

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF U.S. 60 WATER DISTRICT )  
OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY )  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE ) NO. 2014-00101  
AND NECESSITY TO CONSTRUCT PURSUANT TO )  
THE PROVISIONS OF KRS 278.020 AND KRS 278.300 )  
)

RESPONSES TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Comes U.S. 60 Water District of Shelby and Franklin Counties,  
Kentucky ("U.S. 60"), by counsel, and respectfully submits the  
following Responses to Commission Staff's Initial Request for  
Information.


Respectfully submitted,

Mathis, Riggs, Prather & Ratliff, P.S.C.

By: 

Donald T. Prather  
500 Main Street, Suite 5  
Shelbyville, Kentucky 40065  
Phone: (502) 633-5220  
Fax: (502) 633-0667

I, the undersigned David Hedges, being the Manager of U.S. 60 Water  
District of Shelby and Franklin Counties, Kentucky, certify that the  
Answers contained herein are true and accurate to the best of my  
knowledge, information and belief formed after a reasonable inquiry.

  
\_\_\_\_\_  
David Hedges

5-5-14  
\_\_\_\_\_  
Date

1. Provide a copy of the minutes of each meeting of U.S. 60's Board of Commissioners in which the proposed water storage tank or the need for such tank was discussed.

**Response:** See attached minutes.

Responsible Witness:

William Eggen or David Hedges

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
March 18, 2014

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on March 18, 2014 at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. PBI Bank representatives Paula Morris and Dana Proffitt were also in attendance.

The Cash Transactions Report for the various bank accounts for February, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during February; February bill from North Shelby Water Company; Cash Transaction Spreadsheet for February for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; February Balance Sheet; February Profit & Loss Statement; and the February A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

PBI Bank Guests. Paula Morris, Shelby County Market President, and Dana Proffitt, both representing PBI Bank, addressed the Commissioners with the Bank's offer to provide financial services to the District. They left written information for the Commissioners to review. After they departed, there was discussion between the Commissioners, Hedges, and Carmack. Hargadan abstained due to his position as a Citizens Union Bank Director. Hedges stated he did not see any reason to change banks at this point since CUB, which recently closed its Bagdad branch, is still providing a free daily courier in Bagdad for deposits and other transactions. After discussion concluded, it was the consensus of the Commissioners to continue using CUB and Commonwealth Bank & Trust Company for the District's financial services, although that may change in the future if CUB discontinues the courier service. Hargadon will include PBI Bank in his request for rate bids the next time the District has a certificate of deposit up for renewal.

Minutes. The February 18, 2014 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for February is as follows:

Bought:	13,678,500 gallons
Sold:	14,571,100 gallons
Leaks:	116,750 gallons
Flushing:	102,500 gallons
Fire Department:	52,500 gallons
Total Water Loss:	-9%

Hedges commented the negative water loss was caused by the different timing of reading the meters of the District's wholesale water suppliers and the District's retail customers rather than magic on his part.

Discussion then switched to the amount of the money the District would need in readily available funds for the Peytona water tank project. Prather and Broughman advised the Commissioners that amount was \$400,000. Since the District already has this amount of readily available funds, it was the consensus that any certificates of deposit which mature in the future will not be transferred into liquid certificates of deposit unless the interest rate is better on the liquid CD than a regular CD. Prather questioned the approximately \$1,100,000 presently being held in the Operations & Maintenance Account. A rough calculation indicates the interest rate being paid on that account is 0.18%. He suggested some of that money should be moved into regular or liquid CDs if a superior interest rate could be obtained. It was the consensus of those present at the meeting that the District should avoid CD maturity dates of more than 1 to 1 ½ years unless a significantly higher interest rate is available. This is due to the likelihood that interest rates will rise in the future and the District does not want to be locked into low interest rate investments for an extended period of time.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

Annual Audit. Hedges reported the auditors have finished their office work and he is hopeful the 2013 audit will be presented at the next Board meeting.

New Peytona Tank. Prather reported Broughman had obtained the Division of Water approval letter, so he is going to file the application with the Public Service Commission. He is going to use the existing water tank site deed from Shelby Fiscal Court in order to avoid further delay. The deed from Shelby Fiscal Court to the new tank site has been delayed pending determination of the location of the access easement. Judge Rothenburger wants it placed parallel and adjacent to the property boundary. Once that issue is resolved, the new deed will be obtained and the old site will be deeded back to the County. Prather will file the new deed with PSC once it is obtained.

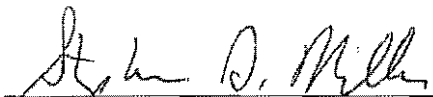
Hedges recommended the District use the 12-inch water main contractor to also install the underground conduit for the electric service. He believes the contractor can do this more inexpensively than could the District using North Shelby personnel. The District would purchase and supply the conduit pipe because it will not have to pay sales tax. Prather commented as long as the cost is under \$20,000, the District does not have to advertise for bids. After discussion concluded, it was the consensus of the Commissioners that Hedges should obtain bids from the 12-inch water main contractor as well as several other local contractors.

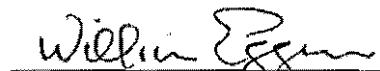
Non-Recurring Charge Case. Prather reported PSC had suspended the increases in the District's non-recurring charges pending further review. The District recently received a number of questions from the PSC staff for additional information. A number of the questions clearly indicate the PSC staff does not understand the fact that North Shelby Water Company provides all of the District's construction, operations and maintenance services on a contract basis. It appears unlikely the PSC will approve the same charges for the District as it approved for North Shelby last summer. Prather and Hedges will work on the District's responses to PSC staff information requests. The new tap-on fee request will likely increase significantly because the filed request did not include the higher cost of the radio read meters; whereas the information to be filed with PSC will now show that higher expense.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, April 15, 2014 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
February 18, 2014

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on February 18, 2014 at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for January, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during January; January bill from North Shelby Water Company; Cash Transaction Spreadsheet for January for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; January Balance Sheet; January Profit & Loss Statement; and the January A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The January 27, 2014 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for January is as follows:

Bought:	12,972,600 gallons
Sold:	10,449,400 gallons
Leaks:	762,500 gallons
Flushing:	1,110,580 gallons
Fire Department:	56,800 gallons
Total Water Loss:	3%

Hargadon reported the two certificates of deposit which matured have been rolled over into liquid certificates of deposit.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

Non-Recurring Charge Increases. Prather reported he and Hedges appeared in front of Shelby Fiscal Court to provide the testimony required by House Bill 1 regarding these increases. There were not very many questions. The only significant question was how the new rates would compare with rates of surrounding water suppliers. Prather and Hedges stated that the tap-on fees for most, if not all, of the surrounding utilities were equal to or greater than those being proposed for US 60. Several are \$1,500, whereas US 60 is only proposing \$1,000.

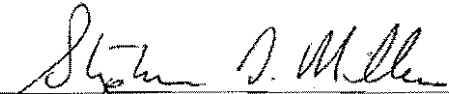
Prather reported the required advertisements in the Shelby, Franklin and Spencer County papers are being run and as soon as they are ready, the case will be submitted to PSC for a decision.

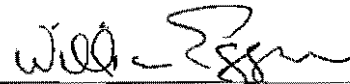
New Peytona Tank. Prather reported there are only two items remaining which he requires to submit the case to PSC for approval. One is the Division of Water approval letter. Broughman stated he expects that by the end of the week. The second is obtaining the deed to the water tank site from Shelby Fiscal Court. Prather stated the delay in obtaining that deed is a determination of where the electric utility easement needs to be to provide electric service to the tank. Carmack met with the Frankfort Plant Board, which will provide the electric service, to determine the best location. Carmack commented Frankfort will allow US 60 to install the conduit through which Frankfort will pull the actual electric wires. This should save significant cost in the installation. Prather will contact Shelby County Judge Executive Rothenberger to emphasize US 60 needs the deed as soon as possible.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, March 18, 2014 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
January 27, 2014

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on January 27, 2014 at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Jeremy Carmack, Assistant Manager was absent.

The Cash Transactions Report for the various bank accounts for December, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during December; December bill from North Shelby Water Company; Cash Transaction Spreadsheet for December for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; December Balance Sheet; December Profit & Loss Statement; and the November A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The December 10, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for December is as follows:

Bought:	11,431,600 gallons
Sold:	11,399,300 gallons
Leaks:	0 gallons
Flushing:	98,600 gallons
Fire Department:	18,600 gallons
Total Water Loss:	-1%

There was discussion regarding two certificates of deposit presently at Citizens Union Bank which have or will mature. One matured on January 19, 2014, but is still within the grace period. The other will mature on February 28, 2014. The combined amounts of these two certificates of deposit is around \$367,000. The District will be contributing \$400,000 to the construction of the new Peytona tank. While it is not likely the District's money will be needed quickly, there is some benefit to keeping all or a portion of this money readily available. Accordingly, Hargadon will investigate available interest rates on short-term certificates of deposit and interest rates on liquid certificates of deposit or other readily available interest-bearing accounts. If the rates are similar, all or part of the money will be placed in the more readily available accounts.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.



William Eggen Reappointment. It was announced Shelby County Judge/Executive Rob Rothenberger had prior to the meeting administered the constitutional oath of office to William Eggen due to his reappointment as a Commissioner.

New Peytona Tank. Broughman reported the encroachment permit for the bore under US Highway 60 has been received and provided to Prather. Broughman is still waiting on the approval letter from the Division of Water, but has been promised it will be ready next week. Due to the delay in obtaining these documents, as well as the deed to the tank site, Broughman requested the successful bidders extend their bid expiration dates so their bids are still valid.

Prather discussed the additional items other than the DOW approval letter which he still needs in order to file the application with the Public Service Commission for the required Certificate of Convenience and Necessity. The first item is the deed from Shelby County for the tank site. The only thing holding that deed up is a determination of where the electric service to the tank will come from, and then showing the required electric utility easement on the plat which will be attached to the deed. It is believed that the tank site is in the service territory of the Frankfort Electric Water & Plant Board. Broughman is to contact the Plant Board immediately to determine the best service option which will dictate where the electric easement should be placed. As soon as this information is available, he is to communicate it to the surveyor, Larry Tingle, who is ready to make the final change to the plat. Prather will then take the deed, which has already been prepared, and the revised plat to Shelby County Judge/Executive Rothenberger to be signed.

Prather also needs the District's formal email address which Hedges will provide to him. The last items of information needed for the application are the interest rate and amount of interest paid last year on each of the District's bonds or notes. Prather will email Dennis Raisor to obtain this information.

Priority Projects - 2014. Broughman suggested the following projects be listed as the District's highest construction priority for 2014: Buzzard Roost Road in Shelby County; Crab Orchard loop in Franklin County; and Murphy Lane loop in Spencer County.

Frankfort Rate Increase. Broughman informed the Commissioners Frankfort has began a cost of service study in preparation for a water rate increase, which will likely include wholesale rates to the District.

Plat. Broughman presented a proposed plat for property owned by G&G, LLC on US 151 in Franklin County. There isn't a water main in front of the property at this time. The property lies approximately .2 mile south of the District's water main on US Highway 60 and approximately .2 mile from US 60's water main on Crab Orchard Road. After discussion, and consistent with the District's longstanding policy that a water main must be located on the road frontage of property in order to receive service, the Commissioners

voted to require the property owner to extend a water main to the properties to be served at the property owner's expense. The District will pay the required 50-foot contribution for each new customer.

Non-recurring Charge Increases. Prather reported he has had difficulty obtaining all of the cost justification worksheets from North Shelby Water Company's non-recurring charge increase case last year, which he is using for the District's case. The missing sheets were recently obtained from North Shelby's engineer. Prather hopes to submit the case to the PSC this week or next week.


Emergency Water Supply Source. Hargadon commented that the recent water emergency situation in West Virginia due to a chemical spill had prompted him to inquire about the District's ability to obtain water from another source in the event the Kentucky River, from which Frankfort draws its water, becomes contaminated. Hedges and Broughman responded that the only viable alternate support source would be Shelbyville, and although the District presently has a connection with Shelbyville, the water main making that connection is too small to allow very much water to be obtained from Shelbyville. Additionally, only a few of the District's customers can be served by gravity flow from Shelbyville because of Shelbyville's relatively low water pressure, so a pump station would have to be installed in order to purchase a meaningful amount of water at an acceptable pressure.


The Commissioners then discussed improvements to the District's and Shelbyville's system which would be required for the District to use Shelbyville as a second source of water in higher volumes than currently possible, especially in an emergency situation. The Commissioners directed Broughman and Hedges to investigate the situation and provide additional information and/or suggestions to the Board at its next meeting.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, February 18, 2014 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
November 13, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on November 13, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Phil Bassett, a Caldwell Tanks representative was also present.

The Cash Transactions Report for the various bank accounts for October, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during October; October bill from North Shelby Water Company; Cash Transaction Spreadsheet for October for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; October Balance Sheet; October Profit & Loss Statement; and the October A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The October 15, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for October is as follows:

Bought:	14,971,100 gallons
Sold:	11,120,300 gallons
Leaks:	989,980 gallons
Flushing:	1,110,580 gallons
Fire Department:	56,800 gallons
Total Water Loss:	10%

A certificate of deposit at Citizens Union Bank will mature December 6, 2013. In order to keep this money available for potential use in the new Peytona water tank project, it was decided it will be reinvested in a six-month certificate of deposit.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Peytona Tank. Phil Bassett, representing Caldwell Tanks, Inc., introduced himself.

Broughman distributed the bid tabulation for the construction of the 12-inch ductile iron pipe portion of the project. There were only two bidders, JRS Construction and Twin State Utilities, Inc., but Broughman knows both contractors and they both do good work. The low bidder was Twin

States at \$84,186.

Broughman next distributed the bid tabulations for the 750,000 gallon elevated storage tank. The bids were in two groups, one for an all-steel tank with multiple steel support legs and the other for a composite structure with a steel water tank atop a single-pedestal concrete support structure. There were three bidders on the composite tank, with the low bid of \$1,410,000 submitted by Caldwell Tanks. There were two bidders on the all-steel version, with Caldwell Tanks again being the low bidder at \$1,181,000. Broughman recommends the Commissioners construct a single pedestal composite tank because even though it is slightly more expensive, it has numerous advantages. A composite tank has the capability for enclosed storage space at the base of the tank whereas an all-steel structure has no storage. There will not be any future expense of painting the support structure for a composite tank, whereas the legs and braces for an all-steel must be periodically painted.

After discussion, upon motion duly seconded, the Commissioners accepted the \$1,410,000 composite tank bid by Caldwell Tanks and the \$84,186 bid of Twin States Utilities, Inc. for the 12-inch water main, subject to Public Service Commission approval. Prather is to file the application with the PSC to obtain a Certificate of Convenience and Necessity to build the facilities and obtain authority to borrow the required funds from KIA.

Broughman reviewed his final engineering report based upon the winning bids. The total project cost has increased to \$1,700,000. Due to the increased costs, the District needs to commit \$100,000 in additional cash. Upon motion, duly seconded, the Commissioners voted to increase the District cash contribution from \$300,000 to \$400,000.

Prather inquired about the status of the deed to the tank site. Broughman and Hedges stated it was their understanding from the Deputy County Judge/Executive that the County is in the process of having the tank site surveyed, after which the deed will be signed and recorded.

Water Commissioner Training. Hedges reported the Public Service Commission will have its annual training seminar for water district Commissioners on December 10, 2013 at the PSC headquarters in Frankfort. All of the Commissioners indicated they plan to attend. Hedges will register them and Prather to attend the seminar.

William Eggen Reappointment. Prather reported he had written the letter to Shelby County Judge/Executive Rothenburger requesting that Eggen be reappointed for another 4-year term, but has not yet received a response.

Employee Christmas Dinner. The Commissioners agreed that Hedges and Eggen will handle the arrangements for the December 10, 2013 employee Christmas dinner, which will be held at 6:30 p.m. at Claudia Sanders Dinnerhouse.

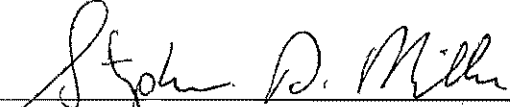
Fire Protection/Hydrant Tariff Prather discussed the proposed revisions to the District's Rules and Regulations relating to fire protection, fire hydrants, and minimum water line size. The language is identical to North Shelby's regulations which, after a year-long process, were recently approved by the Public Service Commission. Upon motion, duly seconded, the Commissioners approved the proposed tariff. Prather will file it with PSC.

Mount Eden Fire Department. Hedges reported the water usage report submitted by the Mount Eden Fire Department Chief every month claims the department has not used any water. Commissioner Miller reported this was interesting since the fire department had fought two fires recently. Prather stated the District's tariff requires a fee be assessed against any fire department not filing an accurate water usage report. Hedges will make one last attempt to obtain the fire chief's cooperation.

There being no further business and upon motion duly seconded, the meeting was adjourned.

There will not be a regular Board meeting in December. Any important business will be handled in a brief meeting following the employee Christmas dinner.

Respectfully Submitted,.

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
October 15, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on October 15, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Stephen D. Miller, Secretary was not present.

The Cash Transactions Report for the various bank accounts for September, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during September; September bill from North Shelby Water Company; Cash Transaction Spreadsheet for September for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; September Balance Sheet; September Profit & Loss Statement; and the September A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The September 17, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for September is as follows:

Bought:	14,175,400 gallons
Sold:	12,286,100 gallons
Leaks:	540,546 gallons
Flushing:	715,422 gallons
Fire Department:	36,500 gallons
Total Water Loss:	4%

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Water Tank. Broughman reported he expects there to be four bidders for constructing the tank and two bidders for the pipeline construction. The bid opening has been postponed for one week at the request of the bidders.

US 60 Line Replacement. A WX number must be obtained so this project can be put on the KIPDA list to be eligible for funding. There is a December 1, 2013 deadline for drafting a profile to do this. This project would be replacing the District's 4-inch line on U.S. Highway 60 back to Shelbyville.

Hobart Hearn Reappointment. Prather reported Commissioner Hearn has been reappointed by Franklin County Judge/Executive Collins for another 4-year term.

William Eggen Reappointment. Prather reported Eggen's term will expire in December of this year. It was the consensus of the Commissioners that Prather is to write a letter to Shelby County Judge/Executive Rothenburger requesting that Mr. Eggen be reappointed for another 4-year term.

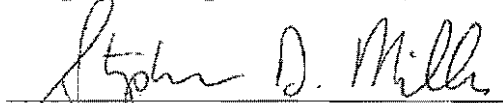
Employee Christmas Dinner. The employee Christmas dinner will be held on December 10, 2013 at 6:30 p.m. at Claudia Sanders Dinner House.

Open Records Information Proof of Receipt. All of the Commissioners executed proofs of receipt acknowledging receipt of the publications "Your Duty Under the Law" and "Managing Public Records". Prather will forward those for Eggen, Hargadon and Miller to Judge Rothenburger and those for Hearn and Roberts to Judge Collins.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, November 19, 2013 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
September 17, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on September 17, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Jeremy Carmack, Assistant Manager was not present.

The Cash Transactions Report for the various bank accounts for August, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during August; August bill from North Shelby Water Company; Cash Transaction Spreadsheet for August for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; August Balance Sheet; August Profit & Loss Statement; and the August A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The August 20, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for August is as follows:

Bought:	14,976,200 gallons
Sold:	12,766,800 gallons
Leaks:	512,771 gallons
Flushing:	1,362,441 gallons
Fire Department:	10,300 gallons
Total Water Loss:	2,209,400 gallons

Hargadon reported the District will not have any certificates of deposit mature until the end of the year. The August minutes mistakenly indicated the \$100,000 CD had been changed to a money market account at Citizens Union Bank. This money in fact was placed in a liquid certificate of deposit which earns the same amount of interest but has no early withdrawal penalty.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Water Tank. Chairman Eggen and Broughman reported the District had received the 1.75% multi-County rate, fixed for 20 years, for its \$1,300,000 loan from the Kentucky Infrastructure Authority Fund B - State Revolving Loan Program. Broughman reported his comparative analysis of this financing with financing through the Kentucky Rural Water Financing



Corporation shows the KIA loan will save the District approximately \$20,000 per year over the total cost of the KRWFC financing. Even though the KIA fees are a little higher, the very low interest rate more than makes up for them. An added bonus is that the District's loan will be paid off completely in only 20 years. The savings from the refinancing of the District's old high interest rate bonds earlier this year will enable the District to borrow this money with little or no increase in rates. Broughman expects to take bids around October 15, with the project to be submitted to the Public Service Commission around November 1 to obtain the required Certificate of Convenience and Necessity to borrow the money and build the project.

The District has not yet obtained the Deed to the new tank site from Shelby County. Prather stated this would need to occur before the project is submitted to PSC. The Commissioners instructed Prather to prepare a Deed for the County's signature, with Broughman to obtain the site description.

Prather is to prepare a proposed press release for the project.

After discussion about the potential from revenue from leasing antenna space on the new Peytona water tank, Broughman reported he would add to the tank plans specifications requiring the installation of antenna mounting structures to the top of the tank. The additional expense shouldn't be more than \$1,000 or \$2,000.

Future Potential Project Prioritization. Broughman discussed various potential projects on the District's wish list. Several are to connect two dead-end lines to make a loop. Others have relatively few customers, so the cost per customer is quite high. No decision was made.

Waddy Water Tank. Hargadon discussed the email he had received earlier in the day from Broadband on Demand, LLC, d/b/a Kentucky Wimax, regarding a request to install internet antennas on the District's Waddy water tank. The proposal from Wimax is for a 4-year initial contract with three consecutive renewal terms, a \$2,400 annual lease fee, and continuous access to its antennas. No decision was made by the Commissioners. The Commissioners also discussed the possibility of leaving the old Peytona water tank in place, rather than having it dismantled and removed, if enough antenna revenue can be received.

Leak Adjustment Request. Hedges reported customer Clemonts on Hempridge Road has requested a leak adjustment for a leak in his cattle waterer. The request does not comply with the District's leak adjustment policy in two respects. First, it was an above-ground leak, and secondly, it has not been repaired as required by the policy; instead it has just been shut off. Attorney Prather advised the Commissioners the requested leak adjustment cannot be granted since it violates the District's policy and all customers must be treated the same. Accordingly, the leak adjustment request was denied.

