

MINUTES

DATE: September 20, 2017

Breathitt County Water District
10:00 a.m.

The Breathitt County Water District met in Regular Session on the 20th day of September, 2017 at 10:00 a.m. in the Breathitt County Fiscal Courtroom. Members present were Chairman Bobby Thorpe, Jr., Sammie Turner, Eva Fugate, Cheryl S. Campbell and David Ingram. Others present were Assistant County Attorney Dawn Watts, Ken Reid & Matt Steen-Nesbitt Engineering, Jennifer McIntosh-KRADD, Estill McIntosh, Cheryl Campbell and Recording Officer Kay Barnett.

Chairman Thorpe called the meeting to order, welcomed everyone. Sammie Turner held prayer. Chairman Thorpe led the Pledge of Allegiance.

Motion by Sammie Turner, seconded by David Ingram to approve the minutes of the August 16, 2017 Regular Meeting. Vote is as follows: Chairman Thorpe-aye, Sammie Turner-aye, Eva Fugate-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Supt. Estill McIntosh gave updates on several projects. He informed the Board that Assistant County Attorney Dawn Watts had received response from the bonding company. Planning on having a meeting at the site on Sept. 27th or 28th, will decide on definite date and time and contact the bonding company. He gave an update on the Airport Project, stating all lines were laid, just liked the pump station and clean-up work to be completed. He gave financial updates and discussed the Operation and Maintenance Account Balance, Short Lived Assets, Reserve Account and Sinking Fund and stated he had sent a letter to the Public Service Commission regarding the 18% increase and was waiting on a response.

Matt Steen gave updates on several projects. (See handout) He presented a pay requisition.

Jennifer McIntosh-KRADD discussed the Elk View Project.

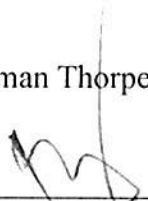
Motion by Cheryl S. Campbell, seconded by David Ingram to approve payment of the following invoices pending availability of funds:

Requisition Certificate #2 (Airport Project)	\$74,244.44
Requisition 08/2017	\$81,418.45

Vote is as follows: Sammie Turner-aye, Eva Fugate-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Chairman Thorpe asked if anyone had a reason to go into Executive Session. None was heard.

Chairman Thorpe adjourned the meeting.



Bobby Thorpe, Chairman



Breathitt County

Making Breathitt County

Water District

A Better Place One Drop at a Time.

August 1, 2017

Mr. John S. Lyons
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Breathitt County Water District
Case No. 2017-00140

Dear Mr. Lyons:

The Breathitt County Water District is in receipt of the PSC Staff Report for the above referenced case. We understand that the PSC Staff have calculated a rate increase of 86.30 percent. However, the Breathitt County Water District feels a rate increase of this magnitude would be too large of a burden for our customers. We would like to increase our rates by 18% as submitted in the initial application.

Please contact Estill McIntosh if you need additional information. His email address is breathittwater@yahoo.com.

Sincerely

Bobby Thorpe, Chairman
Breathitt County Water District

MINUTES

DATE: March 15, 2017

Breathitt County Water District
10:00 a.m.

The Breathitt County Water District met in Regular Session on the 15th day of March, 2017 at 10:00 a.m. in the Breathitt County Fiscal Courtroom. Members present were Chairman Bobby Thorpe, Jr., Sammie Turner, Cheryl S. Campbell and David Ingram. Eva Fugate was absent due to inclement weather. Others present were Judge Smith, County Attorney Dawn Watts, Sheriff Ray Clemons, Paul Nesbitt, Ken Reid, Matt Steen & Jonathon Stacy-Nesbitt Engineering, Jennifer McIntosh-KRADD, Estill McIntosh, Cheryl Campbell and Recording Officer Kay Barnett.

Chairman Thorpe called the meeting to order, welcomed everyone. Sammie Turner held prayer. Chairman Thorpe led the Pledge of Allegiance.

Chairman Thorpe opened the floor to Mr. Jared Schmal-Rural Community Assistance Partnership (RCAP). He discussed a rate study. Discussion was held.

Motion by Sammie Turner, seconded by David Ingram to approve the minutes of February 15, 2017 Regular Meeting. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Supt. Estill McIntosh gave updates on several projects including Frozen Project Phase IV which would soon be completed. He gave financial updates and discussed the Operation and Maintenance Account Balance, Short Lived Assets, Reserve Account and Sinking Fund.

Matt Steen-Nesbitt Engineering gave updates on numerous projects and presented Pay Requisitions. (See handout) Discussion was held on Old Bailey Branch Road. Mr. Steen updated the Board on Old Bailey Branch Road, stating the project cost would be approximately \$100,000.00 if a PRV Vault was used, if a vault wasn't used, it would save \$15,000.00. He stated there were seven homes on this project.

Jared Schmal (RCAP) gave a presentation of an 18% pay increase. He presented an application and a resolution to be approved and signed. (He read the Resolution in its entirety).

Motion by Chairman Thorpe, seconded by David Ingram to approve the Resolution regarding the 18% pay increase. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Motion by Cheryl Campbell, seconded by Eva Fugate to approve payment of the following invoices pending availability of funds.

