present. Others present were: Brenda Powers, Eddie Brown, James W. Hoskins, Allen McCarty and Shirley Borders.

The meeting was called to order by Randall Hardin. Milow Dean made a motion to accept the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Milow Dean made a motion to pay all bills. Randall Salyer seconded the motion. All voted Yea.

Emergency tie into Morgan County and Floyd County was discussed. Eddie said it was about 1,000 ft. to tie into Floyd County and everything would cost about \$80,000 and that Morgan County would be about 1,000 ft. of 4 inch line and everything would cost about \$70,000. To tie into both counties would cost approximately \$150,000. Morgan County is in the process of putting in another storage tank.

Jim discussed health insurance for employees – he went over the options available and what the cost would be for the employee and for the Water District. Randall Hardin made a motion to go with the Option II plan. Chester seconded the motion. All voted Yea.

Harlow Back, Flora Simpkins, Ross Allen, George Meade, Ronnie Gilbert and Eugene Marshall were present from the Lark Arnett Hill. Harlow said that seven or eight wells had been drilled and they all had gone dry. He said there were eight lots on the south side and eleven lots on the others side that needed water. He said that he had been trying to get water up there for several years and that Bill Cantrell had been trying to get water up there for them.

Randall told the group that he would take a look at the Lark Arnett Hill section. Also Eddie and Jim will look at the job to determine the feasibility of the job. They will try to get funding for the job. Jim said that he had looked at this job with Bill Cantrell and that Bill was trying to get water for this section. Chester said the fire department could not get water to them if there was a fire.

Brenda discussed the \$600,000 and the \$400,000 for projects 18B and 18C. Randall Hardin made a motion to approve the Grant Agreement and add amount of funds into the budget. Kenneth seconded the motion. All voted Yea.

Randall Salyer made a motion to accept the contract with Big Sandy ADD. Chester seconded the motion. All voted Yea

Chester made a motion to advertise for engineering services. Randall Hardin seconded the motion. All voted Yea.

Brenda is requesting the last draw down of funds from our prior project.

Brenda said we need a tentative budget and the bank account number we would be using so everything can go to the Clearing House.

Brenda recommended that we leave the project profile as is - \$600,000 for the automated radio meter reading system and \$400,000 for water lines. Randall Hardin made a motion that we leave the project profile as recommended by Brenda. Chester seconded the motion. All voted Yea.

Chester discussed getting water for Rt. 378 on Middle Fork.

Randall Hardin made a motion to adjourn. Millow Dean seconded the motion. All voted Yea,

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SECRETARY



## MINUTES

February 13, 2009

9:00 A. M

All Commissioners were present. Others present were: Eddie Brown, Allen McCarty, James Hoskins and Shirley Borders.

The meeting was called to order by Randall Hardin. Motion was made by Millow Dean to approve the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Jim reported that the work load is normal and no construction has been done this month.

Chester made a motion to pay all bills. Millow seconded the motion. All voted Yea.

Randall Hardin, Jim and Eddie will be going back to Frankfort on the 27<sup>th</sup> to answer our part of their hearing questions.

Randall, Jim and Brenda met with the Floyd County people and discussed the possibility of our water district making a tie-in to their water system. Floyd County was very cooperative. Randall, Dr. Hardin, Brenda, Mike Wilson and Jim met with Morgan County people and discussed a tie in to their water system. The tie-in to Morgan looks good.

Jim discussed the power being off for days during the ice storm – eighteen of our nineteen pump stations were without power. He said our men did a good job getting our pump stations going.

Paul Howard told us that FEMA may pay three-fourth the cost of a generator and the state will pay part of the cost and we would have to pay the balance which should not be a big amount. The total cost would be \$30,000 to \$50,000 according to the size of the generator.

Eddie discussed preliminary specifications on automatic meter reading devices and said that we need to look at the format and evaluate by points to make sure we get the most effective devices.

Water line extension was discussed. We need to see if a pump station has to be put in.

Randall Hardin made a motion to amend the section of September 12, 2008 minutes that addresses the payment of money to employees that choose not to receive health insurance to read, that after the 1<sup>st</sup> year of employment that they receive \$100 per month and after

the 5th years of employment they receive \$200 per month and after the 10<sup>th</sup> year employment they receive \$301 per month. Chester seconded the motion. All voted Yea.