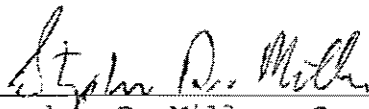
Radio-Read Meters. Hedges has been thinking about starting to install radio-read meters now rather than in January. The District is currently removing and reading, and then replacing 20 or 30 meters a month in

accordance with its agreement with PSC staff. Replacing these meters with radio-read meters will save money in the long run. Hedges advised the Commissioners North Shelby Water Company has approved purchasing a starter kit, which includes a limited number of meters and the software required to operate the Sensus I-Pearl system, which is the same one chosen by the District. Therefore, the District will not have to incur the expense of purchasing the software itself. After discussion, it was the consensus of the Commissioners to begin this process as soon as possible.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, October 15, 2013 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
August 20, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on August 20, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for July, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during July; July bill from North Shelby Water Company; Cash Transaction Spreadsheet for July for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; July Balance Sheet; July Profit & Loss Statement; and the July A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The July 16, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for July is as follows:

Bought:	16,854,900 gallons
Sold:	13,512,600 gallons
Leaks:	1,189,238 gallons
Flushing:	572,274 gallons
Fire Department:	58,650 gallons
Unaccounted-for Water Loss	9%

Hargadon reported he had changed the \$140,000 certificate of deposit to a money market account at Citizens Union Bank since they pay the same interest rate and the District needs quick access to the money for the upcoming tank project.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Water Tank. Chairman Eggen announced he has received a letter confirming the District has been approved for a \$1,300,000 loan from the Kentucky Infrastructure Authority Fund B - State Revolving Loan Program, with the District to spend \$312,000 of its own funds. Upon motion, duly seconded, the Board passed a resolution authorizing the District Chairman to execute and submit an application for this loan to KIA. A copy of the Resolution is attached to these minutes as Exhibit A.

Broughman expects to advertise next month for bids for constructing the new water tank and constructing the 12-inch water main to the tank. Broughman has requested a loan proposal from the Kentucky Rural Water Finance Corporation and expects to have that at the next Board meeting so the Commissioners can compare the KIA and KRWFEC financing options.

Frankfort Pass-through Rate Increase. Broughman reported PSC approved the pass-through rate increase on July 28, 2013 with the rate increase effective April 1, 2013.

Fire Hydrant Location Maps. Eggen reported the maps of the District's system showing the location of all fire hydrants have now been delivered to all of the affected fire departments. They have all been very appreciative.

Shelbyville Water Purchase. Hedges reported the District has made the connection and is now purchasing water from Shelbyville. Only a handful of houses are presently being supplied using Shelbyville water, but that number will be gradually increased over time.

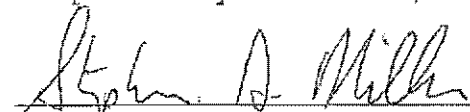
Bridgeport Pump Station Lightening Strike. Hedges reported lightening has again struck the District's Bridgeport pump station. Although the pumps were not damaged, both variable drives were fried and will have to be replaced. Since this is the second time this pump station has been struck by lightening, he is investigating installing a lightening arrestor which would prevent damage due to any future lightening strikes. The cost will be approximately \$4,000, whereas the cost of replacing the two variable drives will be approximately \$8,000. He thinks it will be a good investment and is getting an exact cost to present to the Commissioners at the next meeting.


Hobart Hearn Reappointment. Prather reported Hearn's term will expire on September 22 this year. It was the consensus of the Commissioners that Prather is to write a letter to Franklin County Judge/Executive Collins requesting that Mr. Hearn be reappointed for another four-year term.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, September 17, 2013 at 6:30 p.m.

Respectfully Submitted,

  
Stephen D. Miller, Secretary

  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
July 16, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on July 16, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for June, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during June; June bill from North Shelby Water Company; Cash Transaction Spreadsheet for June for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; June Balance Sheet; June Profit & Loss Statement; and the June A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The June 18, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for June is as follows:

Bought:	12,680,000 gallons
Sold:	9,620,600 gallons
Leaks:	760,735 gallons
Flushing:	766,624 gallons
Fire Department:	62,400 gallons
Unaccounted-for Water Loss	11%

Hargadon reported on the interest rate quotes he had received from Commonwealth Bank & Trust Co. ("CBT") and Citizens Union Bank ("CUB") regarding reinvestment of CD no. 33703 presently with CUB which matures July 28, 2013. CBT quoted the following rates: six months - 0.15%, twelve months - 0.25%, and eighteen months - 0.05%. CUB quoted 0.4% for its twelve month C.D. or 0.4% for a Money Market account which would give immediate availability of the funds. After discussion it was agreed to reinvest the money at CUB in a Money Market account so that it will be readily available for the upcoming water tank construction project.

Hedges pointed out there were two payments this month to North Shelby Water Company. One of these would have normally been paid in May but payment was delayed into early June.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Water Tank. Broughman distributed construction plans for the new water tank. It will be a 750,000 gallon tank held aloft by a single concrete pedestal, very similar to the North Shelby Water Company water tank just adjacent to the Shelbyville by-pass highway. He answered questions from various Commissioners. The tanks are designed to last for 50 years, but it may very well last 75 years if properly taken care of. The main thing is to keep the tank timely painted inside and out. The concrete support system that holds the tank aloft will be constructed using epoxy coated steel rebar which will eliminate or minimize rusting of the rebars inside the concrete, prolonging the life of the tank. From this point forward the order of actions for the water tank project will be DOW approval, bidding the project, final approval for the loan from the Kentucky Infrastructure Authority, and finally submission to the Public Service Commission for approval of the project. The tank site will also need to be deeded to the District from Shelby County prior to submittal of the project to PSC. After the new tank is erected and operational the Clay Village and Waddy tank can then be dismantled.

McCormack Lane Project. Hedges reported this project is completely finished including all clean-up.

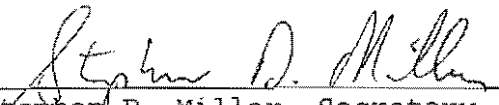
Shelbyville Water Purchase. Hedges reported all that remains to be done to the begin purchasing water from Shelbyville is to install a valve on Hempridge Road. He expects this to occur shortly.


Frankfort Pass-through Rate Increase. Broughman requested the Commissioners adopt a resolution formally approving the pass-through rate increase to recover the wholesale rate increase from Frankfort. The resolution authorizes Chairman Eggen to execute all necessary documents and take whatever action necessary to implement the new rates. Upon motion duly seconded, the resolution attached hereto as Exhibit A was approved.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday, August 20, 2013 at 6:30 p.m.

Respectfully Submitted,

  
Stephen D. Miller, Secretary

  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
June 18, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on June 18, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for May, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during May; May bill from North Shelby Water Company; Cash Transaction Spreadsheet for May for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; May Balance Sheet; May Profit & Loss Statement; and the May A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The May 21, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for May is as follows:

Bought:	12,257,300	gallons
Sold:	9,961,900	gallons
Leaks:	742,680	gallons
Flushing:	643,715	gallons
Fire Department:	41,000	gallons
Unaccounted-for Water Loss		7%

The District has a Certificate of Deposit presently at Citizens Union Bank which will mature July 28, 2013. Based upon what he is seeing with interest rate trends, Hargadon does not believe the District will receive a very good interest rate on a renewed C.D. Given this likelihood and the fact that the District will likely need funds in the next several months either for construction of the new water tank, or radio read meters, Hargadon recommended the District reinvest these funds either in a Money Market account or a liquid Certificate of Deposit, whichever pays the higher rate. The Commissioners agreed with this recommendation. Hargadon will solicit proposals from Citizens Union Bank and Commonwealth Bank & Trust Company and select the higher rates.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Water Tank. Hedges reported the results of his discussion with Iris McKinley regarding the possibility of the District purchasing from McKinley's family a site for the new Peytona water tank. He did this based upon Prather's recommendation during last month's executive session that the Commissioners owed their customers a fiduciary duty to explore other options for a tank site. This is because other options might prove significantly less expensive than the fire station site in view of the possible elimination of the expensive bores under the old and new U.S. 60 Highway, the expense of extending the 12" water main nearly 1,000 feet to the proposed county-owned site, and the significant expense which would be incurred in building a taller tank due to the lower elevation of the proposed site. McKinley's price for a ¼ acre site was \$100,000. Because this price would eliminate much of the savings which might result from relocating the tank, Hedges and Eggen held a meeting with Shelby County Judge Executive Rob Rothenberger and explained the situation, including the additional costs for the extra 16' to 21' height of the water tank and additional 450 feet of 12" water main which will be incurred if the tank is constructed at the rear of the county-owned site. After learning these facts Judge Rothenberger agreed that the original site was a better choice for the District's customers due to the significant cost savings. Accordingly, he agreed the tank will now be constructed on its original planned location approximately 450 feet closer to the road.

Core drilling on the re-located site is presently scheduled to occur on June 24, 2013. Once this information is available, Broughman can begin the bidding process. Once bids have been received, the matter can be submitted to the Public Service Commission for approval. Final approval of the funding from the Kentucky Infrastructure Authority will not occur until after the bids are received.

Broughman will recommend construction of a 750,000 gallon tank, which will replace the old Peytona and Waddy tanks which total 130,000 gallons of storage. The new tank will therefore mean the District will have a net increase in overhead storage capacity of 620,000 gallons, which should satisfy the District's needs for many years to come.

In response to an inquiry from Commissioner Roberts, Broughman discussed the District's increase in water consumption over the years. The District has experienced an approximately 4% annual increase in water sales for many years. Broughman does not expect this to change significantly. The increases have been due to a combination of new customers added to the system and increasing consumption by existing customers. The increase in existing customer consumption has slowed in recent years, likely due to the effect of water conserving toilets, faucet and shower heads, washing machines and dishwashers.



McCormack Lane Project. Hedges reported all of the customers have had their service lines switched from the old main to the new main and the old main has been abandoned. There are only a few yards left to be seeded and strawed.

Radio-Read Meters. Hedges reported North Shelby Water Company has also decided to install the Sensus I-Pearl radio read system. Since this is the same system selected by the District, there should be some cost savings for both utilities.


Fire Hydrant Location Map. Broughman distributed the map of the District's system showing the location of all fire hydrants, which incorporates the changes requested at the last Board meeting. It was the consensus of the Commissioners and management these maps should now be distributed to the fire departments which provide service in the District's territory.

Pass-through Rate Increase. Prather reported he had received from PSC an e-mail which included the new tariff recently approved by PSC which formally approved the pass-through rate increase effective April 1, 2013.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday July 17, 2013 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
May 21, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on May 21, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for April, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during April; April bill from North Shelby Water Company; Cash Transaction Spreadsheet for April for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; April Balance Sheet; April Profit & Loss Statement; and the April A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The April 16, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for April is as follows:

Bought:	12,250,600 gallons
Sold:	10,331,800 gallons
Leaks:	747,401 gallons
Flushing:	522,776 gallons
Fire Department:	83,200 gallons
Unaccounted-for Water Loss	4%

There will not be any certificates of deposit up for renewal until July 2013.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

Liability Insurance. Hedges reported he had received from Larry Mitchum at Curneal & Hignite Insurance Agency the quote for renewal of the District's liability insurance. The same insurance coverage as last year, including the \$4 million umbrella policy, will cost \$9,944.21 for the year beginning July 1, 2013. This is up only slightly from the \$9,826.74 cost last year. The Commissioners agreed with Hedges' recommendation that the insurance be renewed.

McCormack Lane Project. Hedges reported all of the customers have had their service lines switched from the old main to the new main and the old main has been abandoned. There are only six or seven areas left to be cleaned up.

Radio-Read Meters. Hedges reported that Badger, Sensus, and Hershey (Mueller), who are the three leading radio-read meter companies, recently made a presentation to North Shelby Water Company representatives and him regarding their respective systems. Prior to those presentations, Hedges had been leaning in favor of the Badger system because both North Shelby and US 60 have been installing Badger meters for some time and he thought using the Badger system would be less costly. He has now learned that the cost of the Badger equipment for retrofitting those existing Badger meters with the radio-read attachment will cost \$182, as opposed to the original \$100 quote. A new Badger radio-read meter will cost \$236 per meter and a new Sensus I-Pearl radio-read meter will cost \$230 per meter. Installation will be extra for both types of meters. There is therefore essentially no difference in cost between the two types of meters. All three meter companies have a 10-year battery according to Broughman and all three charge an annual service fee for their systems.

Eggen asked Hedges if he had a recommendation for which system would be the best for the District. Hedges recommends the Sensus I-Pearl system for several reasons. First, the Sensus meters put out a much stronger radio signal so they can be read from a much greater distance. The other two meters cannot be read from more than several hundred feet away, so all of the meters on the District's system which are further from the road than that would require having an expensive hole drilled in the iron meter cover and an antenna inserted up through that hole. The antenna would always be susceptible to damage. The stronger radio signal does not diminish the life of the battery, because the other two systems transmit continuous low-power pulses whereas the Sensus meter transmits its much stronger signal only once in response to a request from the reader. Additionally, the Sensus meter uses a magmeter, which has no moving parts, to measure the amount of water flowing through the meter. The other two meters are mechanical with moving parts. The Sensus meter will likely be accurate for a much longer time frame because it does not have any moving parts, and there is hope that the PSC will begin allowing utilities to test magmeters less frequently than mechanical meters, which will save money. Finally, the Sensus company is located in Lexington, Kentucky, whereas Badger is serviced out of Indiana, so the response time in the event of a problem would likely be quicker with a Sensus system than a Badger system. Broughman reported West Shelby Water District has been using the Sensus system and is very satisfied. Broughman reported one of his clients has also had good luck with the Sensus meters, with no meter failures and only a few bad batteries since installation.

The discussion then changed to how quickly the new meters should be installed. One option is to hire a contractor to switch out all of the meters quickly. While this might be slightly cheaper, it would

create a problem down the road because the PSC requires that all meters be tested within 10 years, so some of those meters would either be tested early, an unnecessary expense, or all of the meters would be tested within a short period of time near the end of the ten-year deadline, which would be an almost impossible task. Another option would be to install the meters over a period of time, such as four to five years, as did Henry County. Broughman reported Northeast Woodford County Water District staggered their installation over five years and were well satisfied. West Shelby Water District also installed their meters over time. A staggered installation process would spread out the 10-year testing deadline over more years.

Hedges reported the District has over the last three years already installed approximately 700 Badger radio-read-capable meters in the ground. The Sensus radio can be installed on those Badger meters. He would likely retrofit these meters first because their battery will fail sooner than newly installed meters.

Prather stated PSC approval would be necessary if the District proceeds to install all new meters over a short period of time. It is possible PSC approval might not be needed if the installation process were spread out over four or five years. Broughman reported Northeast Woodford County did not have to obtain PSC approval for replacing its meters over a five year period; however, they did inform PSC what was going to happen and obtained an immediate increase in their tap-on fee based upon the increased cost of the new radio-read meters.

After discussion concluded, it was the consensus of the Commissioners to proceed with purchasing the Sensus system. This will likely involve purchasing a limited number of radio-read systems, such as 100, plus the software to try out the system and see how it works. Hedges and Broughman are to coordinate their efforts and procure pricing based upon the District's number of meters. Once this information is obtained, a decision can be made on how quickly to proceed with installing the meters and whether to perform the installation in-house or by outside contractor.

Fire Hydrant Location Map. Broughman distributed a draft map of the District's system showing the location of all fire hydrants except those in Indian Ridge subdivision, which he will add. Miller requested that the Norfolk Southern railroad tracks be added to the map. Broughman will proceed to finalize it and distribute it to the fire departments.

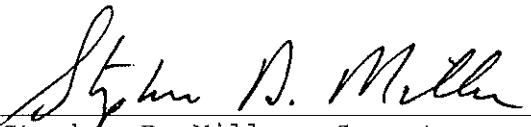
Pass-through Rate Increase. Broughman reported PSC approved the District's request for a rate increase equal to the rate increase from the District's wholesale supplier Frankfort Electric and Plant Board, effective April 1, 2013, the same day Frankfort's rate increase goes into effect.

Executive Session. The Commissioners, Attorney, Manager and Engineer entered into an executive session to discuss real estate acquisition. After emerging from executive session, it was the consensus of the Commissioners that Hedges and Carmack will investigate possible additional sites for the new water tank and report the results back to the Commissioners.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday June 18, 2013 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
April 16, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on April 16, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn and John W. Roberts; Pete Hedges, Manager; Jeremy A. Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for March, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during March; March bill from North Shelby Water Company; Cash Transaction Spreadsheet for March for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; March Balance Sheet; March Profit & Loss Statement; and the March A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Annual Audit. Dennis Raisor, CPA, discussed US 60 Water District's annual audit for the calendar years ending December 31, 2012 and 2011. In his opinion, the District's financial statements present fairly, in all material respects, the financial positions of the District as of December 31, 2012 and 2011, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Position shows the District's total current assets at the end of 2012 were \$1,714,241, as compared to \$1,520,123 at the end of 2011. It's total current liabilities, which are items due in the next year, at the end of 2012 were \$180,447 versus \$237,209 at the end of 2011. The District's ratio of current assets to current liabilities was 9.5 at the end of 2012. Most businesses are happy with a 2:1 ratio. The District's is much greater than that; in fact, he does not know of anyone else with a ratio this good. The District's total net position at the end of 2012 was \$6,439,663, up slightly from \$6,383,896 at the end of 2011.

Raisor next discussed the Statement of Revenues, Expenses, and Changes in Fund Net Position. Total operating revenue was \$1,080,925, up slightly from the total operating revenue of \$1,008,535 in 2011. The total operating expenses were also up in 2012 at \$959,176, versus \$939,272 in 2011. Despite the increase in expenses, net operating income increased from \$69,263 in 2011 to \$121,749 in 2012. The District's net income fell from \$164,263 in 2011 to \$55,767 in 2012. However, Raisor considers net income to be very misleading because

accounting rules require capital contributions such as grants to be included in net income. The District had \$180,728 in grant or other capital contributions in 2011 versus only \$20,400 in 2012. Raisor considers net operating income a much more accurate indication of financial health, and the District's increased in 2012. He considers the District's financial performance in 2012 to have been much better than in 2011 even though the financial statements do not show it.

The Statement of Cash Flow shows the District's net cash provided by operating activities increased slightly in 2012 over 2011. It's end of the year balances of cash and cash equivalents was \$1,157,810 at the end of 2012, up from \$977,928 at the end of 2011

Raisor next discussed the notes to the audit. Finding 12-1 relates to a matter controlled by North Shelby, namely the number of employees. North Shelby has too few employees to have stringent internal controls. North Shelby is aware of the need to increase cross-training, implement checking processes, and increase review procedures over invoices and is seeking to address these issues. Finding 12-2 relates to the District's failure to prepare a separate complete set of financial requirements. Raisor is required to include this in the audit; however, he does not have a single client who does this and, in reality, due to the cost this does not happen in the real world of small businesses. Raisor was complimentary that all of the District's cash deposits were either insured by FDIC insurance or collateralized with securities held by the bank's trust department or agent in the District's name.

The last thing was a review of the management letter, which has several suggested actions. The December bonuses should be formally approved by the District's Commissioners. The customer deposit general ledger account should be reconciled with the subsidiary customer deposit ledger on a monthly basis. Since the District is exempt from sales tax, all invoices should be reviewed to ensure inappropriate sales tax has not been paid. This is an area where there has been confusion in the past because North Shelby must pay sales tax. A list of uncollectable accounts should be reviewed and written off by the Commissioners. Budgets for each year should be completed and approved by the Commissioners prior to the beginning of that budget year. The amounts transferred into the bond and interest sinking fund should equal the amounts required under the debt agreements. Finally, the District should review on an annual basis the operations & maintenance contract it has with North Shelby Water Company to verify the rates charged to the District are appropriate.

He complimented the District's system regarding internal control of accounts receivables where a list of daily adjustments in accounts receivables is distributed to the Commissioners as part of the monthly financial reports. This allows the Commissioners to monitor the situations where adjustments are occurring.

Raisor was very complimentary regarding the full cooperation given by the staff during the audit process. He was also complimentary of Manager Hedges, who has been working very hard to have copies of contracts, grant agreements and other construction and finance documents in the office rather than simply with the engineers or attorney, as had been the case in the past.

After concluding his review of the audit, Raisor departed. Upon motion, duly seconded, the audit was approved.

Minutes: The March 19, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for March is as follows:

Bought:	14,029,600 gallons
Sold:	11,271,100 gallons
Leaks:	426,800 gallons
Flushing:	1,278,000 gallons
Fire Department:	77,500 gallons
Unaccounted-for Water Loss	7%

Hargadon mentioned one of the District's certificates of deposit presently at Citizens Union Bank will mature at the end of this month. The Commissioner's discussed whether this money should be reinvested in a certificate of deposit because it will be used sometime this summer on the upcoming new water tank or radio read meter project. After discussion, it was agreed the money from this maturing CD will be placed in a money market account where it will still earn some interest but will be fully accessible without a penalty.

After discussion, upon motion duly seconded, the Treasurer's Report was approved

New Water Tank Site. Broughman distributed an approved plat of the 1.126 acre tract which will be deeded from Shelby County to the District on which the new water tank will be erected. A copy of the plat is attached to these minutes. The plat shows a 15-foot wide ingress and egress easement but no utility easement. It was agreed a 30-foot wide utility easement must be acquired in order to allow installation of the water main leading to the tank. This will need to be done by a separate recorded easement since the plat has already been approved.

Manager's Report. Hedges reported he had reviewed the video which was taken of the Chase Waits property prior to the construction of the District's 12-inch transmission main. Mr. Waits has complained the contractor tore out his fence and never replaced it, and installed unwanted posts on his property. The video shows the fence was already gone and the posts were present prior to any construction work. Mr.



Waits' request for a new fence and removal of the posts will therefore be declined.

Hedges reported he has been contacted by Franklin County Judge/Executive Ted Collins, who requested that Hedges attend a May 14, 2013 Franklin Fiscal Court subcommittee meeting at which a county-wide project to install broad-band internet service will be discussed. It is likely permission will be requested to place an antenna on top of the District's tank located in Franklin County.

Frankfort Pass-through Rate Increase. Broughman presented a draft tariff which would increase the District's rates to compensate for Frankfort's April 1, 2013 wholesale water rate increase. The required advertisement will run in the papers this Friday. The rate increase request will be filed with PSC after that, and Broughman is hopeful the increase will be effective prior to the mailing of the water bills later this month.

