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October 29, 2014

HAND DELIVERED

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2014-00084

RECEIVED
OCT 29 2014
PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

Please accept for filing the original and ten copies of the direct testimonies of (1) T. Logan Davis, (2) G. Michael Ritchie, and (3) E. Clark Toleman on behalf of Forest Hills Residents' Association, Inc. in the above-referenced matter. Thank you in advance for your assistance.

Sincerely,

Stoll Keenon Ogden PLLC

Monica H. Braun

Monica H. Braun

cc:

Bruce E. Smith, Esq. (via U.S. mail and email)
Anthony G. Martin, Esq. (via U.S. mail and email)
Jennifer Black Hans, Esq. (via U.S. mail and email)

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 29 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF JESSAMINE-SOUTH)
ELKHORN WATER DISTRICT FOR A)
CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
CONSTRUCT AND FINANCE A)
WATERWORKS IMPROVEMENT)
PROJECT PURSUANT TO KRS 278.020)
AND 278.300)

CASE NO. 2014-00084

DIRECT TESTIMONY OF T. LOGAN DAVIS

October 29, 2014

VERIFICATION

STATE OF KENTUCKY)
)
COUNTY OF FAYETTE)

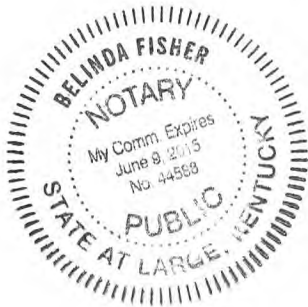
The undersigned, T. Logan Davis, being duly sworn, deposes and says he has personal knowledge of the matters set forth in the following testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



T. Logan Davis

Subscribed and sworn to before me by T. Logan Davis, this the 28 day of October 2014.

My Commission Expires: 6-9-2015





Notary Public, State at Large, Kentucky

1 **Q. Please state your name and addresses.**

2 A. My name is T. Logan Davis. Since 2009, I have lived at 724 Chinkapin Drive in
3 Nicholasville, Kentucky 40356. My residence is located in the Forest Hills Estates
4 (“Forest Hills”) subdivision. I am a member of the Forest Hills Residents’ Association,
5 Inc.’s Board of Directors. Forest Hills was granted intervention in this proceeding on
6 April 16, 2014.

7 **Q. Have you previously testified before the Commission?**

8 A. Yes. On March 14, 2013, I testified at the hearing in Case No. 2012-00470, *In the Matter*
9 *of: Application of Jessamine South-Elkhorn Water District for a Certificate of Public*
10 *Convenience and Necessity to Construct and Finance a Waterworks Improvements*
11 *Project Pursuant to KRS 278.020 and KRS 278.300.* In that proceeding, the Jessamine-
12 South Elkhorn Water District (“Water District”) sought to construct a one-million gallon
13 elevated water tank on land adjacent to my subdivision. The site was commonly referred
14 to as the Switzer Site because the Water District purchased the land from Sue Switzer.

15 **Q. Do you wish to incorporate the testimony you provided at the hearing in Case No.**
16 **2012-00470 into your pre-filed testimony in this proceeding?**

17 A. Yes, I do. If I were asked those questions today, my answers would be the same as they
18 were at the hearing.

19 **Q. Why are you filing testimony in this proceeding?**

20 A. I am filing testimony to let the Commission know the detrimental impact that a large
21 elevated water tank will have on the value of my residence and my neighbors’ residences.
22 My testimony also explains how unreasonably the Water District has treated Forest Hills
23 residents since we learned that the Water District planned to build this large structure so

1 close to our homes. My neighbors and I have expended considerable time and funds to
2 work with the Water District to find an alternate site for the water tank, but it is clear
3 from the Water District's actions they never actually considered moving the proposed
4 tank to an alternate location.

5 **Q. Have you had any communications with the Water District since the hearing in Case**
6 **No. 2012-00470?**

7 A. No, I have not. I was not aware that the Water District was planning to request approval
8 of another tank at the location adjacent to Forest Hills until the Water District submitted
9 its application in this proceeding. I am disappointed that the Water District still refuses to
10 consider any alternate locations or alternative storage options even after the testimony
11 from myself, William Bates, and Clark Toleman at the hearing in Case No. 2012-00470
12 regarding the impact the tank would have on our homes.