Project 18A was discussed. This project was shorted \$400,000 and work is being done to get the \$400,000 restored so all of the project can be done.

Randall Hardin made a motion to enter into an engineering contract with Kenvirons, Inc. Kenneth seconded the motion. All voted Yea.

Randal Salyer made a motion to adjourn. Kenneth seconded the motion. All voted Yea.

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SECRETARY

MINUTES

June 12, 2009

9:00 A.M.

All Commissioners were present. Others present were: James W. Hoskins, Allen McCarty and Shirley Borders.

The meeting was called to order by Randall Hardin. Motion was made by Randall Hardin to approve the minutes of the last meeting. Millow Dean seconded the motion. All voted Yea.

Jim reported that the advertisement for bid has been published in The Salyersville Independent and the Floyd County Times. He also reported that he had got all easements for the Tip Top job.

Randall Salyer made a motion to pay all bills. Chester seconded the motion. All voted Yea.

Jim reported on the PSC inspection and said that everything came out good. He said that Larry Herald from Paintsville Utilities called him and said they would sell us water for \$2.50 per thousand in emergency situations from the old plant but after the new plant is installed a rate study will have to be made to determine the cost per thousand. Floyd County and Morgan County is working on connections also.

Giving full time employees 40 hours comp time was discussed. Jim said he talked with County Attorney Greg Allen and he said he did not see any problem with this. Randall Hardin made a motion that we give the employees 40 hours comp time if the County Attorney gives us a statement that it is legal. Randall Salyer seconded the motion. All voted Yea. The 40 hours comp time is to be taken within a year.

Randall Hardin made a motion to adjourn. Chester seconded the motion. All voted Yea.

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SECRETARY

## MINUTES

November 10, 2009

9:00 A.M.

All Commissioners were present: Others present were: Eddie Brown, Brenda Powers, James Hoskins, Allen McCarty and Shirley Borders.

The meeting was called to order by Randall Hardin. Millow D. made a motion to approve the minutes of the last meeting. Randall Salyer seconded the motion. All voted Yea.

Advertisement for bid has been put in the paper. Bids will be opened on November 24, 2009 at 10:00 A.M.

Jim reported that he had not received any papers on the pump station site. He said that about 1,900 meters have been changed out. They read 500 of the new meters yesterday and they were all read O.K.

Brenda said she had invoiced the bills that she had and that we have a balance of \$88,776.76 left in project funds.

Millow D. made a motion to approve payment of all bills. Chester seconded the motion. All voted Yea.

Allen said that all the employees appreciated the pay raise that they received. He said that the meter rotation is going real good.

They discussed water sources from other counties. Floyd County is setting a tank and pump station and they will tie it in for us. Floyd County signed the contract on the project yesterday and the job should be completed in about six months after starting. Morgan County is working on their project on Rt. 134 at Wheelrim where we could tie in. Rt. 460 needs a tank before we could tie into it to that line.

Brenda asked if state wages rates were advertised in the bids. Jim and Allen said they were in the advertisement.

Shirley reported that she is working on the budget and that Jim and her are going to work on it together next week. It will be ready by the next meeting date.

Randall Hardin made a motion to adjourn. Millow D. seconded the motion. All voted Yea.

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SECRETARY

## MINUTES

December 11, 2009

9:00 A. M.

Commissioners present were: Randall Hardin, Millow D. McCarty, Chester Howard and Kenneth Auxier. Randall Salyer was absent. Others present were: Brenda Powers, Eddie Brown, Allen McCarty, James W. Hoskins and Shirley Borders.

The meeting was called to order by Randall Hardin. Millow D. made a motion to approve the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Jim made a progress report on the number of meters set and rotated to date and the new pump station site.

Chester made a motion to award Music Construction the contract. Kenneth seconded the motion. All voted Yea. Preconstruction conference will be the 16<sup>th</sup> at 10:00 A.M.

Brenda said that Eddie and she have been working on the contract budget.

Millow Dean made a motion to pay all bills. Kenneth seconded the motion. All voted Yea.