Financing for New Water Tank and Radio Read Meters. Broughman has estimated these combined projects will cost \$1,850,000. Financing through local banks is not an option because their longest term loan is for five years. Financing through the Kentucky Association of Counties is a possibility. In the past, this had to be done in the form of a lease; however now KaCo does financing through bonds. The rate on a 20-year KaCo bond would be 3.3%, and 3.53% on a 25-year bond. KaCo requires a significant reserve fund to be held for the entire length of the loan, which effectively increases these interest rates. KaCo charges servicing fees which would total \$54,488 for the 20-year bond, and \$68,175 for the 25-year bond.

Another option is the Kentucky Infrastructure Revolving Fund Program. Its interest rate is 2.75%. There is no reserve fund requirement and its servicing fees are only \$29,004. The only downside for a KIA loan is that the fund is of limited size and there might not be sufficient funds to satisfy the District's needs.

After discussion concluded, upon motion duly seconded, the Commissioners voted to proceed with obtaining a \$1.3 million loan through KIA to construct the new water tank and install radio read meters throughout the system. The authorizing resolution attached to these minutes was approved.

There was discussion regarding the amount of money which could be recovered by the District by leasing antenna space on the top of the new tank. Broughman will design the tank to maximize the availability of space for this purpose.

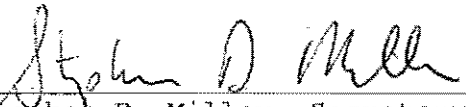
McCormack Lane Project. Carmack reported only 14 customers remain to have their service switched from the old line to the new line. He expects the project to be finished in approximately two weeks.

Shelbyville Wholesale Contract. Prather reported the wholesale water contract between the District and the Shelbyville Municipal Water & Sewer Commission has been approved by PSC and is now on the website.

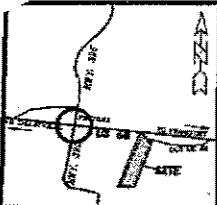
There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday May 21, 2013 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman



Scale 1" = 150'

IRA & CATHERINE MCINLEY FAMILY  
LIMITED PARTNERSHIP  
892 HERRIS CLARK RD.  
WADY, KY. 40076  
D.B. 412 - PG. 067

VICINITY MAP  
NO SCALE

EX. I.P.  
#2787

S 40°33'11" E  
326.58'

OLD U.S. 60

**LEGEND**

- SET IRON PIN NO. 4 REBAR 18" LONG, CAPPED #221
- EXISTING MONUMENT AS LABELED
- EXISTING UTILITY POLE
- PROPERTY BOUNDARY CHY DEED
- GAS METER
- EASEMENT LINE

**NOTES**

THIS PROPERTY IS SUBJECT TO ALL EASEMENTS APPARENT OR OF RECORD. REASON FOR AMENDMENT IS TO CREATE TRACT 1B.

GAS VALVE

EXISTING FIRE STATION

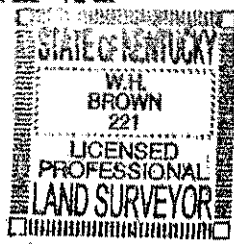
PARKING LOT

P.P.

15' INTEREST & EGRESS EASEMENT

JERRY L. & JANICE B. HURST  
8544 FRANKFORD RD.  
WADY, KY. 40076  
D.B. 318 - PG. 618

WILLIAM L. EDNA M. & MICHAEL K. PERRY  
ROUTE 2  
WADY, KY. 40076  
D.B. 252 - PG. 001



W.H. Brown  
L.P.L.S. # 221  
3/19/13

**APPROVED**

TRIPLE S PLANNING COM. INC.

**CERTIFICATE OF APPROVAL**

I HEREBY CERTIFY THAT THIS AMENDMENT OF SHELBY COUNTY FISCAL COURT HAS BEEN APPROVED BY THE TRIPLE S PLANNING COMMISSION.

03-19-2013 *George R. Best*  
DATE TRIPLE S PLANNING COMMISSION - CHAIRMAN

**CERTIFICATE OF OWNERSHIP AND DEDICATION**

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN HEREON AND THAT WE HEREBY ADOPT THIS PLAN WITH OUR FREE CONSENT. THIS DIVISION DOES NOT VIOLATE ANY PRIVATE SUBDIVISION RESTRICTIONS.

5/19/2013 *W.H. Brown*  
DATE OWNERS

**CERTIFICATE OF ACCURACY**

I HEREBY CERTIFY THAT THIS SURVEY WAS DONE BY ME OR UNDER MY PERSONAL SUPERVISION AND COMPLIES WITH THE STANDARD OF PRACTICE OF SURVEYING IN THE STATE OF KENTUCKY AS SET FORTH IN 201 KRA 18.150. THE UNADJUSTED TRAVERSE ERROR OF CLOSURE IS 1:25,351. THE BEARINGS AND DISTANCES SHOWN ARE NOT BASED ON AN ADJUSTED TRAVERSE. THE SURVEY AS SHOWN HEREON IS A CLASS B SURVEY AND THE ACCURACY AND PRECISION OF SAID SURVEY MEETS ALL THE SPECIFICATIONS OF THIS CLASS.

3/19/13 *W.H. Brown* L.P.L.S. # 221  
DATE W.H. BROWN - L.P.L.S. #221

**W.H. BROWN & ASSOCIATES**  
CONSULTING ENGINEERS & LAND SURVEYORS  
527 MAIN STREET  
SHELBYVILLE, KENTUCKY 40065

**TRACT 1A**  
7.945 ACRES  
D.B.465 - PG.058



NORTH ARROW BASED ON BEARINGS FROM DEED BOOK 465 - PG. 58

**TRACT 1B**  
1.126 ACRES

**AMENDED PLAT**

**SHELBY COUNTY**  
501 MAIN STREET  
SHELBYVILLE, KY 40065  
D.B.465 - PG.068  
9.071 ACRES

SHELBY COUNTY, KENTUCKY			
DATE	SCALE	DRAWN BY	CHECKED BY
3-19-13	1" = 150'	LTB	VTR

WILLIAM L. & CHRISTOPHER PERRY  
541 TAYLOR BRIGHT RD.  
BAGDAD, KY. 40003  
D.B. 405 - PG. 344

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
March 19, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on March 19, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn, and John W. Roberts; Pete Hedges, Manager; Jeremy A. Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for February, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during February; February bill from North Shelby Water Company; Cash Transaction Spreadsheet for February for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; February Balance Sheet; February Profit & Loss Statement; and the February A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The February 19, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for February is as follows:

Bought:	12,290,300 gallons
Sold:	10,062,800 gallons
Leaks:	215,300 gallons
Flushing:	180,260 gallons
Fire Department:	83,500 gallons
Unaccounted-for Water Loss	6%

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

Frankfort Pass-Through Rate Increase. Broughman reported that the pass-through rate increase of the Frankfort April 1, 2013 wholesale water rate increase, which was authorized by the Board at the last meeting, will be 12¢ per 1,000 gallons

New Water Tank. Broughman reported he and Shelby County Judge/Executive Rob Rothenburger have been discussing the exact location on the property owned by Shelby County for the new water tank. Judge Rothenburger is trying to decide where to place the tank in order to not interfere with the use of the remainder of the site.

He is aware that the lower the elevation of the construction site, the more it will cost the District's customers.

Various Rural Development financing options for the new tank and radio read meters were discussed. The Kentucky Infrastructure Authority has a 20-year loan program which has the same interest rate as the longer 40-year Rural Development loan. Although the KIA annual payments are higher, the ultimate cost of the loan is lower because of its shorter term and less interest paid. Other potential options include the Kentucky Association of Counties Leasing Trust, Kentucky Rural Water Finance Corporation, and the Kentucky League of Cities Bond Program. No decision was reached.

Special District Legislation - House Bill 1: Prather and Broughman discussed the impact HB 1, which has passed both houses in the Kentucky legislature, will have on the District. In general, it will require the District to give Shelby and Franklin fiscal courts 30 days advanced notice prior to increase any rates or fees. The District's rates and charges will continue to be set by PSC. The fiscal courts will not have the ability to approve or disapprove any increases; the bill merely gives them notice those increases will occur. The fiscal court will have to be notified of all regular rate increases, pass-through rate increases and changes in non-recurring charges.

Manager's Report. Chase Waits, a District customer residing at 5440 Louisville Road, has complained that the contractor which constructed the District's 12-inch transmission main to Frankfort three years ago tore out his fence and never replaced it. Broughman and Hedges have located the video which was taken of the route, including his property, prior to any construction work. Hedges will review the video as part of his investigation into whether the District should replace the fence.

Shelbyville Wholesale Contract. Prather reported the PSC had at long last located the new contract between Shelbyville and the District which had been filed with them some time ago. The PSC had asked him several questions, including whether the rate to be paid to Shelbyville would be the current rate, which Prather confirmed it would be, and whether any water had already been purchased under the new contract, which Prather confirmed had not occurred. After these questions had been answered, the PSC staff indicated the contract was approved. Hedges will open the valves so that water begins to flow into the District's system from Shelbyville after tonight.

Fire Hydrant and Fire Protection Tariff. Prather reported North Shelby Water Company's President Jerry Ruble, Prather, and Hedges had participated in a telephonic conference call with PSC staff regarding the amendments North Shelby had submitted to its Fire Hydrant and Fire Protection tariff. Those amendments are identical to the ones approved by the District. The PSC staff wanted to know whether North Shelby had

signed any contracts with any of the fire departments requiring them to inspect North Shelby's fire hydrants, and were advised no such contracts existed. The PSC staff were pleased when North Shelby offered to provide all of the fire departments in its service area with copies of the proposed new tariffs and request their input. The Shelby County and Simpsonville Fire Departments had previously attended a North Shelby meeting and given their input, which led to changes in the new tariffs including, among other things, that the fire departments would have the right to use North Shelby's easements to cut weeds, remove bushes and fences and other obstructions which are sometimes erected by property owners that interfere with visibility and access to fire hydrants located on their property. Those fire departments also agreed with the concept that the fire departments would inspect the hydrants and advise the water utility of any problems, and the water utility would then repair those hydrants at the utility's expense.

PSC staff comments indicated they understood the reality that rural water systems do not regularly inspect their fire hydrants and that any regular inspections which occurred were usually performed by fire departments, and that the proposed new tariff merely recognizes those realities. However, PSC staff appears struggling with reconciling that reality with PSC regulations which require water utilities to maintain their systems in good operating condition, which implies that the water utility itself should be doing the inspections. It appeared important to the PSC staff that the result of fire hydrant flow tests be provided to and kept on record by the utility.

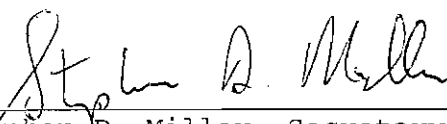
Fire Hydrant Map. Broughman and Hedges reported the map showing the location of all of the District's fire hydrants is finished. Copies will be distributed to the respective fire departments.


McCormack Lane. Hedges and Carmack reported the District's employees have transferred approximately one-half of the District's customers from the old line to the new line. The work is going slow because of the number of competing underground utility lines located adjacent to the District's water lines.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday April 16, 2013 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
February 19, 2013

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on February 19, 2013, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioners Hobart Hearn, and John W. Roberts; Pete Hedges, Manager; Jeremy A. Carmack, Assistant Manager; Donald Prather, Attorney; and Guests David Jenkins and Dwight Salsbury.

The Cash Transactions Report for the various bank accounts for January, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during January; January bill from North Shelby Water Company; Cash Transaction Spreadsheet for January for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; January Balance Sheet; January Profit & Loss Statement; and the January A/R Balance sheet showing accounts receivable adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Guests - League of Cities RD Debt Financing Proposal. David Jenkins and Dwight Salsbury, with Ross Sinclair & Associates, LLC addressed the Commissioners regarding refinancing the District's Rural Development debt through the League of Cities bond program. Their proposal was to refinance all of the District's RD debt, including its 1986, 1992, 1998 and 2002 bonds into a 25-year repayment plan, with the final payment being due in 2038. The program could also finance new construction projects. The proposal would result in a true interest cost of 3.384% after refinancing. After their presentation, Mr. Jenkins and Mr. Salsbury departed the meeting.

Refinancing RD Debt through KRWFC. The Commissioners conducted a lengthy and in-depth discussion of the new Kentucky League of Cities ("KLC") refinancing proposal and the already pending Kentucky Rural Water Finance Corporation ("KRWFC") refinancing process. The KRWFC refinancing is for only 20 years and at a true interest cost of 2.89%, whereas the KLC would have a 25 year payoff loan term at a true interest rate of 3.384%. The KRWFC refinancing proposal does not include the 2002 bonds because, it was said, the lower interest rates on those bonds did not justify the expense of refinancing. On the other hand, the KLC proposal included refinancing the 2002 bonds, but was at a higher true interest cost. After discussion, upon motion duly seconded, the Commissioners approved refinancing the 1986, 1992 and 1998 RD bonds through KRWFC and adopted the Resolution attached hereto as Exhibit A.

Minutes. The January 15, 2013 regular Board meeting minutes were approved.

Treasurer's Report. Margadon presented the Treasurer's Report. The water report for January is as follows:

Bought:	12,968,900	gallons
Sold:	10,670,600	gallons
Leaks:	385,359	gallons
Flushing:	1,094,483	gallons
Fire Department:	62,500	gallons
Unaccounted-for Water Loss		6%

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

New Water Tank. It appears Broughman has still not contacted Shelby County Judge Executive Rob Rothenburger regarding transfer of the proposed tank site to the District. The District would be deeded the site and would have an access easement from the road to the site. All agreed it was urgent that Broughman finalize the details so that the opportunity to acquire this site is not lost.

Non-Recurring Charges. Hedges advised the Commissioners that North Shelby Water Company's Board has adopted increases in its non-recurring charges. Most of those charges have not changed in 19 years for either North Shelby or the District. As an example, North Shelby's and the District's current tap-on fee for a 5/8" x 3/4" meter is \$600. The cost analysis presented by North Shelby's engineer indicated the charge should be increased to a minimum of \$1,000. This would be for a simple meter installation, without any rock excavation or other complications. The new cost includes the increased cost of the new low-lead meters. Most neighboring water utilities are already charging between \$1,000 and \$1,500. It was the consensus of the Board that Broughman and Hedges perform the calculations and submit to the Board proposed new non-recurring charges, as well as comparative costs presently charged by surrounding utilities.

Scrapped Meter Sales. Carmack reported employees had disassembled the District's old outdated meters and sold them as scrap metal for \$1,650.

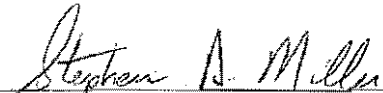
Frankfort Pass-Through Rate Increase. Eggen reported Broughman had requested the Board approve a pass-through rate increase effective April 1, 2013 for the upcoming increase by Frankfort in its wholesale water rate. Upon motion, duly seconded, Broughman was directed to prepare and submit to PSC an application for this pass-through rate increase.

There being no further business and upon motion duly seconded, the meeting was adjourned.



The next meeting will be Tuesday March 19, 2013 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
November 13, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on November 13, 2012, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Stephen D. Miller, Secretary; Commissioner Hobart Hearn; Commissioner John W. Roberts; Pete Hedges, Manager; Jeremy A. Carmack, Assistant Manager; Warner A. Broughman, III, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for October, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during October; October bill from North Shelby Water Company; Cash Transaction Spreadsheet for October for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; October Balance Sheet; October Profit & Loss Statement; and the list of October deposits and adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The October 16, 2012 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for October is as follows:

Bought:	16,946,400 gallons
Sold:	15,045,400 gallons
Leaks:	275,600 gallons
Flushing:	679,114 gallons
Fire Department:	28,500 gallons
Unaccounted-for Water Loss	5%

Hargadon plans to send out quote requests for CD No. 33035, presently at Citizens Union Bank, which comes up for renewal on December 6, 2012.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

Fire Hydrant Maps. Broughman distributed a draft fire hydrant map for review and comment.

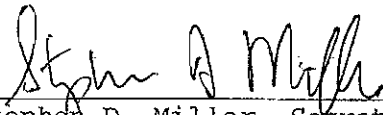
New Water Tank. Broughman reported the District will need to obtain a FAA permit since the new tank will be located within 3,000 feet from a helipad.

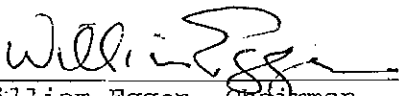
Open Records Proof of Receipt. Prather distributed and obtained from all of the Commissioners signed Proofs of Receipt acknowledging they received copies of "Your Duty Under the Law" and "Managing Public Records" relating to the Kentucky Open Records law

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday December 11, 2012 following the employee Christmas dinner at 6:00 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
October 16, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on October 16, 2012, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Commissioner John W. Roberts; Pete Hedges, Manager; Jeremy A. Carmack, Assistant Manager; Warner A. Broughman, III, Engineer; and Donald Prather, Attorney. Stephen D. Miller, Secretary was absent.

The Cash Transactions Report for the various bank accounts for September, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during September; September bill from North Shelby Water Company; Cash Transaction Spreadsheet for September for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; September Balance Sheet; September Profit & Loss Statement; and the list of September deposits and adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The September 18, 2012 regular Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water report for September is as follows:

Bought:	14,413,300 gallons
Sold:	12,039,300 gallons
Leaks:	0 gallons
Flushing:	1,258,740 gallons
Fire Department:	62,500 gallons
Unaccounted-for Water Loss	6%

Hargadon reminded the Commissioners the 2.5% interest rate shown on the September financial report for CD No. 100893 at Commonwealth Bank & Trust Company is only wishful thinking. The interest rate still needs to be corrected to reflect the actual rate of 0.25%. The Commissioners questioned the reason for the high amount of water used for flushing. Hedges and Carmack explained that a lot of flushing is necessary during the summer months to keep the chlorine residual level within legal limits in the 8-inch water main on Briar Ridge Road and Mitchell Lane in Spencer County, because it has relatively few customers who do not use enough water to keep the water fresh. These lines were constructed around the time that the building boom collapsed and were sized at 8 inches to accommodate fire hydrants as required by Spencer Fiscal Court. The need for flushing is significantly reduced in the winter since colder water retains the

disinfectant for a longer period of time. The need for summer flushing should decrease in the future as additional customers are added to the line.

After discussion, upon motion duly seconded, the Treasurer's Report was approved.

Refinancing Rural Development Debt. Broughman reported the District's plan to refinance through Kentucky Rural Water Finance Corporation is still on track, although nothing has been heard from the Public Service Commission. One of the bonds is owned by a private entity and cannot be prepaid except for two times a year, the next of which he believes to be in January. The bond sale will be timed so that the new loan will be taken out as close as possible before the eligible refinancing date on that bond to minimize the amount of time the District will pay interest on both loans. Broughman has not yet re-examined KaCo financing, but will do so quickly and will report back to the Board with a comparison of KaCo financing versus KRWFC financing.

New Water Tank. Roberts inquired about the plans for the new water tank to replace the Clay Village and Waddy tanks. Broughman reported he will recommend a 750,000 to 1,000,000 gallon water tank be constructed next summer on land Shelby County already owns. The District really needs to obtain title to the water tank site, especially to make it easier for future Rural Development loans. Broughman will request that Shelby County Judge/Executive Rob Rothenburger arrange for the title transfer as soon as possible.

The tank will be constructed at the same elevation as the Clay Village and Waddy tanks. Approximately 3 or 4 miles of 4-inch line will need to be replaced in conjunction with the tank construction. One concern which will need to be addressed is proper clearance from the FAA between the tank and the existing Heliport, which Broughman will investigate.

Fire Hydrant Map. Eggen reported he had received emails from the US 60 and Waddy Fire Departments requesting a 36" x 48" map showing the District's water lines color-coded for size and the location of fire hydrants. Eggen suggested one also be prepared for the Mount Eden Fire Department. Broughman will prepare these and date them. Hargadon recommended each department be required to sign acknowledging receipt of the map to protect the District from any claim the maps were not timely provided.


PSC Annual Inspection. Hedges reported the annual Public Service Commission inspection had occurred several weeks ago and the District had no deficiencies.

Ritter Lane. Jennifer Franklin has contacted the District regarding a possible water main extension along Ritter Lane, which might have between 6 and 9 new customers. The residents will have to pay the entire cost of the extension except for the District's required 50-foot contribution per new customer.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The Commissioners were reminded that the next meeting has been moved to Tuesday November 13, 2012 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman

. U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
June 19, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on June 19, 2012, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Commissioner John W. Roberts; Pete Hedges, Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for May, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during May; May bill from North Shelby Water Company; Cash Transaction Spreadsheet for May for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; May Balance Sheet; May Profit & Loss Statement; and the list of May deposits and adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The May 15, 2012 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for May is as follows:

Bought:	11,821,000 gallons
Sold:	10,806,000 gallons
Leaks:	0 gallons
Flushing:	615,421 gallons
Tank Overflow:	0 gallons
Fire Department:	15,250 gallons
Unaccounted-for Water Loss	3%

There will not be any certificates of deposit which mature until July of this year.

After a brief discussion of receipts, expenditures, and beginning and ending balances of the District's bank accounts, upon motion duly seconded, the Treasurer's Report was approved.

Radio Read Meter and New Tank RD Loan. Broughman reported there will be a public meeting at 6:30 p.m. at the office on July 17, 2012 regarding the new Rural Development loan which will be required for these projects. This is the same night as the next regular Board Meeting.

Since the District is currently in the process of gradually testing and replacing any defective meters, and within a few years will convert all of its existing meters into radio read meters, there was discussion whether the District should start now installing all new meters as radio read meters. The radio read meters have a dial showing consumption so they could continue to be read manually for the time being. Hedges reported that the Badger meters which are now being installed are compatible with the new radio read system. All that will have to be done to convert them will be to add an antenna and cut a hole with a plasma torch in the meter box top. Hedges believes there would be little or no cost savings to begin installing radio-read equipped meters now versus continuing to install regular Badger meters which will be retro-fitted at a later date. Hedges will have figures at the next Board Meeting so the Board can compare the estimated retro-fit cost to the cost of installing radio-read meters now.

Broughman noted the District will need to obtain a deed from Shelby County for the new tank site as part of the RD loan process.

Refinancing of Existing RD Debt. Broughman reported the results of his investigation into refinancing the District's existing RD debt at a significantly lower interest rate. The Kentucky Rural Water Association is looking into a bond issue which would allow a number of utilities to refinance their RD debt. He did not include the District's existing KIA loans because they will be paid off in only a few years.