13 **Q. Has the Water District continued to act unreasonably since you last testified**
14 **regarding this matter?**

15 A. Yes, it has. In response to the data requests, the Water District admitted that it has not
16 considered any alternative locations for the proposed water tank since months before the
17 Commission denied their application in Case No. 2012-00470. Since that time,
18 additional residences have been constructed in Forest Hills and an additional residence is
19 currently being constructed immediately adjacent to the proposed tank site. It is
20 unreasonable for the Water District to continue to claim this is a suitable site for the tank
21 without any recent analysis, when the area immediately surrounding the tank continues to
22 be developed.

1 **Q. Has the Water District continued to act unreasonably with respect to Forest Hills**
2 **residents?**

3 A. Yes. While I had heard that the Water District was attempting to influence certain
4 Forest Hills residents regarding the proposed tank site, I was surprised to learn through
5 discovery how pervasive the Water District's efforts have been. Handwritten notes that
6 appear to belong to John Horne, an engineer who performs services for the Water
7 District, reveal multiple conversations with a Forest Hills resident, in which he sought
8 information regarding the discussions and attendance at Forest Hills Residents'
9 Association, Inc.'s meetings. Mr. Horne's notes bring to light the adversarial stance the
10 Water District has taken in response to Forest Hills' sincere concerns regarding the
11 impact to our homes.

12 These notes show that Mr. Horne was advising a Forest Hills resident regarding
13 the legal arguments made in Case No. 2012-00470. The notes also disclose that the
14 Water District, while complaining about the legal costs associated with this project
15 because of Forest Hills' intervention, had their attorney comb through our by-laws in an
16 attempt to cause discord among our residents. These actions are consistent with Mr.
17 Horne's note that the Water District is "not going to back down" with regard to the use of
18 this tank site. The Water District continues to treat us as foes to be defeated, instead of
19 customers that deserve to be treated fairly.

20 Throughout this process the Water District has given no consideration to the
21 dramatic financial loss the tank would cause its customers in Forest Hills. Their attitude
22 has been remarkably dismissive. In this case they have described our concerns as

1 “tangential,” “marginal (at best),” and “minimally relevant.”¹ This was also displayed
2 during the hearing in Case No. 2012-00470 when Mr. Horne testified that “you keep
3 forgetting the fact the District was there before the neighbors [Forest Hills] showed up”
4 and that it was “not the District’s responsibility to kowtow to two”² customers –
5 presumably referring to me and William Bates. I cannot understand why the Water
6 District is affronted that I am trying to preserve the value of my home. Although the
7 residents of Forest Hills stand to suffer permanent financial injury if the tank is
8 constructed at the proposed site, it is the Water District, and not Forest Hills residents,
9 that is acting with rancor.

10 **Q. The Water District claims that your objection to the proposed tank site is merely an**
11 **issue of aesthetics. Do you agree?**

12 A. No. My objection to the Water District constructing a water tank at the end of my street
13 is much more than simply disliking the impact it will have on my view. Instead, I am
14 very alarmed that my house, which is one of the closest in the subdivision to the proposed
15 tank site, will irreparably lose a significant amount of its value. The testimony of Clark
16 Toleman in this proceeding is that, on average, each of the homes in Forest Hills will lose
17 20% of its value if the tank is constructed. Mr. Toleman has also testified that homes
18 closer to the tank site, like mine, will likely experience an even greater loss in value.

19 Like many people, the most valuable asset my wife and I own is our home.
20 Raising our young children in Forest Hills is the realization of a dream that took years to
21 achieve and required a significant financial investment. It is incredibly unfair for my
22 family to lose – *at a minimum* – 20% of the value of our home when there are other sites

¹ See the Water District’s Response to Forest Hills’ Motion to Intervene and the Water District’s Response to Item No. 2 of Forest Hills’ Data Requests.

² 3/13/13 Hearing Transcript at 16:44:13-16:14:29.

1 for the tank that we have identified that would not adversely impact the property values
2 of other ratepayers. I simply cannot understand why the Water District objects to
3 utilizing a site that would serve its stated storage needs without damaging its' customers
4 homes.