Jim said he had contacted Brenda about getting \$8,395 too get another hotrod street machine to put a laptop in another truck to automatic read the meters.

Jim had received a contract with Paintsville Utilities for emergency water. He has not been able to talk to Larry Herald to discuss the details because Larry is in the hospital. He will contact him later.

Randall Hardin made a motion that the employees be given the same clothing allowance as last year. Chester seconded the motion. All voted Yea.

The 2010 budget was discussed. Randall Hardin made a motion to approve the budget for 2010. Kenneth seconded the motion. All voted Yea.

Brenda reported that Big Sandy ADD was having their open house Thursday the 17<sup>th</sup>.

Randall Hardin made a motion to adjourn. Chester seconded the motion. All voted Yea.

MINUTES

February 12, 2010

9:00 A.M.

All Commissioners were present. Others present were: Brenda Powers, Eddie Brown, James Hoskins and Shirley Borders.

The meeting was called to order by Randall Hardin. Millow Dean made a motion to approve the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Jim reported that the contractor has worked seven days and that they have done a good job. The weather has been too bad to work any more. He said he still did not have an easement on Rt. 404 from Steve Collins. We need another letter from Steve Collins that can be documented. Jim will call him and have him send us a signed document.

Jim is in the process of getting contracts to purchase water from adjoining counties – Floyd Morgan and Johnson. He said he had received a rate quote of \$2.50 from Johnson County.

Johnson County contract has been received for emergency use only.

Eddie brought the advertisement letter to sign for the Division of Water and the plans and specifications with him to the meeting.

Brenda has submitted the information to the Clearinghouse. Brenda had the invoices for Music Construction, Big Sandy ADD and Laptop Computer. Randall Hardin made a motion to pay the invoices when KIA money received. Kenneth seconded the motion. All voted Yea.

Chester made a motion to pay all bills. Randall Salyer seconded the motion. All voted Yea.

Shirley said she had sent the information to the auditor for our annual audit. The audit is scheduled for February 22 and 23.

Randall Salyer made a motion to adjourn. Kenneth seconded the motion. All voted Yea.

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SECRETARY

MINUTES

March 12, 2010

9:00 A.M.

All Commissioners were present. Others present were Eddie Brown, Brenda Powers, James Hoskins, Shirley Borders, Rella Gibson, Doug Wood and Douglas Woods.

The meeting was called to order by Randall Hardin. Randall Salyer made a motion to approve the minutes of the last meeting. Millow Dean seconded the motion. All voted Yea.

Music Construction Company was awarded the bid of \$34,800. Brenda said we will probably get the comments from the Clearinghouse soon.

Randall Hardin made a motion to approve payment of bills when KIA funds received. Randall Salyer seconded the motion. All voted Yea.

Jim reported that the water line on Rt. 542 has been laid but the line has not been tested yet. He said that about half of the Tip Top line has been laid. He has received an easement for the pump station site from Steve Collins but we need something official stating that he has the authority to sign the easement. We must make sure it is all legal. Jim and Eddie drove over the sections where the water lines are laid and said that everything looks good.

Millow Dean made a motion to pay all bills. Chester seconded the motion. All voted Yea.

Our audit report has been done and we have reviewed the draft copy of the report and everything looked good.

Jim said that Morgan County's wholesale price to purchase water is \$2.85 but the contract to purchase must be renewed each year. He talked to Floyd County and their price was \$2.53. They are in the process of getting everything completed.

Rella Gibson said that there was only about 100 feet that they would have to go through the road to get water up Big Lick and that the right of way would not be any problem from there. She said that there is elderly people and children who need the water very bad. The Commissioners assured her that they want everyone to have water. Funding is a problem now but they will try to get the funds for the project. Jim told her that they would go to Big Lick today and look over all the possibilities.

Randall Hardin made a motion to adjourn. Millow Dean seconded the motion. All voted Yea.

# MINUTES

APRIL 9, 2010

9:00 A. M.

Commissioners present were: Randall Hardin, Randall Salyer, Millow D. McCarty and Chester Howard. Kenneth Auxier was absent. Others present were: Alton Huff, Brenda Powers, Eddie Brown, James Hoskins and Shirley Borders.