He requested input from the Commissioners on whether they preferred to keep the same loan term for the refinancing which would reduce the amount of the payments, or keep the payment amount the same by shortening the loan maturity date. Discussion by the Commissioners disclosed an additional option. If the payments on the existing debt are reduced by refinancing at the new lower rate and keeping the same maturity date, it is possible that when the payments on the new loan to install radio read meters and build the new water tank are combined with the reduced payments on the refinanced old debt, the District might keep its total debt service payment the same as it is now so there would be little or no rate increase with the new loan.

The radio-read meters have a computer chip which monitors usage on a continuous basis. This information can be downloaded showing a customer's exact usage at any time of the day or night. This information can help pinpoint the source of a leak and provide answers to some consumer questions which now remain unanswered. Radio-read meters also eliminate meter reading errors and the human error involved in entering those manual meter readings into the computer billing system. An additional factor with the new radio read meters will be the elimination of the approximately \$3,333 per month Tru-check meter reading expense.



Insurance. Eggen, Miller, Hargadon and Prather reported on their recent meeting with Joe Greathouse representing KaCo Insurance. A significant issue which came out of that meeting is that KaCo Insurance does not cover damage to underground pipes from an earthquake. If the District's current insurance with Arch provides such coverage, it is a significant factor favoring keeping the insurance with Arch, because the cost to repair underground pipes following a significant earthquake would be extremely high. Also, it is likely the Arch policy provisions provide better protection in the event of failure to supply sufficient water to a fire hydrant than would the KaCo Insurance policy.

Larry Mitchum with the District's current insurance agent, Curneal & Hignite, has requested a copy of Prather's letter which was sent last year to the insurance company inquiring about the effect of the elimination from the District's tariff of the fire protection disclaimer. He has indicated he will get an answer from the insurance company.


Hargadon believes the District will need to wait for answers to these questions before making a final decision whether to continue coverage with Arch and/or switch to KaCo; however, since the District's existing Arch policy is up for renewal, the District will need to make at least a partial payment before July 1<sup>st</sup> in order to keep that insurance in effect. Hargadon will find out what is the latest date the District may make such a payment and keep the insurance in effect.

Consumer Confidence Report. Hedges reported the District's Consumer Confidence Report will be mailed out next week to every single customer. This is expensive, but is required by the Division of Water.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday July 17, 2012 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
May 15, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on May 15, 2012, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Commissioner John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Guest: Dennis Raisor.

The Cash Transactions Report for the various bank accounts for April, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during April; April bill from North Shelby Water Company; Cash Transaction Spreadsheet for April for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; April Balance Sheet; April Profit & Loss Statement; and the list of April deposits and adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Minutes. The April 17, 2012 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for April is as follows:

Bought:	13,990,000 gallons
Sold:	10,327,900 gallons
Leaks:	2,061,341 gallons
Flushing:	621,641 gallons
Tank Overflow:	0 gallons
Fire Department:	55,600 gallons
Unaccounted-for Water Loss	7%

Hedges explained to the Commissioners why the water loss report figures for February and March were identical. The second time they were used was so that the number of gallons on the monthly water loss report would be from the same month as the amount of water purchased shown on the other financial reports. Previously, the usage shown in the water loss report was for the period one month ahead of the financial reports. This was because the water loss figures showed the amount of water from the meter readings, but the District had not yet been billed and paid for that water until one month later. This way, the figures will better match up.

There will not be any certificates of deposit which mature until July of this year.

After a brief discussion of receipts, expenditures, and beginning and ending balances of the District's bank accounts, upon motion duly seconded, the Treasurer's Report was approved.

McCormick Lane Project. Broughman explained the District had not paid the retainage money to the contractor on the McCormick Lane project until that same contractor finished work on a fire hydrant he had worked on in a different project. Now that the contractor has completed all work, including cleanup, on both projects, Broughman recommended final payment be made to the contractor. Upon motion duly seconded, the Board authorized the payment.

Interest Rate on Deposits. Prather reported the 2012 Kentucky General Assembly revised KRS 278.460, which previously required utilities to pay 6% per annum interest on customer deposits. It now requires PSC to calculate the interest rate to equal the average rate on a one-year treasury note. Using the new formula, the PSC has calculated the rate will drop from 6% to 0.104% until the end of the year when the rate will be recalculated by PSC for the next year. Since the District's tariff did not specify the interest rate being 6%, no immediate revision of the tariff is required; however, Prather recommended the tariff eventually be changed to correct the statute number listed in the tariff.

KaCo Insurance Quote. Miller brought the Commissioners up to speed on the status of the District's insurance for the next year. The District has received the renewal proposal from Curneal & Hignite for the District's current policy with Arch Insurance Company. The declarations page from that proposal, which shows the policy limits and deductibles and the loss report figures, will be sent to KaCo after the rate figures have been deleted so that it can give a quote on an identical policy. Miller suggested he, Eggen, Hargadon and Prather meet with the KaCo insurance representative to answer any questions. It was the consensus of the Commissioners this was a good idea. Miller will set up the meeting.

Radio Read Meter and New Tank Projects. Broughman reported he will meet with Rural Development next week regarding the loan application. He is hopeful the District will be able to obtain some grant money due to the fact the tank will partially serve Spencer County low-income residents.

Plat Hedges presented a plat of the Steven and Judy Harp property off Brown's Lane in Franklin County. It creates a lot to be given to their daughter. All required easements around the created lot

were present, as well as an easement across the front of the residual property. Upon motion, duly seconded, the plat was approved.

Audit. Dennis Raisor presented and reviewed the annual audit for the years ending December 31, 2011 and 2010. The audit renders an unqualified opinion that the financial statements prepared by management present fairly, in all material respects, the financial condition and cash flows of the District as of December 31, 2011 and December 31, 2010, in conformity with generally accepted accounting principals.

He next reviewed the statement of net assets. The District is in excellent financial condition, having had at the end of 2011 a working capital ratio of almost 8 to 1, which compares favorably to the 2 to 1 ratio of most businesses. Between restricted and non-restricted accounts, the District has almost \$2 million in cash reserves

Total operating revenues were very similar in 2011 and 2010, as were total operating expenses. Investment income decreased due to the current low interest rate environment.

The District had net income of \$164,263 in 2011, up from \$134,901 in 2010, but this is misleading. Current accounting rules require capital contributions to be included in income. There were capital contributions of \$180,728 in 2011 as opposed to only \$117,035 in 2010. If the capital contributions are disregarded, the District earned a little less in 2011 than in 2010.

He then reviewed the notes to the 2011 and 2010 financial statements. He complimented the District for having all funds on deposit with financial institutions fully protected against loss by either FDIC insurance, a surety bond or securities held by the District or its agent. The District was therefore in complete compliance with KRS 66.480. This is not often the case with most smaller utilities he audits.

Several of the internal control items mentioned in the Schedule of Findings and Responses are not due to anything the District can control. For instance, due to the District's small size, it is not possible to have in place comprehensive cross-training and checking procedures. The District does a pretty good job with North Shelby's limited number of employees. He recommends management continue cross-training and implementing cross-checking processes to the extent possible.

Also, the District did not prepare a complete set of financial statements separate from those prepared by Raisor's firm. It is simply not reasonable for any small entity to pay for such services. Raisor's firm prepared a complete set of financial statements which is, in his opinion, an acceptable practice for an entity of the District's size.

The District has one of the best accounts receivable tracking systems he has seen. Accounts receivable are tracked on a daily basis. Raisor suggested all write-offs be reviewed and approved by the Commissioners.


Raisor commented the general ledger showing the customer deposits was not reconciled at year-end to the subsidiary ledger showing those customer deposits. He recommends this be done as time permits.

In summary, Raisor stated the District's operation policies and internal control systems are in much better shape now than they were only a few years ago. At the conclusion of discussion regarding the audit, Raisor excused himself from the meeting.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday July 17, 2012 at 6:30 p.m.

Respectfully Submitted,

  
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Stephen D. Miller, Secretary

  
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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
April 17, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on April 17, 2012, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Commissioner John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Guest: Paula DeWitt

The Cash Transactions Report for the various bank accounts for March, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during March; March bill from North Shelby Water Company; Cash Transaction Spreadsheet for March for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; March Balance Sheet; March Profit & Loss Statement; and the list of March deposits and adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed cover sheet attached to these minutes.

Guests. District customer Paula DeWitt addressed the Board. Ms. DeWitt stated she had been a District customer for some 10 years and then moved to a new location within the District. She was upset that she was required to come to the office in Bagdad to personally sign a new customer contract and pay a new deposit. She noted the District's Rules & Regulations allow the District to waive deposits. She believes a long-term customer with good credit should not be required to post a new deposit for service at a new location. She has paid the deposit, but paying a deposit can be a hardship for some low-income people. She requested the Board consider waiving the deposit requirement for other customers who may in the future move to another service location in the District.

Chairman Eggen stated he had done some research regarding the practices of surrounding utilities. The minimum deposit which he found was \$150. The District only charges \$600 to set a new meter while other utilities are charging around \$1,500. The District tries very hard to keep all types of costs down for all of its customers. If people do not pay their water bills, it increases the costs for everyone. The deposit is designed to minimize uncollectable water bills and therefore keep costs down.

After Ms. DeWitt departed, there was a lengthy discussion among the Commissioners and staff. All agreed Ms. DeWitt was articulate, well-informed and polite. After discussion, upon motion duly seconded, the Board voted to keep the deposit requirement as it is for the time

being, but to investigate other options for possible future changes. One possibility would be to refund deposits after a certain period of time for customers having a satisfactory payment history. Prather stated this would relieve the District from its obligation to pay 6% interest on retained deposits. Hedges reported he had checked with Henry County Water District No. 2, whose policy is to require a deposit from all customers. The deposit is held for 18 months, at which time the deposit is refunded if the customer has a perfect repayment history. However, if the customer is late even one time, the deposit is retained for another 18 months. Hedges will see if the District's computer software can generate a list of deposits after an 18-month period and whether it will be practical to review the payment history and refund it to those customers with a satisfactory repayment history.

Plat. Hedges presented a plat of the Mike & Kim Ebels property, which creates two tracts of land on a gravel lane extending off of old U.S. 60. This is the lane where the District recently accepted ownership of the water main running along the gravel lane. All easements were present. The plat was approved.

Minutes. The March 20, 2012 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for March is as follows:

Bought:	12,834,000 gallons
Sold:	9,578,100 gallons
Leaks:	752,300 gallons
Flushing:	812,541 gallons
Tank Overflow:	18,500 gallons
Fire Department:	32,500 gallons
Unaccounted-for Water Loss	7%

There will not be any certificates of deposit which mature until December of this year.

After brief discussion of receipts, expenditures, and beginning and ending balances of the District's bank accounts, upon motion duly seconded, the Treasurer's Report was approved.

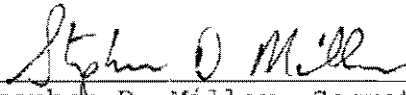
Pass-through of Frankfort Rate Increase. Broughman reported the Public Service Commission had approved the pass-through of Frankfort's April 1, 2012 rate increase, with the new District rate to also be effective April 1, 2012. PSC staff has requested the District file with PSC a copy of the Board Resolution approving this pass-through rate increase. Prather agreed to take care of this.

Radio Read Meter and New Tank Projects. Miller reported Campbellsville had obtained three grants to use to erect a new water tank. Broughman reported the District's Rural Development loan application will probably result in a small amount of grant money due to the fact it will partially serve Spencer County low-income residents

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday May 15, 2012 at 6:30 p.m.

Respectfully Submitted,



Stephen D. Miller, Secretary



William Eggen, Chairman



U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
March 20, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on March 20, 2012, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Commissioner John W. Roberts; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for February, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during February; February bill from North Shelby Water Company; Cash Transaction Spreadsheet for February for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; February Balance Sheet; February Profit & Loss Statement; and the list of February deposits and adjustments, were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed copies attached to these minutes.

Plats. Fred Douglas of American Survey presented a plat of the James and Edward Fegenbush property on Woodlawn Road in Shelby County. All easements were present. The plat was approved.

Minutes. The February 21, 2012 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for February is as follows:

Bought:	12,834,000	gallons
Sold:	9,578,100	gallons
Leaks:	752,300	gallons
Flushing:	812,541	gallons
Tank Overflow:	18,500	gallons
Fire Department:	32,500	gallons
Unaccounted-for Water Loss		7%

There will not be any certificates of deposit which mature until December of this year.

Upon motion duly seconded, the Treasurer's Report was approved.

Peggy Goff. Roberts reported Peggy Goff had complained of low pressure. Hearn reported he also had pressure problems in this same area of the system. Hedges stated the problem was likely due to the fact that both Goff's and Hearn's meters are located on the suction side of the new pump station for the 12-inch water main, whereas they

previously would have been located on the output side of the old pump station. They are therefore being served by the Frankfort Plant Board's water pressure, and when the District's water pumps start running the suction from those pumps lowers that pressure. Hedges believes a pipe could be installed from the discharge side of the pump to back-feed the water main serving Goff and Hearn. It would only involve installing approximately 100 feet of line. After discussion, it was agreed the first step would be to install several pressure recorders in the area to more accurately investigate the problem. Once that information is obtained, the matter will be brought back to the Board for a decision on what corrective action, if any, will be taken.

McCormick Lane Project Hedges reported that moving the water meters to the other side of McCormick Lane and connecting them to the new main will begin soon, starting at the end of McCormick Lane and working out toward the main road. Once all customers are switched over to the new water main, the old small line will be abandoned.

North Shelby Bill. Eggen questioned the unusually large January 2012 bill in the amount of \$25,293.47 which the District received from North Shelby. The bill normally runs around \$20,000 per month. Hedges will investigate and report back at the next Board meeting.

Insurance. Miller reported the KaCo Insurance representative, Joe Greedhouse, was unable to attend tonight's meeting. Hedges has all of the paperwork which KaCo would need to evaluate the District's business and provide a quote. There is a possibility the District will be given a 5-year fixed price. Miller suggested that he, Hargadon, Hedges, Prather and Eggen meet with the representative in Shelbyville. If the proposal looks favorable, they will bring it back to the Board next month for consideration. It was the consensus of the Board this was a good action plan.

Pass-through of Frankfort Rate Increase. Broughman reported the cost to the District's customers of passing through the upcoming Frankfort rate increase will be 12¢ per thousand gallons, and recommended that it be made effective April 1, 2012, the same date that the Frankfort rate increase will be effective. Upon motion duly seconded, the Board approved the proposed pass-through and authorized Chairman Eggen to sign an amended rate tariff which will be filed with the PSC.

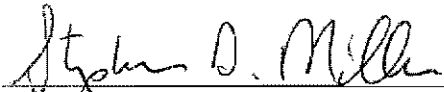
Radio Read Meter and New Tank Projects Broughman presented an application which he had prepared to Rural Development seeking a \$1,800,050 loan to construct the new 1 million gallon water tank and install radio read meters throughout the District's system. Filing the application will not commit the District to borrowing the money. The decision to proceed and the actual amount of the loan can be made at a later date. This application merely begins the lengthy process to obtain, if required, such a loan. After discussion, and upon motion

duly seconded, the Board authorized Chairman Eggen to execute the application.

There being no further business and upon motion duly seconded, the meeting was adjourned

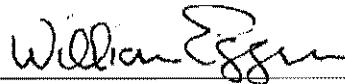
The next meeting will be Tuesday April 17, 2012 at 6:30 p.m.

Respectfully Submitted,



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Stephen D. Miller, Secretary



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William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
February 21, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on February 21, 2012, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; and Donald Prather, Attorney. Commissioner John W. Roberts and Engineer Sandy Broughman were absent.

The Cash Transactions Report for the various bank accounts for January, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during January; January bill from North Shelby Water Company; Cash Transaction Spreadsheet for January for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; January Balance Sheet; January Profit & Loss Statement; and the list of January deposits and adjustments, which were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed copies attached to these minutes.

Plats. None.

Minutes. The January 17, 2012 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for January is as follows:

Bought:	13,275,000 gallons
Sold:	10,000,900 gallons
Leaks:	1,602,906 gallons
Flushing:	1,230,870 gallons
Fire Department:	64,000 gallons
Unaccounted-for Water Loss	3%

Certificate of deposit no 17222, presently at Citizens Union Bank, will mature February 26, 2012. Hargadon previously solicited by email renewal interest rate quotes from both Commonwealth Bank and Citizens Union Bank. The rate offered by Commonwealth Bank on a 12-month CD was .4%, or .5% on a 7-month CD; the rate offered by Citizens Union was .6% on a 12-month CD. Upon motion duly seconded, the Board voted to accept CUB's offer and keep the CD there. Due to his position as a director with CUB, Hargadon shared with Eggen, Miller and Prather all of the rate solicitation emails on this matter, and he abstained from discussion and voting on this matter.

Upon motion duly seconded, the Treasurer's Report was approved.

McCormick Lane Project. Hedges reported this project is now totally finished. There have been no complaints since the contractor completed the work.

Hedges reported the contractor never fixed the two hydrants located in Mount Eden, which need to be raised. The District will go ahead and handle the repair work.

Audit. Hedges reported Dennis Raizor will be in the office next Monday through Wednesday to perform the field work for the annual audit.

Insurance. Miller reported the KaCo Insurance representative was unable to attend tonight's meeting. He will attempt to reschedule for the March Board meeting.

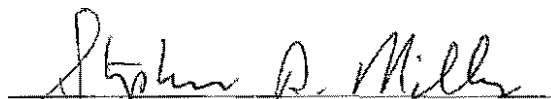
Frankfort Rate Increase. Prather reminded the Board that the second annual installment of the Frankfort rate increase will take effect on April 1, 2012. Accordingly, the District needs to apply to Kentucky Public Service Commission for a pass-through rate increase which can be implemented on April 1 so that the District does not lose any money. Prather will contact Broughman to determine if he will take care of this.

Radio Read Meter and New Tank Projects. Since Broughman was not present at this meeting, Eggen will call him for an update on investigation into Rural Development funding for these two proposed projects.

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday March 20, 2012 at 6:30 p.m.

Respectfully Submitted,

  
Stephen D. Miller, Secretary

  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
January 17, 2012

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on November 15, 2011, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioner Hobart Hearn; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; and Donald Prather, Attorney. Commissioner John W. Roberts and Engineer Sandy Broughman were absent.

The Cash Transactions Report for the various bank accounts for December, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during December; December bill from North Shelby Water Company; Cash Transaction Spreadsheet for December for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; December Balance Sheet; December Profit & Loss Statement; and the list of December deposits and adjustments, which were either e-mailed or mailed to the Commissioners prior to the meeting. These documents were approved as evidenced by the signed copies attached to these minutes

Plats. None.

Minutes. The November 15, and December 13, 2011 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for December is as follows:

Bought:	14,556,800 gallons
Sold:	10,080,300 gallons
Leaks:	115,786 gallons
Flushing:	3,216,728 gallons
Fire Department:	14,750 gallons
Unaccounted-for Water Loss	7%

Certificate of deposit no. 100823, presently at Commonwealth Bank & Trust Company, matured January 10, 2012. Hargadon previously solicited by email renewal interest rate quotes from both Commonwealth Bank and Citizens Union Bank. The rate offered by Commonwealth Bank on a 12-month CD was .5%, or .75% on a 2-year CD; the rate offered by Citizens Union was .75% on a 12-month CD. Upon motion duly seconded, the Board voted to accept CUB's offer and move the CD there. Due to his position as a director with CUB, Hargadon shared with Eggen, Miller and Prather all of the rate solicitation emails on this matter, and he abstained from discussion and voting on this matter.

Upon motion duly seconded, the Treasurer's Report was approved.

McCormick Lane Project. Hedges reported this project is finished with all cleanup having been completed. Although this project is complete, the same contractor has not completed his warranty work on a prior project. Two hydrants located in Mount Eden need to be raised. The contractor has promised Broughman this work will be done soon. The contractor has not yet asked for payment of his 10% retainage on the McCormick Lane project, and the question arose whether the District could hold part of this money to cover the fire hydrant repair. Prather reported Kentucky has a very strong set-off law which would allow the District to withhold payment of money to the contractor equal to the debt owed by the contractor to the District. The District could obtain an estimate of the repair expense and withhold enough of the McCormick Lane retainage to pay it. There is a possibility the work was done today, so Hedges will check the fire hydrants tomorrow. If the work has not been done, Hedges will call Broughman for him to in turn contact the contractor. By consensus, the Board decided to hold any decision on whether to keep part of the retainage pending the result of these further actions.

As previously instructed, Hedges sent Shelby County Judge/Executive Rob Rothenburger a bill for the five fire hydrants installed on the McCormick Lane project. Hedges was quickly contacted by Rothenburger, who stated Shelby Fiscal Court had only agreed to pay for three fire hydrants. Due to this mistake in communication, U.S. 60 Water District will have to pay for the other two fire hydrants since they have already been installed.

Commissioner Compensation. Prather reported he still had not heard anything from Shelby County Judge/Executive Rothenburger regarding the increased Commissioner compensation request.

DOW Sanitary Survey Hedges reported DOW had recently conducted its sanitary survey of the District's system, which it does every three years. The District passed with no problems.

Insurance. Miller will invite the KaCo Insurance representative to the February Board meeting to discuss the District's insurance needs. Hargadon suggested the representative be given a copy of the District's existing insurance declarations page with the current premium amount deleted so the representative will be clear about what insurance is required. It will also assist the representative in giving a more informed quote on the price of equivalent insurance from KaCo.

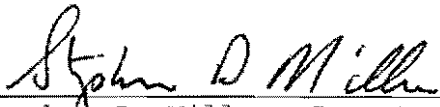
KIPDA Meeting Eggen reported he had attended the recent KIPDA meeting where he spoke with Jim Smith of Henry County Water District No. 2. That district is in the middle of switching all of its water meters to auto-read meters similar to those being considered by U.S. 60 Water District. Mr. Smith reported they had been very pleased with their contractor, as to both price and service. Hedges reported the

type of meters being presently installed by U.S. 60 are less expensive than the Badger meters being installed by Henry County but are still compatible with the Badger auto-read system. Eggen would like to see U.S. 60 make a decision soon on whether to convert to auto-read meters. Broughman previously was instructed at the September Board meeting to pursue RD funding as soon as possible for both a new Waddy/Peytona water tank and a conversion to auto-read meters. The Commissioners will ask for an update on his progress at the next Board meeting. Both a new water tank and a conversion to auto-read meters will have to be competitively bid.