5 **Q. Do you understand that the Water District purchased the tract of land on which it**
6 **plans to construct an elevated water storage tank in 2004?**

7 A. In my many conversations with the Water District's representatives in the last few years,
8 the only argument the Water District has *ever* presented regarding the suitability of the
9 site adjacent to Forest Hills is that it purchased the tract of land in 2004 for \$40,000. To
10 put it in simple terms, because the Water District owns it, it believes it can do whatever it
11 wants with it. While it is true that the homes in Forest Hills had not yet been constructed
12 when the land was purchased, the area surrounding the proposed tank site has changed
13 significantly in the last decade. It is presently becoming even more developed. Building
14 a tank at this site will cause my home to lose, at a minimum, \$130,000 in value based on
15 the 2013 tax assessment. A \$40,000 expenditure does not justify causing a single
16 homeowner to suffer 225% more in uncompensated damages. The amount of damage
17 compounds greatly when the diminished property values of my neighbors are considered.

18 **Q. Do you believe the Water District has acted in good faith?**

19 A. No, I do not. I, along with other Forest Hills residents, worked with the Water District for
20 over a year to help locate another site for the tank. We devoted substantial time and
21 resources in carrying out the various tasks the Water District required of us. At that time,
22 I did not realize that the Water District was unreasonably delegating its site selection
23 duties to us. After several years of attempting to work with the Water District, the Water

1 District now claims that it may not be possible to move the tank site because of
2 limitations with the grant from the Kentucky Infrastructure Authority it plans on using to
3 pay for a portion of the project.

4 **Q. Please summarize the efforts Forest Hills took, with the Water District's knowledge
5 and/or suggestion?**

6 A. Forest Hills first investigated a site owned by Lloyd McMillen, which, based upon the
7 Water District's initial estimates, would have required us to pay \$125,000 in "relocation
8 costs." Later the Water District more than doubled this estimate and told us that the
9 "relocation costs" for the McMillen property would exceed \$279,000.

10 Chairman Nick Strong then suggested that we investigate purchasing an acre of
11 land from Ronald Brown near the existing 50,000 gallon tank. We contacted Mr.
12 Brown, negotiated a purchase price of \$65,000 for an acre of land, and tendered letters to
13 the Water District from Mr. Brown and us evincing the intent of the parties to
14 consummate the transaction. Upon receiving these letters in January 2011, the Water
15 District suddenly reversed course based on a memorandum Mr. Horne prepared stating
16 that "obtaining clear title would be impractical, but possible" at the Brown site.
17 Following this memorandum, the Water District's counsel mailed letters to our then-
18 counsel stating the Water District had decided to move forward with the site proposed in
19 this proceeding because of the title concerns and the Water District's "short timeline.
20 Despite the exorbitant costs for the McMillen site, we then contacted the Water District
21 to ask whether that site was still an option. Chairman Strong told me in a phone call
22 that the McMillen site was still an option but cautioned me to "get to work." Following
23 this phone call, the Water District's counsel sent a contract to me that set forth a series of

1 burdensome requirements with unreasonable deadlines, including posting an irrevocable
2 \$250,000 letter of credit in the Water District's name.

3 **Q. At any point in this process did the Water District suggest the tank site could not be**
4 **moved?**

5 A. No. While the Water District rejected every site we proposed for one reason or another,
6 the Water District never told us that the grant money for the tank was tied to a specific
7 location. If this is true, then the Water District's "negotiations" with us were clearly in
8 bad faith. It is offensive to think that the Water District sent us on a wild goose chase for
9 over a year if the Water District never had any intention of considering an alternate
10 location.

11 **Q. What is your recommendation to the Commission?**

12 A. I request that the Commission deny the Water District's application. The Water District
13 has acted unreasonably in selecting a location for the proposed tank and, in the process,
14 treated customers such as myself unjustly. We have done everything we can to prevent
15 the capricious taking of the value of our homes; we implore the Commission to do the
16 same.