Requisition Certificate #14 (Frozen Phase IV)	\$11,562.80
Requisition Certificate #9 (KY 315/28)	\$573,901.53
Requisition Certificate #2 (Airport Rd.)	\$15,422.91
Requisition 03/2017	\$77,064.66

Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Jennifer McIntosh announced she was working to find funding for War Shoal Rd. and had a few ideas for Old Bailey Branch Road.

Motion by Chairman Thorpe, seconded by David Ingram to authorize Jennifer McIntosh to look for funding for Old Bailey Branch Road. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Chairman Thorpe asked if anyone on the Board or in the audience had anything to say or add to the meeting. No Board Members had any comments or concerns.

Michael Turner from Ground Hog Rd. addressed the Board regarding his desperate need for water. He stated he probably needed water as bad as anyone in the county. He explained he got his water from a mining pond for his bathroom and buys water for cooking and drinking which cost him approximately \$200.00 per month. He felt that he had always been passed up, when waterlines were ran. Mr. Turner stated there will be two houses that would need water. Discussion was held.

Motion by Chairman Thorpe, seconded by David Ingram to authorize Nesbitt Engineering to look at the location and see what it is going to take to provide water to Ground Hog Rd. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Motion by Sammie Turner, seconded by David Ingram to close the Regular Session and go into Executive Session. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Motion by Chairman Thorpe, seconded by David Ingram to close the Executive Session and go back into Regular Session. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Chairman Thorpe explained that during Executive Session possible litigations were discussed. The Board and L&L Excavation settled on the amount of \$15,000.00 for liquidated damages and entertained a motion stating that.

Motion by David Ingram, seconded by Sammie Turner to approve the Board and L&L Excavation settling on the amount of \$15,000.00 for liquidated damages. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Chairman Thorpe also said discussion was held on FSRC for the Frozen Phase IV Project Contract 1 & 2 and liquidated damages. It was voted on at the last meeting, that if the project wasn't completed by the next regular meeting held on March 15, 2017, then the bonding company would be contacted. And the project isn't complete.

Motion by Chairman Thorpe, seconded by David Ingram to contact the bonding company regarding FSRC for the Frozen Phase IV Project Contract 1 & 2 and liquidated damages. Vote is as follows: Chairman Thorpe-aye, Sammie Tuner-aye, Cheryl S. Campbell-aye and David Ingram-aye. Motion carried.

Chairman Thorpe adjourned the meeting.



Bobby Thorpe, Chairman

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE BREATHITT COUNTY WATER DISTRICT
PROPOSING ADJUSTMENTS TO ITS WATER RATES AND
CHARGES AND AUTHORIZING ITS CHAIRMAN TO FILE AN
APPLICATION WITH THE PSC SEEKING APPROVAL OF
THE PROPOSED RATE ADJUSTMENT**

WHEREAS, the Breathitt County Water District ("District") is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission ("PSC");

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF BREATHITT COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.


Section 3. The Chairman and Office Clerks are hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing ("ARF") Application, Tariff Sheets, and all other documents that may be required by the PSC.

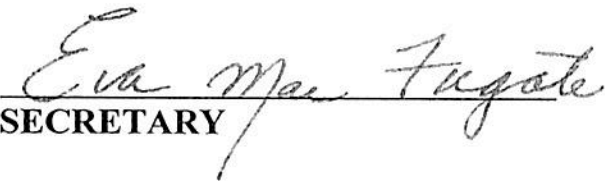
Section 4. The Chairman, Office Clerks, and all other appropriate District Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF BREATHITT COUNTY WATER DISTRICT at a meeting held on March 15, 2017, signed by the Chairman, and attested by the Secretary.

ATTEST:

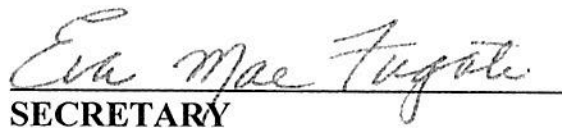

CHAIRMAN


SECRETARY

CERTIFICATION

I, Secretary of the Breathitt County Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on March 15, 2017, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 15th day of March, 2017.


SECRETARY

COMMONWEALTH OF KENTUCKY

COUNTY OF Breathitt

Subscribed and sworn to before me by Eunice Fugate
(Name)

this 16th day of March, 2017.

Beth Fugate
NOTARY PUBLIC
State-at-Large

CURRENT AND PROPOSED RATES

Breathitt County Water District

Appendix A

Current Rates

5/8 x 3/4" Meter

First 1,000 Gallons	\$24.16	Minimum Bill
Over 2,000 Gallons	12.08	Per 1,000 Gallons

Wholesale

Village of Buckhorn	\$4.63	Per 1,000 Gallons
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Kentucky Mountain Bible College

First 10,000 Gallons	\$120.80	Minimum Bill
Next 190,000 Gallons	7.11	Per 1,000 Gallons
Over 200,000 Gallons	5.93	Per 1,000 Gallons

Proposed Rates

5/8 x 3/4" Meter

First 1,000 Gallons	\$28.50	Minimum Bill
Over 2,000 Gallons	14.25	Per 1,000 Gallons

Wholesale

Village of Buckhorn	\$5.46	Per 1,000 Gallons
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Kentucky Mountain Bible College

First 10,000 Gallons	\$142.54	Minimum Bill
Next 190,000 Gallons	8.39	Per 1,000 Gallons
Over 200,000 Gallons	7.00	Per 1,000 Gallons