

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF SOUTH)
EASTERN WATER ASSOCIATION, INC.)
FOR COMMISSION APPROVAL)
PURSUANT TO 807 KAR 5:001 AND KRS)
278.020 FOR A CERTIFICATE OF PUBLIC) CASE NO. 2022-00065
CONVENIENCE AND NECESSITY TO)
CONSTRUCT A CUSTOMER SERVICE)
AND OPERATIONS FACILITY)**

VERIFIED APPLICATION

Pursuant to KRS 278.020(1) and 807 KAR 5:001, Section 15, South Eastern Water Association, Inc. (“SEWA”) applies to the Public Service Commission (“Commission”) for an Order granting SEWA a Certificate of Public Convenience and Necessity (“CPCN”) to construct a customer service and operations facility (the “Project”) consisting of four (4) buildings at an estimated cost of \$2,115,864. No debt will be incurred. No rate increase will be necessary.

In support of its Application, SEWA provides the following:¹

¹ To facilitate the Public Service Commission’s initial review of this Application, SEWA has attached to this Application a “Filing Requirements List” (**Exhibit 1**). The Filing Requirements List sets forth each relevant statutory and regulatory requirement and identifies the exhibit or paragraph of the Application that satisfies the requirement. In the electronic version of this Application, the listed exhibit or paragraph is linked to the page location or exhibit and can be immediately accessed and viewed by clicking on the listed page or exhibit number.

General Information

1. SEWA's full name and post office address is: South Eastern Water Association, Inc., 147 East Somerset Church Road, Somerset, Kentucky 42503. Its email address is sewawater@yahoo.com.

2. SEWA is not a limited liability company or limited partnership. SEWA is a non-profit corporation (water association) organized in the state of Kentucky pursuant to KRS Chapter 273. Its date of incorporation was December 17, 1993. Its Articles of Incorporation (Consolidation) are attached as **Exhibit 2**. SEWA is authorized to transact business in the state of Kentucky and is in good standing. See **Exhibit 3**.

3. SEWA is engaged in the distribution and sale of water in Pulaski County, Kentucky. As of December 31, 2021, it served 7,721 customers and one (1) wholesale customer. SEWA's one (1) wholesale customer is the City of Burnside, Kentucky.

4. SEWA was created as a result of the merger of the following water associations: Barnesburg, Elihu-Rush Branch, Nelson Valley, and Tatesville pursuant to the February 22, 1988 Order of the Commission in Case No. 9967.

5. The governing body of SEWA is its Board of Directors. The present members of the Board of Directors, and their respective offices, are as follows: Joe D. Crawford, President; Grant Treado, Vice President; Mark O. Davis, Secretary-

Treasurer; Wade Bumgardner, Director; Bobby Crow, Director; Dennis Faulkner, Director; Dwight Faulkner, Director; and Ernest Stout, Jr., Director.

6. SEWA's Board of Directors has authorized the filing of this Application.

7. Copies of all orders, pleadings, and other communications related to this proceeding should be directed to:

Morris Vaughn, General Manager
South Eastern Water Association, Inc.
147 East Somerset Church Road
Somerset, Kentucky 42503
(606) 678-5501
sewawater@yahoo.com

Joe D. Crawford, President
South Eastern Water Association, Inc.
147 East Somerset Church Road
Somerset, Kentucky 42503
(606) 678-5501
joecrawford1958@live.com

Damon R. Talley
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Lexington, KY 40507-1801
(859) 231-3017
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Project Overview

8. The proposed Customer Service Center and Operations Facility (the “Project”) will be conveniently located on the east side of Somerset on the Somerset Bypass. The street address is 6528 Highway 914, Somerset, Kentucky 42501. It is directly across the Bypass from the Pulaski County Emergency Operations Center, so it will be easy for the customers to find the new location. Attached as **Exhibit 4** is a map depicting the location of the Project and illustrating that it will be centrally located for SEWA’s customers.