17 **Q. Does this conclude your testimony?**

18 A. Yes, it does.

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In the Matter of:

**APPLICATION OF JESSAMINE-SOUTH)
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CASE NO. 2014-00084

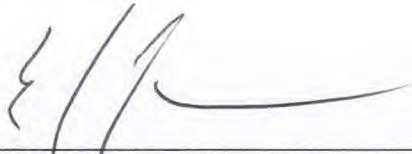
DIRECT TESTIMONY OF E. CLARK TOLEMAN

October 29, 2014

VERIFICATION

STATE OF KENTUCKY)
)
COUNTY OF FAYETTE)

The undersigned, E. Clark Toleman, being duly sworn, deposes and says he has personal knowledge of the matters set forth in the following testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

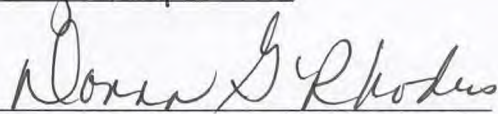


E. Clark Toleman

Subscribed and sworn to before me by E. Clark Toleman, this the 28th day of October 2014.

My Commission Expires: February 28, 2017





Notary Public, State at Large, Kentucky

1 **Q. Please state your name and business addresses.**

2 A. My name is E. Clark Toleman. My business address is 333 W. Vine Street, #300,
3 Lexington, KY 40507. I am a general certified real estate appraiser with MAI and SRA
4 designation from the Appraisal Institute. I have over 40 years of experience in appraising
5 residential and commercial properties, including in Jessamine County. My curriculum
6 vitae is attached as Exhibit ECT-1.

7 **Q. Have you previously testified before the Commission?**

8 A. Yes. On March 14, 2013, I testified at the hearing in Case No. 2012-00470, *In the Matter*
9 *of: Application of Jessamine South-Elkhorn Water District for a Certificate of Public*
10 *Convenience and Necessity to Construct and Finance a Waterworks Improvements*
11 *Project Pursuant to KRS 278.020 and KRS 278.300.* In that proceeding, Jessamine-
12 South Elkhorn Water District (“Water District”) sought to construct a one million gallon
13 elevated water tank on land adjacent to the Forest Hills Estates (“Forest Hills”)
14 subdivision.

15 **Q. Do you wish to incorporate the testimony you provided at the hearing in Case No.**
16 **2012-00470 into your pre-filed testimony in this proceeding?**

17 A. Yes, I do. If I were asked those questions today, my answers would be the same as they
18 were at the hearing.

19 **Q. Would you please summarize the testimony you provided in Case No. 2012-00470?**

20 A. Certainly. In Case No. 2012-00470 I assessed the impact that a one million gallon
21 elevated water storage tank would have on the property values of the homes in Forest
22 Hills. There are two streets in Forest Hills, Burr Oak Drive and Chinkapin Drive. The

1 tank proposed in that proceeding was located adjacent to the homes at the end of
2 Chinkapin Drive.

3 I testified that the value of the lots and homes in Forest Hills will be dramatically
4 affected if the proposed water tank was constructed in the lot adjacent to the subdivision.
5 This is because an important factor in the purchasing decision of persons who might be
6 interested in buying property in the subdivision is the view that is available. View has an
7 impact on both developed and undeveloped land. The proposed water tank would have
8 had a negative impact on the view shed in the neighborhood. The properties on
9 Chinkapin Drive would have been more negatively affected than the properties on Burr
10 Oak Drive. However, low sales prices for the Chinkapin properties will be used as
11 comparable valuations for the Burr Oak properties and the presence of a water tank
12 would, thus, have caused valuations on Burr Oak to be lower than they might otherwise
13 be without a water tank. The water tank would have had a more significant negative
14 impact on the properties in Forest Hills because the subdivision is an upscale
15 neighborhood. Prospective purchasers of upscale properties have more choices as to
16 where they can purchase properties and will simply choose not to purchase property in a
17 subdivision with an above-ground water tank adjacent to it.

18 **Q. Would the proposed 1,000,000 gallon tank have dominated the view shed in Forest**
19 **Hills?**

20 A. Absolutely. The Water District proposed to construct the 1,000,000 gallon tank less than
21 200 feet from the nearest residence. To assess the impact on the view shed, I looked at a
22 1,000,000 gallon tank that Kentucky-American Water Company constructed on Cox
23 Street and took pictures of the tank at different distance intervals. The size of that tank

1 was comparable to the tank the Water District had proposed in Case No. 2012-00470. At
2 200 feet, the tank overwhelmed the view, even in downtown Lexington where this tank is
3 located. The site the Water District planned to utilize is a pastoral setting surrounded
4 only by residences, as compared to the large commercial buildings, including Rupp
5 Arena, that are proximate to the Kentucky-American Water Company tank.