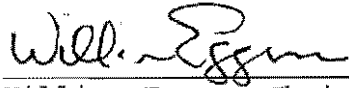
There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday February 21, 2011 at 6:30 p.m.

Respectfully Submitted,



Stephen D. Miller, Secretary



William Eggen, Chairman



U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
November 15, 2011

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on November 15, 2011, at the district office. Present were William Eggen, Chairman; Pat Hargadon, Treasurer; Commissioners John W. Roberts and Hobart Hearn; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney. Stephen D. Miller, Secretary was absent due to a family illness.

The Cash Transactions Report for the various bank accounts for October, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during October; October bill from North Shelby Water Company; Cash Transaction Spreadsheet for October for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; October Balance Sheet; October Profit & Loss Statement; and the list of October deposits and adjustments, which were either e-mailed or mailed to the Commissioners prior to the meeting. Eggen requested that the Transaction Detail by Account list of Commissioner Compensation be corrected to include the compensation he received during October. These documents, including the corrected Transaction Detail by Account list, were approved as evidenced by the signed copies attached to these minutes.

Plats. a. Samuel and Marsha Evans presented the plat of Agricultural Division Samuel and Marsha Evans Farm and requested approval by the Board. The property is located on Kentucky 1472 (Hickory Ridge Road) and the purpose is to sell off a 5-acre tract to their son. All easements were present and there is an existing water line in front of the property. The plat was approved.

b. The Board also approved the plat of Jessie Property Divided at the intersection of Kentucky 395 and Bardstown Trail. All required easements were present.

Minutes. The October 18, 2011 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for October is as follows:

Bought:	11,641,630 gallons
Sold:	10,610,700 gallons
Leaks:	198,490 gallons
Flushing:	372,155 gallons
Fire Department:	32,600 gallons
Unaccounted-for Water Loss	2%

He reviewed the District bank accounts' beginning and ending balances. Certificate of deposit no. 102583, presently at Commonwealth Bank & Trust Company, matures December 6, 2011. Hargadon previously solicited by email renewal interest rate quotes from both Commonwealth Bank and Citizens Union Bank. The rate offered by Commonwealth Bank was .6%, which is the same as the current rate, and the rate offered by Citizens Union was 1%. Upon motion duly seconded, the Board voted to accept CUB's offer and move the CD there. Due to his position as a director with CUB, Hargadon shared with Eggen, Miller and Prather all of the rate solicitation emails on this matter, and he abstained from discussion and voting on this matter.

Upon motion duly seconded, the Treasurer's Report was approved.

McCormick Lane Project. Broughman reported cleanup has not yet been completed. A school bus driver has complained about the difficulty of turning the bus around due to a pile of dirt in the road.

District Project Priority List. Broughman distributed a prioritized list of the remaining district construction projects. The list was revised since the previous top priority project, the McCormick Lane extension, has been constructed. The new top priority project is a new elevated storage tank in the Waddy area. The second priority project is on Buzzard Roost Road, which will complete a loop and serve three to four new customers. The list also contained other lower priority Franklin, Shelby, Spencer and Anderson County projects. There was no objection to this revised project priority list.

Manager's Report. Hedges reported Jenny Smith from Public Service Commission called him regarding the customer complaint up on the Knobs off Hempridge Road. She was told the cost would be \$106,871 for this one customer. It appears the customer will not pursue the request for service due to the high cost.

Mr. Gravett, on Bridgeport Road, has complained the Tru-check meter reader is spinning out gravel when pulling up the hill that leads away from his house. Hedges is dealing with the situation.

Hedges has received a letter from Shelby Fiscal Court requesting a copy of the District's budget. He plans to get together with Dennis Raisor to work on this request. Broughman suggested as a cost-saving measure sending a copy of the budget which will be prepared for Rural Development.


After discussion, upon motion duly seconded, the Board voted to award Christmas bonuses in the same amounts as last year, but to all employees rather than just a few.

The commissioners were reminded of the Public Service Commission water district training session for which they are registered on December 14, 2011 at PSC headquarters in Frankfort

There being no further business and upon motion duly seconded, the meeting was adjourned.

The next meeting will be Tuesday December 13, 2011 at 6:00 p m. following the employee Christmas dinner at Claudia Sanders Dinner House.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
September 13, 2011

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on September 13, 2011, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioners John W. Roberts and Hobart Hearn; Pete Hedges, Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for August, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during August; August bill from North Shelby Water Company; Cash Transaction Spreadsheet for August for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; August Balance Sheet; August Profit & Loss Statement; and the list of August deposits and adjustments, which were either e-mailed or mailed to the Commissioners prior to the meeting, were approved as evidenced by the signed copies attached to these minutes.

Minutes. The August 16, 2011 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for August is as follows:

Bought:	15,561,000 gallons
Sold:	13,532,900 gallons
Leaks:	27,568 gallons
Flushing:	903,422 gallons
Fire Department:	26,500 gallons
Unaccounted-for Water Loss	6%

He reviewed the District bank account beginning and ending balances. There was a grant funding receipt in the Operations & Maintenance account of \$169,912.68. The interest rate on the most recent certificate of deposit at Commonwealth Bank & Trust Company needs to be updated to the renewal rate.

Upon motion duly seconded, the Treasurer's Report was approved.

McCormick Lane Project. Broughman and Hedges reported the 2-inch pipe leading further down the road from the intended project stopping point was plastic electrical conduit pipe, not pvc, which is nearing the end of its useful life. There are a number of concrete and asphalt drives on one side of the road which would have to be bored under if the line was extended on that side of the road. The other side of the road is the Holloway farm, whose owner refused to sign an

easement. Broughman recommends continuing to install the new 6-inch water main in the county road right-of-way easement to just beyond the last customer. Prather stated this right-of-way generally runs to the outside top of the ditch along each side of the road. The 6-inch dead-end line is not likely to need flushing because of the number of customers, plus it is planned to be connected to the old 2-inch pipe to provide water circulation. The Board then discussed whether the 2-inch pipe should be eliminated immediately and all services switched over to the new 6-inch water main, which was not bid as part of this project and would be an additional expense. After discussion, upon motion duly seconded, the Board directed Broughman to obtain cost estimates to switch all of the existing customers over to the new water main, and authorized Chairman Eggen to decide whether to approve the additional construction, assuming it is under the \$20,000 bid requirement.

Ritter Road. Broughman reported a request from Magistrate Tony Carriss to install along Ritter Road approximately 3,100 feet of water main at an estimated cost of \$46,500 which will serve only two or three new customers. Carriss proposes the customers pay one-half and the District pay the other one-half of the construction costs. Prather and Broughman advised the Board that in the past the District has not contributed to new construction projects more than the required 50-foot of water main per customer. The law requires that all customers be treated the same unless there is a very good reason or the Board changes the policy which would apply to all extension requests from now on. After discussion, due to the past precedent of not contributing and the likely high cost of future projects if the policy is changed, the Board declined to construct the Ritter Road water main under the proposal of Magistrate Carriss.

New Water Tank Financing. Broughman presented two funding scenarios for a new elevated water storage tank costing \$1 million. A 40-year Rural Development loan at a fixed rate of 3.75% would cost the average customer 89¢ per month. A KACO lease for 20 years at 4.5% would cost the average customer \$1.78 per month. Obtaining and closing an RD loan is a long process of approximately two years, but carries a lower interest rate; a 40-year loan which has a lower monthly repayment cost, and PSC does not have to approve the construction and new water rates that are part of an RD loan. A KACO loan is much quicker, with a closing as quickly as 6 months, but it bears a higher interest rate, higher monthly payments, and PSC must approve both the construction, the loan, and the new water rates. Broughman thinks the existing two water tanks which will be replaced will last at least 5 more years without any significant maintenance expense, thereby providing plenty of time for an RD loan. Upon motion duly seconded, the Board directed Broughman to pursue RD funding as soon as possible for a new water tank to replace the existing Waddy and Peytona tanks.

Radio-Read Meters. The Board discussed financing options for the proposed conversion of all of the District's water meters to radio-read meters. The Board could significantly deplete its financial

reserves and fund the project with internally-generated funds; however, this would leave the District in a precarious financial position. If any significant amount of money were borrowed, the District would not be able to pay the additional debt service without a rate increase. Prather believes that unless the project is funded through an RD loan, PSC must approve the conversion, the loan to fund it, and the new water rates to pay the debt service on the new loan. After discussion, it was the consensus of the Board that Broughman is to combine this project with the new water tank project and pursue RD funding to effect both the immediate conversion to radio-read meters and the construction of the new water tank.

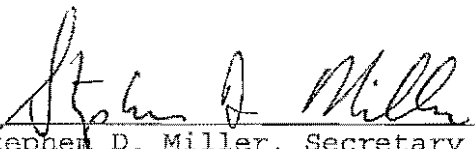
Fire Protection Insurance. Miller report he had spoken with KACO regarding switching the District's liability insurance. KACO would provide such insurance; however, the District's liability insurance was renewed in July. Hargadon suggested the District wait until next spring and obtain a quote from KACO at that time. The District is protected at the present time because the old tariff, which states the District does not provide fire protection, is still in effect pending obtaining adequate insurance.

Executive Session. The Board conducted a short executive session with the Attorney and Manager. No action was taken.

Louisville to Frankfort Water Main Proposal. Eggen reported the Environmental and Geotechnical reports on the proposed large water main from Louisville to Frankfort along I-64 have been completed. Unfortunately, there is no funding available to build the project at this time.

There being no further business and upon motion duly seconded, the meeting was adjourned. The next meeting will be Tuesday October 18, 2011 at 6:30 p.m.

Respectfully Submitted,

  
Stephen D. Miller, Secretary

 CHAIRMAN  
William Eggen, Chairman

U.S. 60 WATER BOARD  
Board of Commissioners Meeting  
August 16, 2011

The regular meeting of the Board of Commissioners of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky was held at 6:30 p.m. on August 16, 2011, at the district office. Present were William Eggen, Chairman; Stephen D. Miller, Secretary; Pat Hargadon, Treasurer; Commissioners John W. Roberts and Hobart Hearn; Pete Hedges, Manager; Jeremy Carmack, Assistant Manager; Sandy Broughman, Engineer; and Donald Prather, Attorney.

The Cash Transactions Report for the various bank accounts for July, including two Transaction Detail by Account lists of the payroll checks and the operation and maintenance checks, respectively, written during July; July bill from North Shelby Water Company; Cash Transaction Spreadsheet for July for the various bank accounts, including the water purchase, sales, loss, and certificate of deposit information; July Balance Sheet; July Profit & Loss Statement; and the list of July deposits and adjustments, which were either e-mailed or mailed to the Commissioners prior to the meeting, were approved as evidenced by the signed copies attached to these minutes.

Minutes. The July 19, 2011 Board meeting minutes were approved.

Treasurer's Report. Hargadon presented the Treasurer's Report. The water loss report for July is as follows:

Bought:	14,161,000 gallons
Sold:	11,861,000 gallons
Leaks:	191,636 gallons
Flushing:	1,809,082 gallons
Fire Department:	23,000 gallons
Unaccounted-for Water Loss	2%

He reviewed the District bank account beginning and ending balances. There was a large check for \$139,501.68 paid out of the Operations & Maintenance account to Twin States Utilities, the Flying J/Ky. Hwy. 395 relocation project contractor.

Upon motion duly seconded, the Treasurer's Report was approved.

McCormick Lane Project. Broughman and Hedges reported the pipe has been delivered and the contractor is expected to start construction next week. The contractor will be using several crews and intends to complete construction within two weeks.

North Shelby Interconnection on Kv. 395. Hedges reported this connection is now operational. Currently North Shelby's pressure is higher so the valve is closed and North Shelby is not using any of the District's water. This will change as soon as the weather becomes hot

and dryer, and North Shelby's pressure becomes lower than the District's.

Radio-Read Meters. Broughman presented a cost estimate, based upon actual recent bids for other clients for converting all of the District's water meters to radio-read meters. It would require installation of approximately 1,850 new meters and retrofitting 500 existing compatible meters with radio equipment. The estimated cost, including laptop/transceiver expense, is between \$594,500 and \$650,000. If a \$650,000 installation cost was borrowed at 5% interest and paid over 20 years, the cost would be \$4,350 per month. There would be an immediate and permanent cost savings of \$2,500 per month for the Tru-check meter reading expense. The District would likely be able to suspend its meter testing program for at least a few years, which would save \$775 per month while testing is suspended. There are additional advantages which are difficult to value, including virtual elimination of mis-read meters and the associated complaints and delays from re-reading those meters, as well as elimination of typographical errors from entering the readings into the computer system since the radio-read information would be automatically downloaded into the system. Since most of the existing meters which have been removed and tested are under-reading consumption, there would be increased revenue from accurate meter reads which would generate an uncertain but likely significant amount of additional revenue per month. Since the radio-read meters would be read by simply driving by in a vehicle, it is likely all of the District's meters could be read on the same day. All of the meter companies he has dealt with are guaranteeing their meters will be compatible with future radio-read systems.

Since the meters have a projected lifespan of approximately 16 years, Prather suggested care be exercised in obtaining a loan amortized for more than 16 years. He also suggested the District consider using some of its reserve funds to either pay for the entire system or at least some significant portion, since the current investment income being received by the District is much less than the interest rate which would be paid on any loan. Prather suspects the District will need PSC approval for this type of project even if no money is borrowed. All of the removed meters would have to be retained for some period of time, likely 6 months, in order to give those customers a chance to request a meter re-read. Prather suspects all removed meters would have to be tested. Broughman is going to look into the testing issue and see how long the meters must be retained after removal. Upon motion duly seconded, the Board directed Broughman to investigate financing options such as KIA or KACO and to solicit bids for this project. Broughman confirmed bids would need to be obtained before seeking PSC approval.

New Water Tank. Eggen and Broughman discussed the District's need to construct a new water tank to replace the existing Waddy and Peytona tanks. Both tanks are small and the District definitely needs




more overhead water storage in the area. These are also older tanks on which the District will soon have to spend significant money for maintenance. Shelby County Judge/Executive Rothenburger has expressed his support of building a new tank as soon as possible and has offered the District, at no cost, a site located behind the EMS station near Heritage Elementary School in Peytona. It is unlikely any grant money will be available for such a project in the foreseeable future. It is also likely construction bids would be relatively good at this time given the current state of the economy. Broughman recommends bidding both a 750,000 gallon tank and a 1 million gallon tank, with the District building the larger tank if that is the better value. He estimates a 1 million gallon tank would cost around \$1,100,000. After discussion, upon motion duly seconded, the Board directed Broughman to prepare a preliminary engineering report and seek Rural Development financing for the project.

Commissioner Compensation. Prather reported he prepared and has sent to the Franklin County Judge/Executive a proposed Amended Order which would add \$25.00 per month to the Secretary and Treasurer Commissioner compensation in view of their additional duties. He also sent Shelby County Judge/Executive Rothenburger an Order including these items as well as the general Commissioner compensation increase.

Fire Protection Insurance. Since the District's existing liability insurance company has not responded to inquiries regarding the consequences of deleting the "no fire protection" language from the District's tariff, Miller has investigated alternate insurance. KacCo has offered to attend a Board meeting and submit a proposal which would include the needed insurance.

There being no further business and upon motion duly seconded, the meeting was adjourned. The next meeting will be Tuesday September 20, 2011 at 6:30 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Stephen D. Miller, Secretary

  
\_\_\_\_\_  
William Eggen, Chairman

2. Describe how U.S. 60 determined the size of the proposed storage tank. Provide all studies, state all assumptions, and show all calculations used in making this determination.

**Response:** The Water District was desirous of replacing two 50 year old standpipes in the existing system. The average daily usage of the District is 439,000 gallons per day according to the BGADD 2012 Rate Book. The Division of Water and the PSC allow two days storage for the water storage. Two days storage for average daily usage is 878,000 gallons. The allowance for fire storage is calculated at 500 gallons per minute for two hours or 60,000 gallons. The total two day storage needed is 938,000.

The District currently has 488,367 gallons of storage. Two 50-year-old standpipes with a combined capacity of 229,367 gallons<sup>1</sup> must be replaced for the reasons stated in the response to Question No. 20. This will leave only 259,000 remaining gallons of overhead storage. The remaining existing storage is 259,000 gallons. Therefore the needed tank is 679,000 gallons. The closest standard size elevated water tank is 750,000 gallons. This is the size selected.

Responsible Witness:

Warner A. Broughman, III

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<sup>1</sup> Although the two tanks hold 229,367 gallons of water, their combined amount of effective overhead storage is only 48,900 gallons. The Clay Village standpipe is 97,167 gallons with an effective size of about 8,000 gallons. The Peytona standpipe is 132,200 gallons with an effective size of about 40,900 gallons. The effective size is the amount above the 30 psi level.

3. Provide a copy of all studies, analyses, correspondence, electronic mail messages, and any other written documentation regarding or relied upon by U.S. 60 in determining the necessary size of the storage tank.

**Response:** See attached documents.

Responsible Witness:

Warner A. Broughman, III



U.S. 60 TANK Needs

Total STORAGE AVAILABLE

WADDI STANDPIPE — 177,000 x 1/3 = 59,000

DRISCOLL Elevated — = 200,000

Total Available = 259,000

Total Storage Needed

Average daily usage = 439,000 gal x 2 days = 878,000  
(BEADD rate look) 2012

FIRE Reserve Storage = 500 gpm x 120 min = 60,000  
(ISO Municipal Standard Schedule)

TOTAL NEEDS 938,000 gal

less AVAILABLE 259,000

Storage Needed 679,000 gal

SAY > 750,000 gallons

"water and wastewater pumps, valves, controls and process equipment since 1923"

4. State whether U.S. 60 considered alternative storage tank sizes to the proposed 750,000 gallon storage tank size.

**Response:** US 60 considered both a 500,000 and a 1,000,000 gallon storage tank.

Responsible Witness:

Warner A. Broughman, III

5. Explain why U.S. 60 selected a 750,000 gallon storage tank size.

**Response:** See Response to Question 2.

Responsible Witness:

Warner A. Broughman, III

6. Provide U.S. 60's daily average water use for each of the previous five calendar years.

**Response:**

2013:	439,501 gallons
2012:	461,312 gallons
2011:	568,493 gallons
2010:	503,882 gallons
2009:	441,032 gallons

Responsible Witness:

David Hedges or Jeremy Carmack

7. Provide any available hydraulic models showing the average daily water turnover for the proposed storage tank.

**Response:** The witness for questions 7, 12 and 21 will be Jihad A. Hallany, PE, who is on vacation and will not be back until the middle of this week. Questions 7, 12 and 21 will be answered under separate submittal by the engineer.

Responsible Witness:

Jihad A. Hallany, PE



8. State whether water in the proposed storage tank can be adequately turned over to prevent quality degradation.

**Response:** The storage tank is equipped with an entrance pipe at the top of the bowl and a withdrawal pipe at the bottom of the bowl. This arrangement will keep the water mixed. Almost all of the water used by the District is pumped to this tank and then distributed to the other tanks or the customers, therefore the District will use more than half of the tank each day, not allowing the water to degrade.

Responsible Witness:

Warner A. Broughman, III

9. a. State whether U.S. 60 performed any projections for system growth. If the response is affirmative, provide all supporting documentation.

**Response:** The District's engineer Broughman presented at the June 18, 2013 Board meeting verbal information estimating future growth in the 4% per year range. The District does not have any documentation other than those minutes attached as part of the response to Question No. 1.

9. b. State and explain whether the projected growth rate impacted the proposed tank's sizing.

**Response:** The 71,000 gallons of storage over and above the two-day requirement (see Question No. 2) will provide a little over 4 years of growth at 4% per year before the District ever reaches the two-day level, which itself provides ample growth capacity before the District would near the one-day storage level.

Responsible Witness:

Warner A. Broughman, III

10. a. State how the proposed location of the tank was selected, including whether a feasibility study was conducted for the location.

**Response:** The District was given the site by the Shelby Fiscal court at no cost to the District. Shelby County Judge/Executive Rob Rothenburger, who appoints three of the District's 5 Commissioners, requested that the tank be constructed on this donated site. The site is in the vicinity of one of the tanks being decommissioned. Other sites were considered and a discussion with one owner occurred. The donated site was selected after considering the other sites. See 10.c. below for additional information. A formal feasibility study was not conducted.

Responsible Witness:

Warner A. Broughman, III

10. b. Provide any available studies, analyses, correspondence, electronic mail messages, board minutes and other written documents that discuss the location and purchase of the land needed for the tank location.

**Response:** See attached.

Responsible Witness:

David Hedges

10. c. State whether any other locations were considered.

**Response:** Yes; however, Shelby County Judge/Executive Rob Rothenburger had expressed a strong preference for the tank being located somewhere on the 7.945 acre tract owned by Shelby County. This is the land upon which the final tank site was finally chosen. The

initial site proposed by the District, which was very close to the final site, was about halfway back the tract from U.S. Highway 60. Judge Rothenburger then directed that the location be moved to the rear of the tract so that it would not interfere with his future plans to use the bulk of the tract for a park. See Plat attached to April 16, 2013 minutes.

Following the executive session at the end of the May 21, 2013 Board meeting, the Commissioners directed Manager Hedges and Assistant Manager Carmack to investigate possible additional sites for the tank and report back to the Commissioners. This was because other options might prove significantly less expensive than the Shelby County-owned site in view of the possible elimination of the expensive bores under the old and new U.S. 60 Highway, the expense of extending the 12" water main nearly 1,000 feet to the proposed site at the back of the county-owned property, and the significant expense which would be incurred in building a taller tank due to the lower elevation of the proposed rear site.

At the June 18, 2013 Board meeting, Manager Hedges reported the results of his discussion with Iris McKinley regarding the possibility of the District purchasing from McKinley's family a site for the new Peytona water tank. The McKinley farm is across U.S. Highway 60 from the selected site so it would eliminate the road bores. McKinley's price for a ½ acre site quite a distance back from the road was \$100,000. Because this price would eliminate all or much of the savings which might result from relocating the tank, Hedges and Eggen held a meeting with Shelby County Judge Executive Rob Rothenberger and

explained the situation, including the additional costs for the extra 16' to 21' height of the water tank and additional 450 feet of 12" water main which will be incurred if the tank were to be constructed at the rear of the county-owned site. After learning these facts Judge Rothenberger agreed that the original site was a better choice for the District's customers due to the significant cost savings. Accordingly, he agreed the tank would be constructed on its original planned location approximately 450 feet closer to the road. This is the final site where the tank is now proposed to be constructed.