9. The Project consists of the construction of four (4) buildings: (a) an approximate 3,750 square feet (68’ x 55’) single-story Customer Service building (office building); (b) an approximately 6,000 square feet (100’ x 60’) combination garage and shop building; (c) an approximately 1,440 square feet (72’ x 20’) pipe storage building; and (d) an approximately 1,200 square feet (60’ x 20’) materials storage building.

10. The Project’s total estimated cost is \$2,115,864. No debt will be incurred because SEWA will pay the cost of the Project from its unrestricted reserves. No rate increase will be necessary.

Existing Facilities

11. SEWA’s existing customer service and operation facilities are located at 147 East Somerset Church Road in Somerset, Kentucky on a 1.00-acre lot

(“Existing Facilities”). An aerial photo of the Existing Facilities is attached to this Application as **Exhibit 5**.

12. All of SEWA’s operations are located on this small one-acre lot. SEWA’s operations comprise: (a) customer service; (b) administrative; (c) general management; (d) transmission and distribution; (e) meter testing; (f) meter storage; (g) pipe and spare parts storage; and (h) truck, backhoe, and equipment storage.

13. **Current Office Building.** SEWA’s current office building is a concrete block building constructed in the late 1970’s. It has approximately 3,000 square feet of space. It contains a small lobby, boardroom, work stations for three (3) customer service representatives, an office for its General Manager, restrooms, small kitchen, meter test bench, small room for storing office supplies, and a small room for storing some meters.

14. **Equipment Storage.** Two (2) of SEWA’s dump trucks, trailers, and backhoes are stored **outside** in a fenced-in area behind the office building. A small inventory of water line pipes are also stored outside within this fenced-in area. In addition, three (3) small, portable storage buildings are inside this fenced-in area. These buildings contain meters and other small parts.

Need for Project

15. SEWA’s Existing Facilities are woefully inadequate, over-crowded, and out-of-date. They create traffic and safety hazards, lack adequate equipment

and pipe storage space, and are an impediment to efficiently serving the needs of approximately 8,000 customers. These inadequacies and deficiencies will be discussed below.

16. **Office Building Deficiencies.** SEWA has three (3) customer service representatives who serve walk-in and drive-thru customers and answer the phone in a very crowded space near the front of the office building. To add a work station for the third customer service representative, SEWA erected a barrier across the hall to serve as a desk and work station. In essence, the work station for this third customer service representative is in the hall and blocks the hall. This prevents customers or persons attending Board meetings from direct access to the rest rooms, which are located in the hall to the rear of this work station. This also prevents customers from meeting with the General Manager in his office, which is located down the hall. The customer service area and lobby are so small that private conversations with customers are impossible. There is no separate office or small conference room where SEWA staff can speak privately with a customer. If a disgruntled customer enters the office building, it disrupts everything and everyone present. Board members, customers, engineers, attorneys, and other persons attending Board meetings do not have direct access to the rest rooms. They must travel a circuitous path or maze through the kitchen, past the meter test bench, through a storage room, and into the rear portion of the hall before reaching the rest

rooms. There is also inadequate storage space for valuable records in the office building.

17. **Drive-Thru.** The drive-thru payment window is located on the east side of the office building near the front. This enables any of the customer service representatives to serve the drive-thru customers. Because the building is so close to the highway (East Somerset Church Road), only three (3) cars can be in the drive-thru payment line before the cars are out into the highway. Customers then start “lining-up” on the highway in both the east and west directions. There are no paved shoulders on this highway. This causes traffic and safety hazards and make it difficult for persons traveling on East Somerset Church Road to safely navigate the congestion.

18. **Inadequate Parking.** There are only four (4) parking spaces, one of which is a handicap space, directly in front of the office building. These are accessed by turning directly off the highway into these spaces. This means that when a customer leaves, the customer must back out into the highway. Vehicles waiting in the drive-thru line often block customers from entering or leaving the SEWA office building. At best, this is an inconvenience; at worst, this is a traffic and safety hazard. There is another parking area to the east side of the office building, but SEWA employees occupy most of these spaces. In addition, it is difficult to enter

or leave this parking area because the vehicles waiting in the drive-thru line approaching from the east frequently block access to this parking lot.