6 **Q. Did you quantify the decline in property values that Forest Hills residents would**
7 **experience if the water tank proposed in that proceeding was constructed?**

8 A. Yes, I did. I testified at the hearing that if the proposed tank is constructed, on average,
9 each of the homes in Forest Hills will experience a diminution in property value of 20%,
10 which is a dramatic reduction in value. Based upon the assessed values of the Forest
11 Hills residences and my estimation that the homes, on average, will lose 20% of their
12 value, the resulting damage would have been over \$2.5 million, which exceeded the
13 estimated \$2,192,000.00 million cost of the proposed tank.

14 **Q. Have you reviewed the Water District's proposal in this case?**

15 A. Yes. I understand, based on the Application and supporting documents that the Water
16 District submitted, that it has proposed to construct a 750,000 gallon elevated water
17 storage tank at the same site as it proposed constructing the 1,000,000 gallon tank, which
18 is adjacent to Chinkapin Drive. I also understand that the Water District has alternatively
19 requested approval of a 500,000 gallon elevated water storage tank.

20 **Q. Please describe your recent visit to Forest Hills.**

21 A. I recently visited Forest Hills to confirm that the subdivision remains comprised of high-
22 end homes on large lots in a pastoral setting. The homes that have been constructed since
23 I testified in Case No. 2012-00470 are of comparable size and value to the other homes in

1 the subdivision. I photographed the exterior of each home on Chinkapin Drive and Burr
2 Oak Drive, except for the homes at 405 Burr Oak and 505 Burr Oak that were
3 proximately located to Harrodsburg Road and the furthest distance from the tank site.
4 Attached as Exhibit ECT-2 is a copy of these photographs, which are arranged from
5 closest to farthest away from the proposed tank site.

6 **Q. Did you compare the specifications and measurements of the 750,000 gallon water**
7 **tank proposed in this proceeding to the 1,000,000 gallon water tank in Case No.**
8 **2012-00470?**

9 A. Yes, I did. The proposed 1,000,000 gallon tank was a very large structure - roughly 150
10 feet tall, with a tank that was 70 feet in diameter sitting atop eight legs. The 750,000 tank
11 proposed in this proceeding is virtually identical in size – it is roughly 150 feet tall, with a
12 tank that is 60 feet in diameter sitting atop eight legs. Thus, the only difference between
13 the two tanks is the diameter.

14 **Q. Are there any 750,000 gallon elevated water tanks in the area that you were able to**
15 **examine?**

16 A. Yes. Kentucky-American Water Company has a 750,000 gallon elevated water tank on
17 Briar Hill Road, in Bourbon County east of the county line between Fayette and Bourbon
18 County. I went to the site, looked at the tank, and took pictures at different distances in
19 the same manner as I did with the 1,000,000 gallon tank. The 750,000 gallon tank is
20 similar in appearance to the tank depicted on the plans and specifications the Water
21 District has submitted in this proceeding.

22 **Q. Did the 750,000 gallon tank dominate the view shed?**

23 A. Yes, it did. Below is a photograph of the 750,000 gallon tank from 200 feet away.



1

1 At 500 feet away, the tank continues to dominate the view shed.



2

1 **Q. Does the change in the diameter of the tank alter your assessment from Case No.**
2 **2012-00470 regarding the impact on the property values of the homes in Forest**
3 **Hills?**

4 A. No, it does not. It is my opinion, based on my professional judgment and experience, that
5 if the 750,000 gallon water tank proposed in this proceeding is constructed, the homes in
6 Forest Hills, on average, will lose 20% of their value. My assessment is unchanged from
7 Case No. 2012-00470 because the height and location of the proposed tank, which are the
8 two principal factors that would cause it to dominate the view shed, are unchanged.
9 Moreover, the pictures of the 750,000 gallon tank show that a structure of this size
10 greatly dominates the surrounding view.