Hedges considered making an inquiry to the Hursts and/or Perrys who own the land on each side of the county site. However, the only possible cost saving for either property over the county site would be a possibly shorter 12-inch water main to get back to the site. He did not pursue these inquiries due to time constraints and the fact both landowners would have likely required their site to be a significant distance back from the road in order to preserve the road frontage required by zoning to sell off any tracts of land. If this occurred there would not be any savings on the length of pipe. Even if it could be bought, a tract fronting on the road would be very expensive because it would eliminate a potential sell-off due to the frontage loss. Finally, it was clear Shelby County Judge/Executive Rothenberger wanted the tank on the county-owned site.

Responsible Witness:

David Hedges or Jeremy Carmack

MATHIS, RIGGS, PRATHER & RATLIFF, P.S.C.

ATTORNEYS AT LAW  
500 MAIN STREET, SUITE 5  
SHELBYVILLE, KENTUCKY 40065

C. LEWIS MATHIS, JR.  
T. SHERMAN RIGGS  
DONALD T. PRATHER  
NATHAN T. RIGGS  
ERIN R. RATLIFF

TELEPHONE: (502) 633-5220  
FAX: (502) 633-0667

E-MAIL: [dprather@iglou.com](mailto:dprather@iglou.com)

April 28, 2014

Rob Rothenburger, Judge/Executive  
419 Washington Street  
Shelbyville, Kentucky 40065

Re: U.S. 60 Water District  
Deed from US 60 to Shelby County

Dear Judge Rothenburger:

Per our correspondence, please sign the enclosed Deed and return it to me for recording.

Please feel free to contact me if you have any questions.

Yours truly,

MATHIS, RIGGS, PRATHER & RATLIFF, P.S.C.

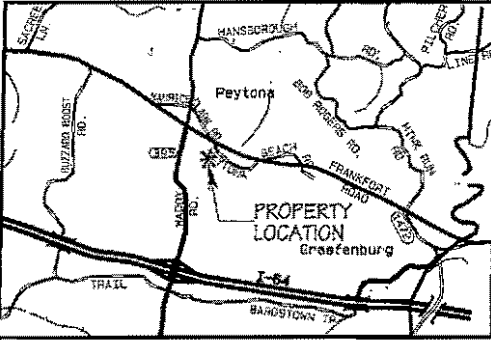
By:

  
Donald T. Prather



DTP/pm  
Enclosure

DOCUMENT NO: 400986  
 RECORDED: April 21, 2014 03:11:00 PM  
 TOTAL FEES: \$20.00  
 TRANSFER TAX: \$0.00  
 COUNTY CLERK: SUE CAROLE PERRY  
 DEPUTY CLERK: SUE CAROLE PERRY  
 COUNTY: SHELBY COUNTY  
 BOOK: D583 PAGES: 247 - 250

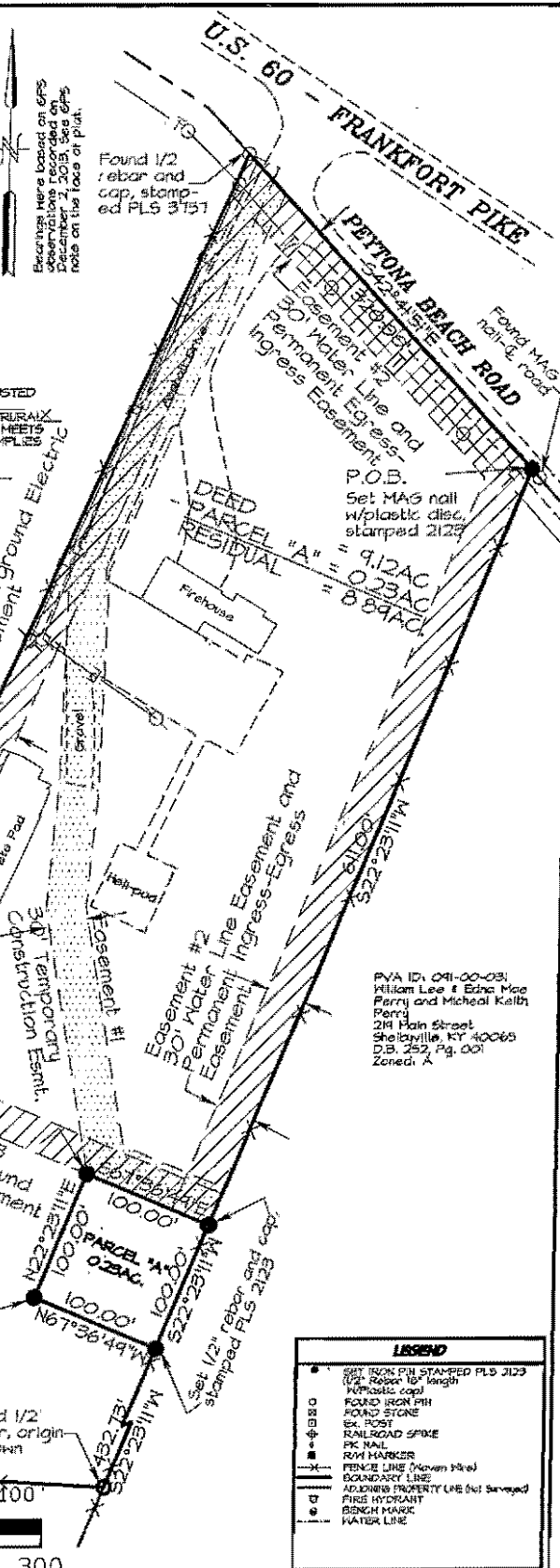
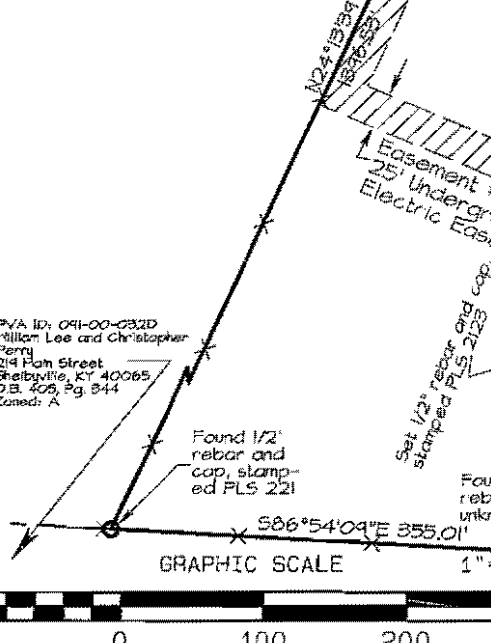


**LAND SURVEYORS CERTIFICATE**  
 I HEREBY CERTIFY THAT THE PLAT SHOWN HEREON DEPICTS A SURVEY MADE BY ME, OR UNDER MY DIRECT SUPERVISION BY THE METHOD OF RANDOM TRAVERSE ALONG WITH GPS OBSERVATIONS. THE UNADJUSTED PRECISION RATIO OF THE TRAVERSE WAS GREATER THAN 1:25,000 AND WAS NOT ADJUSTED. THE SURVEY SHOWN HEREON IS AN URBAN RURAL CLASS SURVEY AND THE ACCURACY AND PRECISION OF SAID SURVEY MEETS ALL THE SPECIFICATIONS OF THIS CLASS. THIS BOUNDARY SURVEY COMPLETES WITH 201 KAR 10.150.  
 DATE: 4-01-14  
 JERRY L. HURST  
 PROFESSIONAL LAND SURVEYOR

STATE OF KENTUCKY  
**LARRY G. TINGLE**  
 2123  
 LICENSED PROFESSIONAL LAND SURVEYOR

PVA ID: 031-00-028  
 Jerry L. Hurst & Janice F. Bailey-Hurst  
 8544 Frankfort Road  
 Paducah, KY 40076  
 D.B. 510, Pg. 616  
 Zoned: A

**GLOBAL POSITIONING SYSTEM NOTE**  
 This Survey was performed using a Spectra Precision Epoch 50 multi-frequency GNSS receiver.  
 The type of GNSS survey employed was:  
 RTK  UTM/L2  
 Horizontal Accuracy = 10mm + 1 ppm RMS x D  
 Vertical Accuracy = 30mm + 1 ppm RMS x D  
 Horizontal Datum: NAD 83  
 Vertical Datum: Model: Geoid G.T.: 2222A



**LEGEND**

- SET IRON PIN STAMPED PLS 2123 (1/2" Rebar 10' length)
- W/PLASTIC CAP
- FOUND IRON PIN
- FOUND STONE
- EX. POST
- RAILROAD SPIKE
- PK NAIL
- R/W MARKER
- FENCE LINE (Known File)
- BOUNDARY LINE
- ADDRESS PROPERTY LINE (Not Surveyed)
- FIRE HYDRANT
- BENCH MARK
- WATER LINE

**TINGLE SURVEYS**  
 PROFESSIONAL LAND SURVEYS & DESIGN  
 506 MAIN STREET  
 SHELBYVILLE, KENTUCKY  
 502-833-1116

**DIVISION & EASEMENT PLAT**  
**PEYTONA WATER TOWER**

CLIENT: U.S. 60 East Water Company  
 SOURCE OF TITLE: Deed Book 465, Pg. 58, Shelby County, KY  
 TOTAL ACREAGE SURVEYED: 0.12 AC  
 DATE OF PLAT: Dec. 26, 2013 DATE OF SURVEY: Dec. 2, 2013  
 PVA ID: 031-00-029, ZONE CLASSIFICATION: A  
 Rev. 04-01-14

EXHIBIT **A**

## Donald Prather

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**From:** Donald Prather [dprather@iglou.com]  
**Sent:** Saturday, April 26, 2014 12:10 PM  
**To:** 'Rob Rothenburger'  
**Cc:** 'Paula McClain'; 'Bill Eggen'; 'petehedges@bellsouth.net'; 'Stephen Miller'; 'Hargadon, Pat'  
**Subject:** RE: deed from US 60 back to Shelby County

Paula, could you please mail the referenced deed to Judge Rothenberger for him to sign? It is in the file. Also please mail the original recorded deed in the file to Pete Hedges for US 60's records.

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Wednesday, April 16, 2014 4:08 PM  
**To:** Donald Prather  
**Subject:** RE: deed from US 60 back to Shelby County

Don,

1. If you don't mind, drop off the documents at my office and I will sign and return them to you for recording.
2. Agreed, we will do a joint press release whenever the Commissioners feel comfortable and
3. WHAT are they CRAZY 46 %

Rob

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Wednesday, April 16, 2014 11:19 AM  
**To:** Rob Rothenburger  
**Cc:** ekueggen@aol.com; 'Stephen Miller'; 'Hargadon, Pat'; petehedges@bellsouth.net; wabiii@prodigy.net  
**Subject:** deed from US 60 back to Shelby County

Judge, we are getting ready to record the deed from Shelby County to the District of the new tank site. Bill Eggen signed last night the deed from the District to Shelby County of the old tank site but I need to get your signature before I can record it as well. What is a convenient way to do that?

Also it was the consensus of the Commissioners at the meeting to wait to issue the press release until PSC has authorized construction of the project, unless you want to do it now, in which case we would make the announcement subject to PSC approval.

Also, Pete Hedges just informed me the Frankfort Plant Board, from which US 60 buys essentially all its water, has announced they will be seeking a rate increase of 46% for their wholesale customers (I can't remember the exact percentage but it's around that amount). I believe US 60 and North Shelby as well as some of Frankfort's other wholesale customers will fight it.

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4569 / Virus Database: 3882/7351 - Release Date: 04/16/14



## Donald Prather

---

**From:** Rob Rothenburger [rob.rothenburger@shelbycoky.com]

**Sent:** Tuesday, March 25, 2014 9:56 AM

**To:** Donald Prather

**Subject:** RE: deed from county to US 60 for tank site and easements

Correct- 34 ft. easement along fence line –confirmed- underground electric- confirmed, and temporary gravel construction easement from the existing drive and to be removed and reseeded following construction- confirmed

---

**From:** Donald Prather [mailto:dprather@iglou.com]

**Sent:** Tuesday, March 25, 2014 9:46 AM

**To:** 'Bill Eggen'; Rob Rothenburger

**Cc:** 'Sandy Broughman'; 'David Hedges'

**Subject:** RE: deed from county to US 60 for tank site and easements

Judge, please see the email thread below. The District folks are in agreement with it. All I need to know from you is (1) are you ok with it, (2) how wide should the access easement be that will overlay the 30" water easement along the property line leading to the tank, and (3) are you ok with the utility easement leading from the existing pole behind the station to the property boundary be converted to an underground electric easement?

Thanks!

---

**From:** Bill Eggen [mailto:ekueggen@aol.com]

**Sent:** Wednesday, March 19, 2014 5:29 PM

**To:** Donald Prather

**Subject:** Re: deed from county to US 60 for tank site and easements

I agree with this plan.

Sent from my iPhone Bill Eggen

On Mar 19, 2014, at 3:24 PM, "Donald Prather" <dprather@iglou.com> wrote:

Bill and Sandy, I have spoken to Judge Rothenburger about the attached proposed deed and he has requested the access easement (number 1) be restored to the original location along the property boundary where the water easement is. If I understood him correctly he doesn't think there will be a problem with the District using the existing driveway and then put in a gravel road leading to the tank, but does not want a formal access easement running through the middle of the property because it might interfere with the future planned use as a park. I suggest we have Larry Tingle move the access easement back to the property boundary. The only question I have is how wide it should be. The original one was 15 feet and the latest 30 feet. I will make it 30 feet wide to match the width of the water easement unless someone says otherwise. It may be the District will just want to go ahead and install a separate permanent access road along the fence without using the asphalt drive since the overall straight shot distance may not be that much greater than the proposed angled route.

I believe he also wants Easement 3 restricted to underground line (s) only. Judge, that is the route the underground electric line will follow from the existing station service pole straight across the lot to the boundary and then a right angle turn toward the tank. Judge could you please confirm this?

If everyone agrees with this email summary I can contact Larry Tingle and have the plat revised. I have prepared the separate deed from the District back to the County of the original site.

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 28, 2014 8:54 AM  
**To:** 'Rob Rothenburger'  
**Subject:** FW: deed from county to US 60 for tank site and easements

Judge, just a reminder about signing this deed. It will be perfectly legal if you print it and sign that copy rather than signing the original (I would like to switch the exhibit to attach the original before we record it for better clarity of the exhibit drawing and numbers), or I can have the original dropped off at your office

Thanks!

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 14, 2014 5:00 PM  
**To:** 'Rob Rothenburger'  
**Cc:** 'Hart Megibben'; 'Bill Eggen'; 'PAM & SANDY BROUGHMAN'; 'David Hedges'  
**Subject:** deed from county to US 60 for tank site and easements

Judge, attached is the proposed deed for Hart's and your review. I will bring the original to next Tuesday's fiscal court meeting in case you are prepared to sign it. Let me know if there are any changes or if you have any questions. The 25' utility easement runs from the electric service for the station to the property boundary and then along it to the tank-this is for electric service to the tank

Thanks!

Don

<Shelby County to US 60 Water District tank site deed.pdf>

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4336 / Virus Database: 3722/7216 - Release Date: 03/19/14

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4354 / Virus Database: 3722/7245 - Release Date: 03/25/14

**Donald Prather**

**From:** PAM & SANDY BROUGHMAN [wabiii@prodigy.net]  
**Sent:** Wednesday, March 19, 2014 6:45 PM  
**To:** Donald Prather; 'William Eggen'; petehedges@bellsouth.net  
**Cc:** 'Rob Rothenburger'  
**Subject:** Re: deed from county to US 60 for tank site and easements  
All:

I agree. Call Larry and make the changes.

Sandy B.

---

**From:** Donald Prather <dprather@iglou.com>  
**To:** 'William Eggen' <ekueggen@aol.com>; petehedges@bellsouth.net; 'Sandy Broughman' <WABIII@prodigy.net>  
**Cc:** 'Rob Rothenburger' <rob.rothenburger@shelbycoky.com>  
**Sent:** Wednesday, March 19, 2014 3:24 PM  
**Subject:** FW: deed from county to US 60 for tank site and easements

Bill and Sandy, I have spoken to Judge Rothenburger about the attached proposed deed and he has requested the access easement (number 1) be restored to the original location along the property boundary where the water easement is. If I understood him correctly he doesn't think there will be a problem with the District using the existing driveway and then put in a gravel road leading to the tank, but does not want a formal access easement running through the middle of the property because it might interfere with the future planned use as a park. I suggest we have Larry Tingle move the access easement back to the property boundary. The only question I have is how wide it should be. The original one was 15 feet and the latest 30 feet. I will make it 30 feet wide to match the width of the water easement unless someone says otherwise. It may be the District will just want to go ahead and install a separate permanent access road along the fence without using the asphalt drive since the overall straight shot distance may not be that much greater than the proposed angled route.

I believe he also wants Easement 3 restricted to underground line (s) only. Judge, that is the route the underground electric line will follow from the existing station service pole straight across the lot to the boundary and then a right angle turn toward the tank. Judge could you please confirm this?

If everyone agrees with this email summary I can contact Larry Tingle and have the plat revised. I have prepared the separate deed from the District back to the County of the original site.

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 28, 2014 8:54 AM  
**To:** 'Rob Rothenburger'  
**Subject:** FW: deed from county to US 60 for tank site and easements

Judge, just a reminder about signing this deed. It will be perfectly legal if you print it and sign that copy rather than signing the original (I would like to switch the exhibit to attach the original before we record it for better clarity of the exhibit drawing and numbers), or I can have the original dropped off at your office.

Thanks!

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 14, 2014 5:00 PM  
**To:** 'Rob Rothenburger'

**Cc:** 'Hart Megibben'; 'Bill Eggen' ; 'PAM & SANDY BROUGHMAN' ; 'David Hedges'  
**Subject:** deed from county to US 60 for tank site and easements

Judge, attached is the proposed deed for Hart's and your review. I will bring the original to next Tuesday's fiscal court meeting in case you are prepared to sign it. Let me know if there are any changes or if you have any questions. The 25' utility easement runs from the electric service for the station to the property boundary and then along it to the tank-this is for electric service to the tank

Thanks!

Don

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014 0.4336 / Virus Database: 3722/7217 - Release Date: 03/19/14

**Donald Prather**

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**From:** Rob Rothenburger [rob.rothenburger@shelbycoky.com]  
**Sent:** Thursday, March 06, 2014 12:41 PM  
**To:** Donald Prather  
**Subject:** RE: U.S. 60 Water District/Shelby Fiscal Court

Easement #1 running thorough the middle of our property- our initial conversation were that the roadway and water line easement both would be next to the east side fence line

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Thursday, March 06, 2014 11:51 AM  
**To:** Rob Rothenburger  
**Subject:** RE: U.S. 60 Water District/Shelby Fiscal Court

What are your concerns?

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Wednesday, March 05, 2014 3:08 PM  
**To:** Donald Prather  
**Subject:** RE: U.S. 60 Water District/Shelby Fiscal Court

Don, we need to talk about the easement #1- and discuss further between Pet, Bill and you

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Wednesday, March 05, 2014 2:51 PM  
**To:** Rob Rothenburger  
**Cc:** 'Bill Eggen'; petehedges@bellsouth.net; 'Hart Megibben'  
**Subject:** RE: U.S. 60 Water District/Shelby Fiscal Court

I forgot to send the exhibit A, which will be attached to the deed from the county to US 60, with the prior email

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Wednesday, March 05, 2014 2:47 PM  
**To:** 'Rob Rothenburger'  
**Cc:** 'Bill Eggen'; 'petehedges@bellsouth.net'; 'Hart Megibben'  
**Subject:** U.S. 60 Water District/Shelby Fiscal Court

Judge, the first 3 pages of the attachment are the revised deed from the county to US 60 of the new tank site. It now contains the language permitting the county to use the site for emergency equipment purposes. The last 3 pages are informational only-they are the deed from the district back to the county of the original site. I'll get it signed at the upcoming board meeting. I added language in it explicitly eliminating the access easement to that back site.

Let me know if you have any questions; otherwise let me know when the first deed has been signed. If it is available by the 18<sup>th</sup>. I can get Bill Eggen to sign it that night also

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7155 - Release Date: 03/05/14

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7159 - Release Date: 03/06/14

5/1/2014

## Donald Prather

---

**From:** Rob Rothenburger [rob.rothenburger@shelbycoky.com]  
**Sent:** Wednesday, March 05, 2014 10:55 AM  
**To:** Donald Prather  
**Subject:** RE: Shelby County Fiscal Court- Deed of Conveyance

Not a problem

-----Original Message-----

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Wednesday, March 05, 2014 10:54 AM  
**To:** Rob Rothenburger  
**Subject:** RE: Shelby County Fiscal Court- Deed of Conveyance  
**Importance:** High

Toss the deed you signed! We are doing another with the provision about emergency service and will get it to you probably today. Sorry for the confusion!

-----Original Message-----

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Wednesday, March 05, 2014 10:52 AM  
**To:** Donald Prather (dprather@iglou.com)  
**Subject:** Shelby County Fiscal Court- Deed of Conveyance

-----Original Message-----

**From:** shelbycofc@gmail.com [mailto:shelbycofc@gmail.com]  
**Sent:** Wednesday, March 05, 2014 10:36 AM  
**To:** Rob Rothenburger  
**Subject:** Message from "RNP0026734B4B89"

This E-mail was sent from "RNP0026734B4B89" (MP C4502A).