The meeting was called to order by Randall Hardin. Millow Dean made a motion to approve the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Jim reported that we have received clearinghouse comments and state easement for tie-in to Morgan County. He reported on construction progress on Rt. 542, Tip Top, Howard Branch Rt. 404, Dry Bread, Rt. 134 to Morgan County and Big Lick. Jim and Eddie looked at Big Lick and said it looked good.

Jim said he had received an easement and power of attorney from Steve Collins and he gave them to attorney Greg Allen – he approved. We are ready to start construction on the pump station on Rt. 404.

Brenda presented invoices for KIA funds. Randall Hardin made a motion to approve payment of invoices when money received. Randall Salyer seconded the motion. All voted Yea.

Millow Dean made a motion to pay all bills. Chester seconded the motion. All voted Yea.

Question was asked about the Morgan County water line and the number of customers. Jim said there would be 45 to 50 customers on the new project.

Chester required about how the rotation of meters was going. Jim said that we have 800 to 900 more meters to rotate.

Millow D. made a motion of adjourn. Chester seconded the motion. All voted Yea.

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Secretary



MINUTES

May 14, 2010

9:00 A.M.

All Commissioners were present. Others present were: James Music, Eddie Brown, Brenda Powers, Allen McCarty, James Hoskins and Shirley Borders.

The meeting was called to order by Randall Hardin. Millow D. made a motion to accept the minutes of the last meeting. Chester seconded the motion. All voted Yea.

Jim reported that Dry Bread and Trace are completed. Howard Branch line laid but the pump station has not been completed. Tip Top pump station needs to be completed. He reported that Morgan County has made a tie-in to Magoffin County line but does not have the Morgan County side done yet but should be done next week. Big Lick line is laid but the pressure testing has not been completed.

Brenda presented invoices to be paid to Music Construction, Big Sandy ADD, Kenvirons, Consolidated Pipe and Magoffin County Water District. Randall Hardin made a motion to pay these invoices. Randall Salyer seconded the motion. All voted Yea.

Millow Dean made a motion to pay all bills. Chester seconded the motion. All voted Yea.

Rt. 30 Stable Branch where a customer laid their own line was discussed. They want their meter re-set and they will give us the water line. Randall Hardin made a motion to accept the water line on Stable Branch. Chester seconded the motion. All voted Yea. We need to get a statement and get it notarized.

Jim reported that one of our employees quit and that we do not need to replace the employee at this time.

Chester asked about extending at line about a mile on Rt. 378 with a 3 inch line.

Randall Hardin made a motion to adjourn. Millow Dean seconded the motion. All voted Yea.

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Secretary

MINUTES

June 11, 2010

9:00 A.M.

All Commissioners were present. Others present were: Allen McCarty, James Hoskins, Brenda Powers, Eddie Brown, Shirley Borders and Heather Webb.

The meeting was called to order by Randall Hardin. Millow Dean made a motion to accept the minutes of the last meeting. Chester seconded the motion. All voted Yea.

( Jim discussed the ongoing projects. He said everything looked real good. Morgan County has tied-in. Everything should be completed by next month. )

Brenda presented project bills to be paid by KIA funds. Randall Hardin made a motion to pay all bills presented. Millow Dean seconded the motion. All voted Yea.

Jim reported on inspections made by Division of Water and the Public Service Commission. Both inspections were good. We had no violations.

Chester made a motion to pay all bills. Millow Dean seconded the motion. All voted Yea.

( Contracts for water purchase from Johnson, Morgan and Floyd County have been sent to PSC and we are waiting for their approval. )

Jim reported that we have only 148 automatic meters left to set. All the water lines are in the ground. The two pump stations are almost completed.

Randall Hardin made a motion to go into executive session. Kenneth seconded the motion. All voted Yea.

Randall Hardin made a motion to return to the regular session. Kenneth seconded the motion. All voted Yea.

Randall Hardin made a motion to give all employees a \$300 pay increase effective with the June 25<sup>th</sup> pay period. Randall Salyer seconded the motion. All voted Yea.

Randall Hardin made a motion to adjourn. Chester seconded the motion. All voted Yea.

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SECRETARY