11 **Q. Have you quantified the lost property values in Forest Hills if the proposed 750,000**
12 **gallon tank is constructed?**

13 A. Yes, I have. To calculate the cumulative damage to the homes in Forest Hills, I compiled
14 the values assessed by the Jessamine County Property Valuation Administrator for the
15 most recent year available, which is 2013, for the homes in Exhibit ECT-2. I then
16 reduced the cumulative property values on Chinkapin Drive and Burr Oak Drive by 20%,
17 which is the amount I expect each of the homes, on average, to lose if the proposed tank
18 is constructed. This calculation reveals that if the tank is constructed, the lost property
19 values in Forest Hills will be \$3,620,000. The Water District's application estimates that
20 the entire cost of constructing the tank will be \$2,192,000. This means that if the tank
21 proposed in this proceeding is constructed on the site adjacent to Forest Hills, the
22 resulting damage will exceed the cost of the project by nearly 50%.

1 **Q. Why would the presence of a 750,000 gallon elevated water storage tank decrease**
2 **the value of the homes in Forest Hills?**

3 A. As I explained above, view is one factor that a prospective buyer considers when
4 purchasing a home. More broadly, buyers also consider the surrounding environment.
5 Forest Hills is located in a rural area of Jessamine County in a quiet and serene pastoral
6 setting that is surrounded by wooded green space. As such, potential buyers for these
7 homes and lots have many choices with respect to their purchasing decisions, meaning
8 they can simply choose not to purchase a home in the shadows of a 150 feet tall structure
9 that is an uncharacteristic stigma for the area.

10 **Q. Do you have a recommendation to the Commission?**

11 A. Yes, I recommend that the Commission deny the Water District's application because of
12 the significant negative impact it will have on the value of the residences in Forest Hills.
13 The ensuing damage will greatly exceed the cost of the project.

14 **Q. Does this conclude your testimony?**

15 A. Yes, it does.

QUALIFICATIONS OF THE APPRAISER

PROFESSIONAL MEMBERSHIPS:

MAI Member of the Appraisal Institute

SRPA MAI No. 7572

SRA General Certification – Kentucky Real Estate Appraisers Board No. 109

Member of the Commercial Property Association of Lexington Member of the International Right of Way Association Licensed Real Estate Broker – State of Kentucky Member of Lexington Board of Realtors Member of Kentucky Association of Realtors Member of National Association of Realtors

BIRTHDATE AND PLACE:

May 11, 1948 – Lexington, Kentucky

EDUCATION: West Australia Institute of Technology, Perth, Australia – Business Studies Major in Real Estate Valuation

Completed all course requirements for the Australian Institute of Valuers, the American Institute of Real Estate Appraisers and Society of Real Estate Appraisers. Appraisal seminars related to Conservation Easements, partial interests and Federal guidelines for Federal Land Acquisition.

Participate in continuing education through seminars and courses by the Appraisal Institute.

EXPERIENCE:

Full time career in all phases of Real Estate. Employed in Property Management, Office of Development, Leasing and Valuation. Real Estate Appraiser in Lexington, Kentucky since 1974. Owner and Manager of Investment Property. Self- employed and owner of E. Clark Toleman Real Estate Appraisal Services.

APPRAISAL CLIENTS:

Financial Institutions:

Bank of Lexington, First Security National Bank, Bank One, Citizens Fidelity Bank in Lexington, First National Bank of Louisville, Fifth Third Bank of Campbell County, PNC Bank, Franklin Bank, MCNB Bank, First Capital Bank. Recent non-bank lender clients include: Realty Investment Company, Memphis, Tennessee; New York Life, Atlanta, Georgia.

GOVERNMENT INSTITUTIONS:

Lexington Fayette Urban County Government, Corps of Engineers, Department of Justice, General Services Administration, U.S. Postal Service, Census Bureau, Resolution Trust Corporation, FDIC, FSLIC, Commonwealth of Kentucky, Transportation Cabinet, Bluegrass Airport Board, LexTran Board, State of Kentucky Kentucky Office of the Courts, LFUCG Division of Water Quality, University of Kentucky, Kentucky State University, Kentucky Community and Technical College System, Eastern Kentucky University, Division of Real Property State of Kentucky.

APPRAISED FOR:

Major horse farms, full range of commercial properties, multi-family residential, condemnation cases for both Plaintiff and Defendant, IRS, utility companies, four flood control lane projects, Urban Renewal, major industrial properties and highway right of way. Appraisals conducted on conservation easements for individuals the State of Kentucky for the PACE program and the Lexington Fayette Urban County Government for the Purchase of Development Rights, on Farm Properties, Marathon Oil Co. for R/W easements, CSX Railroad, Norfolk Southern Railway, Cincinnati Insurance, Safe Co Insurance, LexTran, and Southern States.