Scan Date: 03.05.2014 10:35:31 (-0500)  
Queries to: shelbycofc@insightbb.com

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No virus found in this message.  
Checked by AVG - www.avg.com  
Version: 2014.0.4335 / Virus Database: 3705/7155 - Release Date: 03/05/14

THIS DEED OF CONVEYANCE made and entered into this 17<sup>th</sup> day of February, 2014, by and between **Shelby County, Kentucky**, a political subdivision of the Commonwealth of Kentucky, by and through its duly authorized representative, whose mailing address is 419 Washington Street, Shelbyville, KY 40065, Grantor, and **U.S. 60 Water District of Shelby and Franklin Counties, Kentucky**, whose mailing address is 4596 Bagdad Road, Bagdad, KY 40003, District;

**WITNESSETH:**

THAT FOR \$1.00 and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor has bargained and sold and does hereby grant, alien and convey unto the District, its successors and assigns, in fee simple, the following described real estate:

BEING a tract of land situated on the south side of Peytona Beach Road near the intersection of US Highway 60 in Shelby County, Kentucky, and being more particularly described as follows:

BEGINNING at a set magnetic nail and ID marker stamped PLS 2123 in the center of Peytona Beach Road and being the northwest corner of the William Lee and Edna Mae Perry parcel recorded in Deed Book 252, Page 1, in the Office of the Shelby County Clerk; thence with the line of Perry South 22 deg 23' 11" West, a distance of 611.00 feet to a set ½ inch rebar 18 inches in length with plastic cap stamped PLS 2123 and being typical of set rebar this survey, said rebar being the True Point of Beginning; thence with the line of Perry South 22 deg 23' 11" West, a distance of 100.00 feet to a set rebar; thence with the remaining property of Shelby County Kentucky (Db 465 Pg 58), North 67 deg. 36' 49" West, a distance of 100.00 feet to a set rebar; thence North 22 deg. 23' 11" East, a distance of 100 00 feet to a set rebar; thence South 67 deg. 36' 49" East, a distance of 100 00 feet to the Point of Beginning and containing 0.23 acre, and being Parcel A as shown on the Division and Easement Plat Peytona Water Tower attached hereto as Exhibit A

BEING a part of the same property conveyed to Shelby County, Kentucky, by deed dated December 30, 2004, of record in Deed Book 465, Page 58, Shelby County Clerk's Office

There is also conveyed to the District: (1) a 30 foot wide perpetual egress and ingress easement for access from US Highway 60 and Peytona Beach Road to Parcel A as shown on the attached Exhibit A plat and designated thereon as "Easement #1 30' Egress and Ingress Esmt", (2) a perpetual 30 foot wide water line easement shown on the attached Exhibit A plat and designated thereon as "Easement #2 30' Water Line", and (3) two 25 foot wide perpetual utility easements as shown on the attached Exhibit A plat and designated thereon as "Easement #3 25' Utility Easement."

The District covenants to repair as soon as reasonably possible any damage to Grantor's land resulting from District's use of these easements, including but not limited to clean up from initial construction or subsequent repair. The Grantor reserves the full right to use and enjoy its remaining property except as will interfere with the stated purpose of these easements. Grantor will not erect

any permanent structures of any nature, change the depth of any water line or other appurtenance, or plant trees, shrubs and other vegetation as permitted within the water line easement without the prior written consent of District, which will not be unreasonably withheld. The top of the water line will be buried a minimum of 30 inches below the surface. Any appurtenance constructed at a lesser depth must be located and installed in such a manner as to not unreasonably interfere with reasonable use of Grantor's remaining property. The grant and other provisions of these easements shall be a covenant running with the land for the benefit of the District and Grantor's respective successors and assigns.

This conveyance is made subject to all easements and restrictions of record, and subject to applicable zoning regulations.

Pursuant to KRS 142.050 (7)(d), there is no transfer tax due on this transaction.

This transfer is exempt from Planning and Zoning requirements pursuant to KRS 100.324.

TO HAVE AND TO HOLD the foregoing described real estate together with all and singular the appurtenances thereunto belonging or in anywise appertaining unto the District, its successors and assigns, in fee simple, and with covenant of general warranty of title.

The parties hereto state that the fair market value of the property herein conveyed is \$2,500.00.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto, this the day and date first above written.

**GRANTOR:**

*Shelby County, Kentucky*

By: 

**Rob Rothenburger,**  
County Judge/Executive

**DISTRICT:**

*U.S. 60 Water District of Shelby and  
Franklin Counties, Kentucky*

By: \_\_\_\_\_

**William Eggen,**  
Chairman



STATE OF KENTUCKY  
SCT.  
COUNTY OF SHELBY

Before me, a Notary Public, personally appeared the above-named **Rob Rothenburger**, County Judge/Executive, on behalf of **Shelby County, Kentucky**, to me personally known or satisfactorily proving to me to be the signer of the foregoing instrument, who acknowledged that he did sign the foregoing instrument, swore to the consideration certificate, and that the same respectively was his act and deed.

Given under my hand and seal of office, this \_\_\_\_ day of February, 2014

My Comm Expires: \_\_\_\_\_

NOTARY PUBLIC, State-at-Large, KY  
I D #: \_\_\_\_\_

STATE OF KENTUCKY  
SCT.  
COUNTY OF SHELBY

Before me, a Notary Public, personally appeared the above-named **William Eggen**, Chairman, on behalf of **U.S. 60 Water District of Shelby and Franklin Counties, Kentucky**, to me personally known or satisfactorily proving to me to be the signer of the foregoing instrument, who acknowledged that he did sign and swear to the foregoing instrument and that the same respectively was his act and deed.

Given under my hand and seal of office, this \_\_\_\_ day of February, 2014

My Comm Expires: \_\_\_\_\_

NOTARY PUBLIC, State-at-Large, KY  
I D #: \_\_\_\_\_

This instrument was prepared by:  
**MATHIS, RIGGS & PRATHER, P.S.C.**  
500 Main Street, Ste 5  
Shelbyville, Kentucky 40065

By: \_\_\_\_\_  
Donald T Prather

## Donald Prather

---

**From:** Rob Rothenburger [rob.rothenburger@shelbycoky.com]  
**Sent:** Wednesday, March 05, 2014 10:52 AM  
**To:** Donald Prather (dprather@iglou.com)  
**Subject:** Shelby County Fiscal Court- Deed of Conveyance

**Attachments:** 20140305103532077.pdf; \_Certification\_.txt



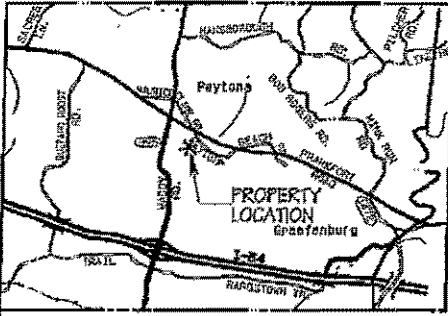
2014030510353\_Certification\_.txt  
77.pdf (459 KB)    t (250 B)

-----Original Message-----

**From:** shelbycofc@gmail.com [mailto:shelbycofc@gmail.com]  
**Sent:** Wednesday, March 05, 2014 10:36 AM  
**To:** Rob Rothenburger  
**Subject:** Message from "RNP0026734B4B89"

This E-mail was sent from "RNP0026734B4B89" (MP C4502A) .

Scan Date: 03.05.2014 10:35:31 (-0500)  
Queries to: shelbycofc@insightbb.com



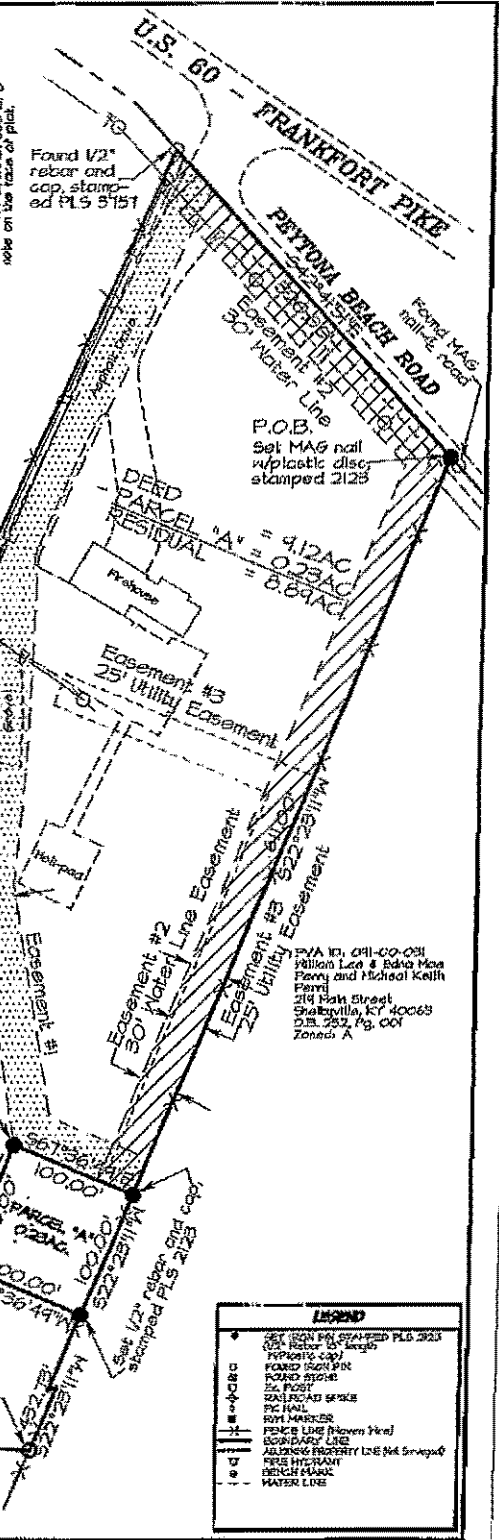
Measurements were based on GPS observations registered on the National Spatial Reference System (NSRS) on the date of field.

**LAND SURVEYORS CERTIFICATE**  
 I HEREBY CERTIFY THAT THE PLAT SHOWN HEREON DEPICTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION BY THE METHOD OF RANDOM TRAVERSE. ALONG WITH GPS OBSERVATIONS THE UNADJUSTED PRECISION RATIO OF THE TRAVERSE WAS GREATER THAN 1:50,000 AND WAS NOT ADJUSTED. THE SURVEY SHOWN HEREON IS AN URBAN, RURAL CLASS SURVEY AND THE ACCURACY AND PRECISION OF SAID SURVEY MEETS ALL THE SPECIFICATIONS OF THIS CLASS. THIS BOUNDARY SURVEY COMPLIES WITH 201 KAR 19.020.

DATE: 1-12-14  
 LARRY G. TINGLE  
 PROFESSIONAL LAND SURVEYOR  
 STATE OF KENTUCKY  
 LICENSE NO. 2123  
 FVA ID: 041-02-020  
 Jerry L. Hunt & Jonica F. Scoggins  
 8944 Frankfort Road  
 Paducah, KY 40016  
 Zoned: A

**GLOBAL POSITIONING SYSTEM NOTE**  
 This Survey was performed using a Spectra Precision Epoch 50 multi-frequency GNSS receiver. The type of GNSS survey employed was:  
 STATION:  11+15  
 Horizontal Accuracy = 8mm + 0.1 ppm RMW x D  
 Vertical Accuracy = 0.8cm + 0.4 ppm RMW x D  
 NETWORK:  11+15  
 Horizontal Accuracy = 10mm + 1 ppm RMW x D  
 Vertical Accuracy = 20mm + 1 ppm RMW x D  
 Horizontal Datum: NAD 83  
 Vertical Datum: GDA83  
 Height: 62034.02 = 302.02

FVA ID: 018-00-020P  
 William Lee & Christopher Perry  
 214 Main Street  
 Shelbyville, KY 40063  
 D.B. 420, Pg. 344  
 Zone: A  
 Found 1/2" rebar and cap, stamped PLS 221  
 Found 1/2" rebar, origin unknown  
 Found 1/2" rebar and cap, stamped PLS 5151  
 Found 1/2" rebar and cap, stamped PLS 2123



**LEGEND**

- SET IRON PIN STAMPED PLS 221
- SET IRON PIN STAMPED PLS 5151
- SET IRON PIN STAMPED PLS 2123
- FOUND IRON PIN
- FOUND APPROX
- SET POST
- RAILROAD GRADE
- PC NAIL
- SET MARKER
- FENCE LINE (Proven Fnd)
- BOUNDARY LINE
- ALLEGED PROPERTY LINE (Not Surveyed)
- PIPE HYDRANT
- BENCH MARK
- WATER LINE

**TINGLE SURVEYS**  
 PROFESSIONAL LAND SURVEYS & DESIGN  
 505 MAIN STREET  
 SHREVEPORT, KENTUCKY  
 502-633-1116

**DIVISION & EASEMENT PLAT**  
**PEYTONA WATER TOWER**  
 CLIENT: U.S. 60 East Water Company  
 SOURCE OF TITLE: Deed Book 485, Pg. 58 Shelby County KY  
 TOTAL ACRES SURVEYED: 9.12 Ac  
 DATE OF PLAT: Dec. 26, 2013 DATE OF SURVEY: 1-12-14  
 FVA ID: 041-02-021 ZONE CLASSIFICATION: A

Project: 14-0001 Projects 14-01 Survey of Peytona Tower.pro  
 07/11/2014  
 4:25:59PM

**Donald Prather**

---

**From:** Rob Rothenburger [rob.rothenburger@shelbycoky.com]  
**Sent:** Tuesday, March 04, 2014 10:01 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements

Thank you

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Tuesday, March 04, 2014 9:18 AM  
**To:** Rob Rothenburger  
**Cc:** 'Bill Eggen'; petehedges@bellsouth.net  
**Subject:** RE: deed from county to US 60 for tank site and easements

Thanks, Judge, I am having my staff draft it now and will get it signed at the 3/18 regular meeting

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Friday, February 28, 2014 11:29 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements

Regular meeting will be fine

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 28, 2014 9:52 AM  
**To:** Rob Rothenburger  
**Cc:** 'Bill Eggen'; 'Stephen Miller'; 'Pat Hargadon'; petehedges@bellsouth.net  
**Subject:** RE: deed from county to US 60 for tank site and easements

Never mind, I found it and will prepare a return deed to be signed at the next US 60 board meeting on March 18. If you would like it sooner we could pole the commissioners and then have the conveyance ratified at the meeting

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Friday, February 28, 2014 9:11 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements

The first parcel that we cut out at the very back of the property, then we had to change location because of the cost

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 28, 2014 9:02 AM  
**To:** Rob Rothenburger  
**Subject:** RE: deed from county to US 60 for tank site and easements

I'm sure they will do so but what piece are you talking about?

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Friday, February 28, 2014 8:58 AM  
**To:** Donald Prather

4/30/2014

**Subject:** RE: deed from county to US 60 for tank site and easements

Don,

Sometime in the future, we do need to get the water district to transfer back the original piece of property back to the county.

Rob

---

**From:** Donald Prather [<mailto:dprather@iclou.com>]  
**Sent:** Friday, February 28, 2014 8:54 AM  
**To:** Rob Rothenburger  
**Subject:** FW: deed from county to US 60 for tank site and easements

Judge, just a reminder about signing this deed. It will be perfectly legal if you print it and sign that copy rather than signing the original (I would like to switch the exhibit to attach the original before we record it for better clarity of the exhibit drawing and numbers), or I can have the original dropped off at your office.

Thanks!

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**Sent:** Friday, February 14, 2014 5:00 PM  
**To:** 'Rob Rothenburger'  
**Cc:** 'Hart Megibben'; 'Bill Eggen'; 'PAM & SANDY BROUGHMAN'; 'David Hedges'  
**Subject:** deed from county to US 60 for tank site and easements

Judge, attached is the proposed deed for Hart's and your review. I will bring the original to next Tuesday's fiscal court meeting in case you are prepared to sign it. Let me know if there are any changes or if you have any questions. The 25' utility easement runs from the electric service for the station to the property boundary and then along it to the tank-this is for electric service to the tank.

Thanks!

Don

No virus found in this message

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7130 - Release Date: 02/27/14

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7130 - Release Date: 02/27/14

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7132 - Release Date: 02/28/14

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7151 - Release Date: 03/04/14

4/30/2014

**Donald Prather**

---

**From:** Rob Rothenburger [rob.rothenburger@shelbycoky.com]  
**Sent:** Tuesday, March 04, 2014 10:01 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements  
please

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Tuesday, March 04, 2014 9:26 AM  
**To:** Rob Rothenburger  
**Cc:** 'Bill Eggen'; petehedges@bellsouth.net  
**Subject:** RE: deed from county to US 60 for tank site and easements

I just noticed the deed I prepared on the new site does not have the language regarding the county's future right to install emergency equipment on the property, as was in the original deed. Do you want me to add it to the new deed?

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Friday, February 28, 2014 11:29 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements

Regular meeting will be fine

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 28, 2014 9:52 AM  
**To:** Rob Rothenburger  
**Cc:** 'Bill Eggen'; 'Stephen Miller'; 'Pat Hargadon'; petehedges@bellsouth.net  
**Subject:** RE: deed from county to US 60 for tank site and easements

Never mind, I found it and will prepare a return deed to be signed at the next US 60 board meeting on March 18 if you would like it sooner we could pole the commissioners and then have the conveyance ratified at the meeting

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]  
**Sent:** Friday, February 28, 2014 9:11 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements

The first parcel that we cut out at the very back of the property, then we had to change location because of the cost

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Friday, February 28, 2014 9:02 AM  
**To:** Rob Rothenburger  
**Subject:** RE: deed from county to US 60 for tank site and easements

I'm sure they will do so but what piece are you talking about?

---

**From:** Rob Rothenburger [mailto:rob.rothenburger@shelbycoky.com]

4/30/2014

**Sent:** Friday, February 28, 2014 8:58 AM  
**To:** Donald Prather  
**Subject:** RE: deed from county to US 60 for tank site and easements

Don,

Sometime in the future, we do need to get the water district to transfer back the original piece of property back to the county.

Rob

---

**From:** Donald Prather [<mailto:dprather@iglou.com>]  
**Sent:** Friday, February 28, 2014 8:54 AM  
**To:** Rob Rothenburger  
**Subject:** FW: deed from county to US 60 for tank site and easements

Judge, just a reminder about signing this deed. It will be perfectly legal if you print it and sign that copy rather than signing the original (I would like to switch the exhibit to attach the original before we record it for better clarity of the exhibit drawing and numbers), or I can have the original dropped off at your office.

Thanks!

---

**From:** Donald Prather [<mailto:dprather@iglou.com>]  
**Sent:** Friday, February 14, 2014 5:00 PM  
**To:** 'Rob Rothenburger'  
**Cc:** 'Hart Megibben'; 'Bill Eggen'; 'PAM & SANDY BROUGHMAN'; 'David Hedges'  
**Subject:** deed from county to US 60 for tank site and easements

Judge, attached is the proposed deed for Hart's and your review. I will bring the original to next Tuesday's fiscal court meeting in case you are prepared to sign it. Let me know if there are any changes or if you have any questions. The 25' utility easement runs from the electric service for the station to the property boundary and then along it to the tank-this is for electric service to the tank.

Thanks!

Don

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7130 - Release Date: 02/27/14

No virus found in this message.

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Version: 2014.0.4335 / Virus Database: 3705/7130 - Release Date: 02/27/14

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Version: 2014.0.4335 / Virus Database: 3705/7132 - Release Date: 02/28/14

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4335 / Virus Database: 3705/7151 - Release Date: 03/04/14

**Donald Prather**

---

**From:** Larry Tingle [tinglesurveys@aol.com]  
**Sent:** Wednesday, January 29, 2014 5:23 PM  
**To:** Donald Prather  
**Cc:** Bill Eggen; David Hedges; Hargadon, Pat; Stephen Miller  
**Subject:** Re: US 60 Tower

Ok just making sure I was not holding you up.

L Tingle

Sent from my iPhone

On Jan 29, 2014, at 5:18 PM, "Donald Prather" <[dprather@iglou.com](mailto:dprather@iglou.com)> wrote:

Larry, Sandy is still supposed to get with the Frankfort Plant Board to determine where the electric service will come from.

---

**From:** [TingleSurveys@aol.com](mailto:TingleSurveys@aol.com) [mailto:[TingleSurveys@aol.com](mailto:TingleSurveys@aol.com)]  
**Sent:** Monday, January 27, 2014 4:19 PM  
**To:** [dprather@iglou.com](mailto:dprather@iglou.com)  
**Subject:** US 60 Tower

Don,

Have you heard anything on the electric easement? I'm waiting to adjust the plat if necessary. Let me know what you need.

Thanks

*Larry G. Tingle PLS*

*TINGLE SURVEYS INC  
506 Main Street  
Shelbyville, KY 40065*

502-633-1116  
502-321-1086 Cell

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4259 / Virus Database: 3681/7036 - Release Date: 01/27/14

No virus found in this message

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4259 / Virus Database: 3681/7042 - Release Date: 01/29/14



**Donald Prather**

---

**From:** TingleSurveys@aol.com  
**Sent:** Thursday, January 02, 2014 9:30 AM  
**To:** dprather@iglou.com  
**Subject:** US 60 Water

Don,

No problem to change the wording on the easement. Before I do, let me know if there are going to be any additional easements when you meet with the Electric Co. Let me know, it will only take a few minutes to produce a new drawing.

Thanks

*Larry G. Tingle PLS*

*TINGLE SURVEYS INC  
506 Main Street  
Shelbyville, KY 40065*

502-633-1116  
502-321-1086 Cell

No virus found in this message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 2014.0.4259 / Virus Database: 3658/6967 - Release Date: 01/01/14

**Donald Prather**

---

**From:** Bill Eggen [ekueggen@aol.com]  
**Sent:** Thursday, December 26, 2013 11:30 PM  
**To:** Donald Prather  
**Subject:** Re: US 60 Water Tower

It is more near center not at the rear. On the west side next to the fence. This needs to be resolved before finalized.

Sent from my iPhone Bill Eggen

On Dec 26, 2013, at 3:33 PM, "Donald Prather" <dprather@iglou.com> wrote:

Gentlemen, the drawing makes the site look like it is near the back of the tract. However the calls seem to indicate it is only about 60% back. Which is correct?

---

**From:** TingleSurveys@aol.com [mailto:TingleSurveys@aol.com]  
**Sent:** Thursday, December 26, 2013 10:14 AM  
**To:** wabiii@prodiqy.net  
**Cc:** dprather@iglou.com; ekueggen@aol.com; petehedges@bellsouth.net  
**Subject:** Re: US 60 Water Tower

Sandy,

Attached is revised drawing with easement added across the front of property. I delivered a copy of the boundary description and plat drawing to Don's office.

Thanks  
L Tingle

In a message dated 12/24/2013 12:40:21 A M Eastern Standard Time, wabiii@prodiqy.net writes:

Larry:

Got the email. One question, does the telephone line across the front of the property have a utility easement or a telephone easement. I need an easement across the front for a waterline. It can be a utility easement overlaying the telephone if necessary. Everything else looks good to me.