See Competency & Qualified Appraiser Statement in Addenda.

QUALIFIED AS EXPERT IN REAL ESTATE VALUES:

Federal Court of Kentucky- Eastern and Western Division. Testified in Local Tax Appeal Cases, Circuit Court of Clark, Pike, Montgomery, Bourbon, Woodford, Jessamine, Bell, Johnson, Jefferson, Anderson, Franklin, Boone, Campbell, Scott, Lawrence, Clay, Whitley, Pulaski, Kenton, and Martin County, Kentucky, and the United States Bankruptcy Court.



733 Chinkapin



729 Chinkapin



728 Chinkapin



725 Chinkapin



724 Chinkapin



721 Chinkapin



720 Chinkapin



712 Chinkapin



713 Chinkapin



709 Chinkapin



708 Chinkapin



705 Chinkapin



704 Chinkapin



701 Chinkapin



639 Burr Oak



635 Burr Oak



631 Burr Oak



627 Burr Oak



623 Burr Oak



622 Burr Oak



619 Burr Oak



618 Burr Oak



612 Burr Oak



608 Burr Oak



604 Burr Oak

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AND 278.300)


DIRECT TESTIMONY OF G. MICHAEL RITCHIE

October 29, 2014

VERIFICATION

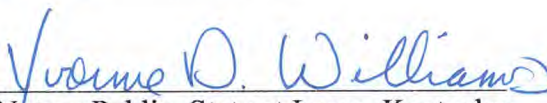
STATE OF KENTUCKY)
)
COUNTY OF FAYETTE)

The undersigned, G. Michael Ritchie, being duly sworn, deposes and says he is Executive Vice President of Photo Science Geospatial Solutions and Quantum Spatial, Inc., that he has personal knowledge of the matters set forth in the following testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


G. Michael Ritchie

Subscribed and sworn to before me by G. Michael Ritchie, this the 27th day of October 2014.

My Commission Expires: 7-5-16


Notary Public, State at Large, Kentucky



1 **Q. Please state your name and business addresses.**

2 A. My name is G. Michael Ritchie. My business address is 523 Wellington Way,
3 Lexington, Kentucky 40503.

4 **Q. By whom are you employed and what is your position?**

5 A. I am employed by Photo Science Geospatial Solutions and Quantum Spatial, Inc. as
6 Executive Vice-President.

7 **Q. Have you previously testified before the Commission?**

8 A. Yes. On March 14, 2013, I testified at the hearing in Case No. 2012-00470, *In the Matter*
9 *of: Application of Jessamine South-Elkhorn Water District for a Certificate of Public*
10 *Convenience and Necessity to Construct and Finance a Waterworks Improvements*
11 *Project Pursuant to KRS 278.020 and KRS 278.300*. In that proceeding, Jessamine-South
12 Elkhorn Water District (“Water District”) sought to construct a one-million gallon
13 elevated water tank on land adjacent to Forest Hills subdivision.

14 **Q. Do you wish to incorporate the testimony you provided at the hearing in Case No.**
15 **2012-00470 into this pre-filed testimony in this proceeding?**

16 A. Yes, I do. If I were asked those questions today, my answers would be the same as they
17 were at the hearing.

18 **Q. What is the purpose of your testimony in this proceeding?**

19 A. I am summarizing the background of Photo Science, the development of the proper
20 methodology for the siting of large utility facilities, the activities of Photo Science with
21 respect to the Water District’s proposal in this case and presenting the report of
22 alternative sites for the location of the water tank the Water District claims it needs in this
23 proceeding.

1 **Q. Describe your training and experience.**

2 A. A copy of my curriculum vitae is attached to my testimony as Exhibit GMR-1.

3 **Q. Describe the business of Photo Science.**

4 A. Founded in 1974, Photo Science is a geospatial solutions provider specializing in aerial
5 acquisition, data collection/processing, photogrammetric mapping, mobile mapping,
6 remote sensing, Geographic Information Systems (GIS), systems integration, and GPS
7 surveying services. Our staff of nearly 200 professionals nationally supports our federal,
8 civil, and private sector clients from nine office locations. Staff qualifications include:
9 professional engineers, professional land surveyors, certified photogrammetrists, certified
10 mapping scientists in GIS/LIS and remote sensing, ASPRS certified technologists in
11 photogrammetry and remote sensing, certified GIS professionals and certified project
12 management professionals. Additional staff credentials include cartographers,
13 imagery/terrain analysts, photo interpreters, GIS specialists, pilots, sensor operators,
14 trainers, and field support personnel. Using this staff, Photo Science provides innovative
15 geospatial solutions.