Sandy

**From:** "TingleSurveys@aol.com" <TingleSurveys@aol.com>  
**To:** WABIII@prodiqy.net  
**Cc:** petehedges@bellsouth.net  
**Sent:** Monday, December 23, 2013 10:05 AM  
**Subject:** US 60 Water Tower

Sandy,

Attached is a pdf drawing of the proposed water tower site. Please review and let me know if the location of the water line easement and access easement agrees with where you would like it.

Please confirm that you have received this email.

Thanks

*Larry G Tingle PLS*

*TINGLE SURVEYS INC,  
506 Main Street  
Shelbyville, KY 40065*

502-633-1116  
502-321-1086 Cell

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0 4259 / Virus Database: 3658/6952 - Release Date: 12/26/13

**Donald Prather**

**From:** PAM & SANDY BROUGHMAN [wabiii@prodigy net]  
**Sent:** Thursday, December 26, 2013 3:47 PM  
**To:** Donald Prather; TingleSurveys@aol.com  
**Cc:** ekuегgen@aol.com; petehedges@bellsouth.net  
**Subject:** Re: US 60 Water Tower

The lines shown are truncated. Note the wiggle in the line and the correct dimensions.

Sandy B

---

**From:** Donald Prather <dprather@iglou.com>  
**To:** TingleSurveys@aol.com; wabiii@prodigy.net  
**Cc:** ekuегgen@aol.com; petehedges@bellsouth.net  
**Sent:** Thursday, December 26, 2013 3:33 PM  
**Subject:** RE: US 60 Water Tower

Gentlemen, the drawing makes the site look like it is near the back of the tract. However the calls seem to indicate it is only about 60% back. Which is correct?

---

**From:** TingleSurveys@aol.com [mailto:TingleSurveys@aol.com]  
**Sent:** Thursday, December 26, 2013 10:14 AM  
**To:** wabiii@prodigy.net  
**Cc:** dprather@iglou.com; ekuегgen@aol.com; petehedges@bellsouth.net  
**Subject:** Re: US 60 Water Tower

Sandy,

Attached is revised drawing with easement added across the front of property. I delivered a copy of the boundary description and plat drawing to Don's office.

Thanks  
L Tingle

In a message dated 12/24/2013 12:40:21 A.M. Eastern Standard Time, wabiii@prodigy.net writes:

Larry:

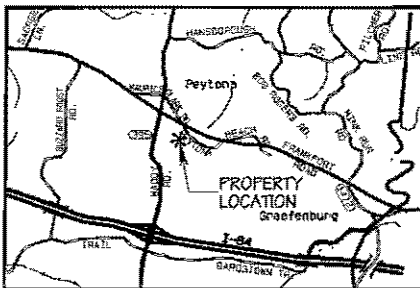
Got the email. One question, does the telephone line across the front of the property have a utility easement or a telephone easement. I need an easement across the front for a waterline. It can be a utility easement overlaying the telephone if necessary. Everything else looks good to me.

Sandy

---

**From:** "TingleSurveys@aol.com" <TingleSurveys@aol.com>  
**To:** WABIII@prodigy.net  
**Cc:** petehedges@bellsouth.net  
**Sent:** Monday, December 23, 2013 10:05 AM  
**Subject:** US 60 Water Tower

Sandy,



Boundaries were based on GPS observations. 2015. See also plat on the face of plat.

**LAND SURVEYORS CERTIFICATE**

I HEREBY CERTIFY THAT THE PLAT SHOWS HEREON DEPICTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION BY THE METHOD OF RANDOM TRAVERSE, ALONG WITH GPS OBSERVATIONS. THE UNADJUSTED PRECISION RATIO OF THE TRAVERSE WAS GREATER THAN 1 AND WAS NOT ADJUSTED. THE SURVEY SHOWN HEREON IS AN INTERMEDIATE CLASS SURVEY AND THE ACCURACY AND PRECISION OF SAID SURVEY MEET ALL THE SPECIFICATIONS OF THIS CLASS. THIS BOUNDARY SURVEY COMPLIES WITH 201 KAR 19.150.

DATE: \_\_\_\_\_ PROFESSIONAL LAND SURVEYOR

STATE OF KENTUCKY  
**LARRY G TINGLE**  
**2123**  
 LICENSED  
 PROFESSIONAL  
 LAND SURVEYOR

PVA ID: 091-00-029  
 Jerry L. Hursi, F. Justice  
 F. Ebbas-Hurst  
 5544 Frankfort Road  
 Hopkins, KY 40076  
 D.B. 318, Pg. 618  
 Zoned: A

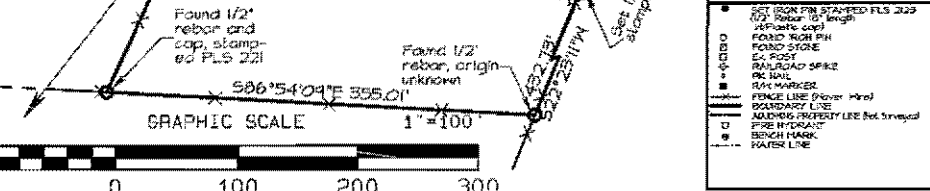
**GLOBAL POSITIONING SYSTEM NOTE**

This Survey was performed using a Spectra Precision Epoch 90, multi-frequency GNSS receiver. The type of GNSS survey employed was:

STATS:  U+L3  
 Horizontal Accuracy = 1.0m + 0.1 ppm RMSE x D  
 Vertical Accuracy = 3.0m + 0.4 ppm RMSE x D  
 RTK  
 Horizontal Accuracy = 1.0m + 1 ppm RMSE x D  
 Vertical Accuracy = 3.0m + 1 ppm RMSE x D  
 Horizontal Datum: NAD 83  
 Vertical Datum: \_\_\_\_\_  
 Geoid Model: EGM2008

PVA ID: 091-00-0320  
 William Lee & Christopher Perry  
 214 Main Street  
 Shelbyville, KY 40065  
 D.B. 405, Pg. 544  
 Zoned: A

PVA ID: 091-00-031  
 William Lee & Edda Mae Perry and Michael Keith Perry  
 214 Main Street  
 Shelbyville, KY 40065  
 D.B. 352, Pg. 001  
 Zoned: A



**DIVISION & EASEMENT PLAT  
 PEYTONA WATER TOWER**

CLIENT: U.S. 60 East Water Company  
 SOURCE OF TITLE: Dead Book 465, Pg. 58, Shelby County KY  
 TOTAL ACREAGE SURVEYED: 9.12 Ac  
 DATE OF PLAT: Dec. 28, 2015 DATE OF SURVEY: Dec. 2, 2015  
 PVA ID: 091-00-029. ZONE CLASSIFICATION: A

**TINGLE SURVEYS**  
**PROFESSIONAL LAND SURVEYS & DESIGN**  
 505 MAIN STREET  
 SHELBYVILLE, KENTUCKY  
 502-933-1118

## Donald Prather

---

**From:** PAM & SANDY BROUGHMAN [wabiii@prodigy.net]  
**Sent:** Friday, December 20, 2013 1:50 PM  
**To:** Donald Prather  
**Cc:** Bill Eggen; Pete Hedges  
**Subject:** Re: water tank site survey  
Done. You should have a deed in hand very soon.

Sandy

---

**From:** Donald Prather <dprather@iglou.com>  
**To:** 'PAM & SANDY BROUGHMAN' <wabiii@prodigy.net>; 'Pete Hedges' <PeteHedges@bellsouth.net>  
**Cc:** 'Bill Eggen' <ekueggen@aol.com>  
**Sent:** Thursday, December 19, 2013 1:53 PM  
**Subject:** water tank site survey

Gentlemen, I ran into Larry Tingle today and he says he has most of the survey work done for the tank site. All he needs to finish is to be told exactly where the site is to be located, ie at least one point in the 100x100 square. Could someone contact him asap and answer this question?

No virus found in this message

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2014.0.4259 / Virus Database: 3658/6936 - Release Date: 12/20/13

## Donald Prather

---

**From:** Donald Prather [dprather@iglou.com]  
**Sent:** Tuesday, September 24, 2013 10:13 AM  
**To:** Sandy Broughman (WABIII@prodigy.net); 'rob.rothenburger@shelbycoky.com'  
**Cc:** 'Bill Eggen'; 'stephenmiller1@wildblue.net'; 'Pat\_Hargadon@kyfbins.com'; 'petehedges@bellsouth.net'  
**Subject:** Deed to water tank site

**Importance:** High

Sandy, as you know the US 60 Water District commissioners directed me to prepare a deed for the county to convey the revised location water tank site to the District (if the judge wants me to prepare it) and you to obtain the new-location survey with a plat if that has not already been done. The plat does not have to be approved by planning and zoning since it is for a utility service structure. We need to have this done by the time the project is submitted to the Public Service Commission, which you indicated could happen as early as November 1<sup>st</sup>. Please co-ordinate with the Judge to have the survey/plat completed as soon as possible, since the Judge will have to place the matter on the agenda if the conveyance has not already been authorized (at the new location).

Judge, if you could let me know whether you want me to prepare the deed, and let all of us know if there is any way to help you with this matter.

Judge, the District really, really appreciates your assistance in obtaining this site. The savings to the District's customers due to your efforts will be substantial.

Thanks to everyone, Don.

**Donald Prather**

---

**From:** Bill Eggen [ekueggen@aol.com]

**Sent:** Thursday, September 05, 2013 5:55 PM

**To:** rob.rothenburger@shelbycoky.com; stephenmiller1@wildblue.net; Pat\_Hargadon@kyfbins.com; WABill@PRODIGY.NET; dprather@iglou.com; petehedges@bellsouth.net; TCarriss@RFcorp.com; fbdad51@aol.com

**Subject:** Us 60 Water District

I met with KIA board today in Frankfort and I am pleased to announce that they have voted to approve our loan for financing on our Water Tower Project.

Our rate will be 1.75% for 20 years which is what we hoping for.

We will now proceed with plans and soon put this out for bid.

Board members had only one question about water turnover in the tank.

Sandy Broughman answered their concerns and it went smoothly.

I will keep you all informed as this moves along.

Thanks

Bill Eggen  
ekueggen@aol.com  
502-930-8228

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2013.0.3392 / Virus Database: 3222/6640 - Release Date: 09/05/13



**Donald Prather**

---

**From:** Donald Prather [dprather@iglou.com]  
**Sent:** Friday, May 03, 2013 12:22 PM  
**To:** Bill Eggen (ekueggen@aol.com); David Pete Hedges (petehedges@bellsouth.net); Pat Hargadon (pat.hargadon@kyfbins.com); Stephen Miller (stephenmiller1@wildblue.net)  
**Subject:** new water tank site-PRIVILEGED AND CONFIDENTIAL  
**Attachments:** US 60 water tank site plat.pdf

Gentlemen, I was preparing the minutes and looked at the tank site plat more closely. While free land is always a powerful inducement this site is not in reality free, and I wanted to make sure the commissioners have all the facts in order to make an informed decision whether to use this site. First, the site is nearly 1000 off the road. Sandy can give you a more accurate estimate but I suspect 1000 of 12" line will cost at least \$25,000, probably more. There is also the cost of installing a 1000+ gravel road. I suspect the cost of these together will be at least \$35,000. This amount of money may be able to purchase an acceptable size site much nearer a road.

There is also the maintenance cost of the water main and road. The site is very isolated so security will be a problem, an issue that particularly concerns me. A chain link fence is not much of an obstacle in a remote location. There may also be a cost of running electricity to this site, and the value of leasing antenna space on the top may be significantly reduced by the cost to those other companies of running their cables back 1000 feet.

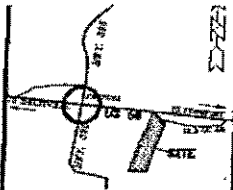
As commissioners you have a duty to try to obtain the relevant information to then be able to make an informed decision. I do not recall there being any discussion of other options for a tank site and the cost thereof, or of the extensive hidden costs of using this site. It is a business judgment decision whether to use this site or not, not a legal decision. However as a legal matter I think this information is something you should obtain and consider before it is too late to make alternate plans, should a change in plans be the more prudent business judgment decision.

I will have my staff mail a copy of this email to the Franklin County contingent.

---

IRA & CATHERINE MCKINLEY FAMILY  
LIMITED PARTNERSHIP  
892 MORRIS CLARK RD.  
WADDY, KY. 40076  
D.B. 412 - PG. 067

Scale 1" = 150'



VICINITY MAP  
NO SCALE

EX. I.P.  
#3757

S 40°33'11" E  
326.58'

OLD U.S. 60

EX. PIPE

**LEGEND**

- SET IRON PIN NO. 4 REBAR  
18" LONG, CAPPED "221"
- EXISTING MONUMENT AS LABELED
- ⊙ EXISTING UTILITY PILE
- PROPERTY BOUNDARY CITY DEED
- GAS METER
- - - EASEMENT LINE

**NOTES**

THIS PROPERTY IS SUBJECT TO ALL  
EASEMENTS APPARENT OR OF RECORD.  
REASON FOR AMENDMENT IS TO CREATE TRACT 1B

GAS VALVE

EXISTING  
FIRE STATION

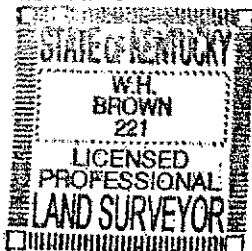
PARKING LOT

P.P.

16 INCHES & FORES. EASEMENT

JERRY L. & JANICE B. HURST  
8344 FRANKFORT RD.  
WADDY, KY. 40076  
D.B. 318 - PG. 618

WILLIAM L. EDNA M. & MICHAEL K. PERRY  
ROUTE 2  
WADDY, KY. 40076  
D.B. 252 - PG. 001



*W.H. Brown*  
L.P.L.S. # 221  
3/19/13

**APPROVED**

TRIPLE S PLANNING COM.

**CERTIFICATE OF APPROVAL**

I HEREBY CERTIFY THAT THIS AMENDMENT OF SHELBY COUNTY FISCAL COURT  
HAS BEEN APPROVED BY THE TRIPLE S PLANNING COMMISSION

03-19-2013 *George R. Best*  
DATE TRIPLE S PLANNING COMMISSION - CHAIRMAN

**CERTIFICATE OF OWNERSHIP AND DEDICATION**

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN  
HEREIN AND THAT WE HEREBY ADOPT THIS PLAN WITH OUR FREE CONSENT.  
THIS DIVISION DOES NOT VIOLATE ANY PRIVATE SUBDIVISION RESTRICTIONS.

5/19/2013 *[Signature]*  
DATE OWNERS

**CERTIFICATE OF ACCURACY**

I HEREBY CERTIFY THAT THIS SURVEY WAS DONE BY ME OR UNDER MY PERSONAL  
SUPERVISION AND COMPLIES WITH THE STANDARD OF PRACTICE OF SURVEYING  
IN THE STATE OF KENTUCKY AS SET FORTH IN 201 KRA 18.010. THE UNADJUSTED  
TRAVERSE ERROR OF CLOSURE IS 1/25,351. THE BEARINGS AND DISTANCES SHOWN  
ARE NOT BASED ON AN ADJUSTED TRAVERSE. THE SURVEY AS SHOWN HEREIN  
IS A CLASS B SURVEY AND THE ACCURACY AND PRECISION OF SAID SURVEY MEETS  
ALL THE SPECIFICATIONS OF THIS CLASS.

3/19/13 *W.H. Brown* L.P.L.S. # 221  
DATE W.H. BROWN - L.P.L.S. #221

**W.H. BROWN & ASSOCIATES**  
CONSULTING ENGINEERS & LAND SURVEYORS  
527 MAIN STREET  
SHELBYVILLE, KENTUCKY 40066

**TRACT 1A**  
7.945 ACRES  
D.B.485 - PG.058



NORTH ARROW BASED ON BEARINGS  
FROM DEED BOOK 463 - PG. 38

S 88°00'07" E  
345.48'  
**TRACT 1B**  
1.126 ACRES

SET I.P.  
CAPPED #221

SET I.P.  
CAPPED #221

EXISTING I.P.  
"NO CAP"

SET I.P.  
CAPPED #221

WILLIAM L. & CHRISTOPHER PERRY  
541 TAYLOR BRIGHT RD.  
BAHNSD, KY. 40003  
D.B. 465 - PG. 344

**AMENDED PLAT**

**SHELBY COUNTY**  
501 MAIN STREET  
SHELBYVILLE, KY 40066  
D.B.485 - PG.058  
9.071 ACRES

SHELBY COUNTY, KENTUCKY

DATE	SCALE	DRAWN BY	CHECKED BY
3-19-13	1" = 150'	LDB	WTB

11. Provide design calculations for the proposed tank. Include all assumptions and worksheets used to arrive at the needed volume.

**Response:** See the response to Question No. 3.

Responsible Witness:

Warner A. Broughman, III

12. State the equalization portion of the tank volume and how the volume was calculated.

**Response:** The witness for questions 7, 12 and 21 will be Jihad A. Hallany, PE, who is on vacation and will not be back until the middle of this week. Questions 7, 12 and 21 will be answered under separate submittal by the engineer.

Responsible Witness:

Jihad A. Hallany, PE

13. Provide the maximum daily system demand in gallons per minute.

**Response:**

2013:	543 gallons per minute
2012:	609 gallons per minute
2011:	618 gallons per minute
2010:	521 gallons per minute
2009:	725 gallons per minute

Responsible Witness:

David Hedges or Jeremy Carmack

14. State whether the volume of the tank includes a fire protection volume. If the response is affirmative, explain how this volume was calculated. Include all assumptions and workpapers.

**Response:** The volume of the tank includes a fire protection volume. The volume was calculated using a rate of 500 gallons per minute for a period of two hours. The volume calculated is 60,000 gallons. The work papers are attached to the response to Question No. 3.

Responsible Witness:

Warner A. Broughman, III

15. State whether the volume of the tank includes an emergency volume. If the response is affirmative, explain how this volume was calculated. Provide all assumptions, references, and workpapers.

**Response:** The volume of the tank does not include an emergency volume.

Responsible Witness:

Warner A. Broughman, III

16. State whether U.S. 60 provides service for fire-protection purposes.

**Response:** US 60 provides a measure of fire protection service to two schools which are near the proposed tank. Once the new tank is constructed, the schools will have a much greater level of fire protection. The District also supplies water to fire hydrants located on various parts of its system. True fire protection cannot be guaranteed due to the limitation of the District's rural system.

Responsible Witness:

Warner A. Broughman, III



17. Refer to U.S. 60's Application. Explain why water in stand pipes cannot be utilized to its full extent. Include a justification of the need for the tank in terms of the useful storage in the system. Provide the amount of useful storage in the tanks in the system.

**Response:** Standpipes can only be used to provide water that meets the mandated 30 psi minimum pressure at the meter. Therefore all the water in a standpipe below an elevation of 69 feet above the tank bottom cannot meet the 30 psi standard and cannot be counted toward the total volume of water available for use by the District. Standpipes provide an economical storage for many rural water systems because the standpipes are generally cheaper to build than an elevated tank. The standpipe provides one element in the operation of a water system that elevated tanks cannot. When a break happens the standpipe generally will not run completely out of water. This provides some water to customers at reduced pressure and keeps the system from drawing in air. This ability helps in restoring service because the system operators don't have to contend with air in the lines.

Responsible Witness:

Warner A. Broughman, III

18. State the latest date an Order granting the requested CPCN may be issued without resulting in a materially negative impact to the project cost.

**Response:** On April 29, 2014 North Shelby's Engineer, Sandy Broughman, spoke with a Caldwell Tank representative, who stated Caldwell's bid is being extended to May 30, 2014. The indications from Caldwell are that following that date the bid will likely increase to match any increase in the price of steel. The amount of increase is unknown at this time and will depend upon steel prices at that time.

Responsible Witness:

Warner A. Broughman, III

19. State in detail what the result would be in an Order were not to be issued by the requested May 15, 2014 date..

**Response:** Since Caldwell has extended its bid date to May 30, 2014, there will be no impact until after May 30, 2014..

In the event the Order is not issued by May 30, 2014, the Commissioners may purchase the steel directly in return for a reduction by Caldwell of its bid price in an amount equal to the steel purchase price.. This proposal has not been approved by Caldwell, but if pursued would involve a contract between the District and Caldwell requiring Caldwell to store the steel at no cost to the District for some period of time following its delivery date.. This would allow the District the opportunity to resell the steel, either to Caldwell or another purchaser, if the proposed tank, has not been approved by the Commission by that date..

Responsible Witness:

Warner A. Broughman, III

20. Describe the conditions of the two 50-year-old tanks. Provide reasons for their decommissioning. Provide dates of last inspections of these tanks and results of these inspections. Provide inspection reports that recommend their decommissioning.

**Response:** Both tanks are rusted and will soon require repainting. Both tanks contain lead paint. Repainting a tank which has lead paint requires that the tank be draped during the paint removal process in order to ensure no lead paint dust is emitted into the atmosphere. The lead paint residue must be disposed of as hazardous waste. Due to the presence of lead paint, management estimates it would cost at least \$250,000 to paint each tank.

The Peytona tank is leaking a small amount of water from under the tank. The source is unknown, but may be either a break in the tank itself or a break in a water main under the tank. In either event, a repair would require the tank to be drained and the tank dismantled. Both tanks have rusted and broken welds at their bases.

Both tanks are located on property which is leased for 99 years, with only 49 years remaining on the lease. The Peytona tank site is far too small to be used for a new tank and the adjacent land owner is hostile to the tank's presence.

The fact that the tanks are too small to serve their intended purposes, are in bad condition, and would be very expensive to paint and otherwise repair are the reasons for their decommissioning. There have not been any formal inspection reports. The District believes the

reasons for replacing the tanks are so obvious that spending District funds for formal inspections would be a complete waste of money.

Responsible Witness:

David Hedges or Jeremy Carmack

21. Provide hydraulic modeling calculations which include an extended-period simulation of the water system when the proposed water tank is included.

**Response:** The witness for questions 7, 12 and 21 will be Jihad A. Hallany, PE, who is on vacation and will not be back until the middle of this week. Questions 7, 12 and 21 will be answered under separate submittal by the engineer.

Responsible Witness:

Jihad A. Hallany, PE