16 **Q. Does Photo Science have experience with the siting of utility facilities in addition to
17 its experience in Case No. 2012-00470?**

18 A. Yes. Photo Science participated in the development of the EPRI/GTC electric
19 transmission line siting model that is use in Georgia. EPRI is the Electric Power
20 Research Institute. GTC is Georgia Transmission Corporation. This is significant
21 because the Kentucky Public Service Commission approved of the use of this
22 methodology, with some modifications, in other CPCN cases: Case No. 2005-00207, *In
23 the Matter of: The Application of East Kentucky Power Cooperative, Inc. for a*

1 *Certificate of Public Convenience and Necessity to Construct a 161 kV Transmission*
2 *Line in Barren, Warren, Butler and Ohio Counties, Kentucky, Order dated October 31,*
3 2005, and Case Nos. 2005-00467 and 2005-00472, *In the Matter of: Joint Application of*
4 *Louisville Gas and Electric Company and Kentucky Utilities Company for the*
5 *Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin*
6 *Counties, Kentucky, Order dated May 26, 2006. Later Photo Science was heavily*
7 involved in the development of a Kentucky-centric electric transmission line siting
8 model. This effort involved participation in a workshop along with a group of Kentucky
9 stakeholders representing a wide range of interests on February 28, 2006. The purpose
10 was to obtain the stakeholders' input into the criteria to be applied in developing
11 alternative corridors for new electric transmission lines. Photo Science also participated
12 in the preparation of a report setting forth this methodology after the workshop. The key
13 to the methodology is the identification of alternative sites for the location of utility
14 facilities and the application of objective criteria to those alternatives to select the most
15 reasonable site for the facility.

16 **Q. How is that experience relevant to this case?**

17 A. While this case does not involve corridors containing above-ground transmission lines
18 and towers supporting them, it does involve an above-ground water tank 150 feet tall and
19 60 feet in diameter. Thus, the water tank will have a significant presence in the viewshed
20 of homes in the vicinity of the tank. The basic approach of the Kentucky-centric
21 EPRI/GTC model is an examination of the impact of an electric transmission line on the
22 built environment and the natural environment while taking into account engineering
23 considerations. For this reason, we do not think an examination of corridors is

1 appropriate, but an examination of single sites is appropriate using the three prongs of the
2 EPRI/GTC model. The proposed water tank will clearly have an impact on the built
3 environment and the natural environment in its vicinity. Engineering considerations
4 should also be taken into account when evaluating alternative sites.

5 **Q. Has the Photo Science methodology been used in Kentucky for purposes other than**
6 **routing electric transmission lines?**

7 A. Yes. Photo Science participated in the preparation of a report entitled “Water Main
8 Routing Study and Pumping Station Siting Study” in September 2005 for the Bluegrass
9 Water Supply Commission. We used the three prong methodology developed for the
10 EPRI/GTC model in the preparation of the report. The decision was made not to proceed
11 with the pipeline and pumping station, so the report was never filed with the
12 Commission. It demonstrates, however, that our methodology is not confined to electric
13 transmission lines.

14 **Q. Has Photo Science prepared a Siting Study with respect to the site of the proposed**
15 **water tank in this proceeding?**

16 A. Yes. It is entitled “Jessamine South Elkhorn Water District Water Tank Siting Study”
17 and is dated January 3, 2013. It is an exhibit in Case No. 2012-00470 and, for
18 convenience, is attached to my testimony as Exhibit GMR-2. This study was prepared
19 under my supervision and direction. The Water District proposes in this proceeding to
20 erect the water tank on the site that was proposed in Case No. 2012-00470 called the
21 Switzer Site. A description of our methodology, including sources of information, is
22 fully set forth in the Siting Study. In addition, I explained what we did and how we
23 prepared the Study during the hearing in Case No. 2012-00470.