19. **No Inside Equipment Storage.** As previously stated, SEWA does not have any buildings to store its equipment. Two (2) of the dump trucks, trailers, and backhoes are stored outside in the fenced-in lot to the rear of the office building. A small inventory of water line pipes for replacing broken or leaking water lines are also stored outside within this fenced-in area. Spare meters, repair clamps, and other spare parts are stored in small, portable storage buildings within this fenced-in lot. SEWA's distribution and maintenance crews must access this fenced-in lot several times per day. There is only one way to gain access to this fenced-in lot – through the congested parking lot on the east side of the office building. This means SEWA vehicles, some of which are dump trucks pulling a trailer loaded with a backhoe, must navigate the traffic jam caused by customers waiting in line to use the drive-thru window located on the east side of the office building.

20. **No Garage or Shop Building.** Another deficiency of SEWA's Existing Facilities is the lack of a garage or shop to perform service and minor maintenance work on its vehicles and equipment. SEWA must take its vehicles to a garage and pay others to perform these services. There is not even a suitable place for the employees to wash the mud off its trucks and equipment! SEWA must take

its vehicles and equipment to a car-wash to clean them. There is no space to build a garage or shop on the lot where the office building is located.

Alternatives Considered

21. SEWA's Board of Directors has considered the following alternatives over the past few years: (a) maintaining the status quo; (b) expanding the existing office building; (c) purchasing an existing commercial building; and (d) constructing new facilities on a larger lot. The feasibility of each of these four (4) alternatives will now be discussed.

22. **Status Quo.** The Status Quo alternative is the "do nothing" alternative, which means that SEWA remains in its current office building and continues "doing nothing" to alleviate the numerous safety and operational inefficiencies noted above. This alternative is **unacceptable** and not realistic for the reasons stated above.

23. **Expand Existing Office Building.** Unfortunately, expanding the existing office building is also **unrealistic**. As depicted in **Exhibit 5**, the lot where the existing office building is located is only one acre in size. The lot is already "packed" full and the parking lot is already too small. The only possible way to expand the existing building is to build an addition to the rear. Unfortunately, the City of Somerset has an underground sewer line as well as another 20-foot wide

easement for other utilities immediately behind the existing building. Therefore, expansion of the existing building is not a realistic or feasible alternative.

24. **Purchase an Existing Commercial Building.** Purchasing an existing commercial building and, if necessary, remodeling it was another alternative considered by SEWA's Board of Directors. The President of SEWA talked to numerous realtors and has had them searching for an existing commercial building over the past few years. None of the commercial buildings that have "come on the market" during this time span were suitable for SEWA's needs. Some of the properties contained an office building, but the lot that was too small to construct a combination garage and shop building. Other properties contained a very large commercial building that was considerably larger than SEWA needed, but did not have a separate office building. Other properties that might be converted were located inside the City far away from SEWA's customer base. These locations would have required SEWA's maintenance crews to drive through Somerset with their dump trucks and backhoes before traveling to the eastern side of Pulaski to SEWA's service area. SEWA's President and other Board members have attended public auctions within the past few years in unsuccessful efforts to purchase a commercial building where the front of it could be converted to an office and the remainder of the building used as a shop and garage. SEWA's President has worked closely with a very successful realtor, who is President of the Lake Cumberland

Realtor's Association and past President of the local Chamber of Commerce. He told SEWA's President, "You can't buy what SEWA wants. It is not available." You can buy an office building, or you can buy a combination shop and garage building, but they will be located miles apart in different parts of Somerset. Thus, the only remaining alternative is to build a new customer service center and operations facilities.

25. **New Construction.** Constructing a new customer service center (office building) and other operations facilities was the fourth alternative considered by SEWA's Board of Directors. In 2017, because of SEWA's foresight, it purchased a strategically located parcel of land on the east side of Somerset on the Somerset Bypass (Kentucky Highway 914). The lot contains three (3) acres and has frontage on (and access to) both the Somerset Bypass in the front and Old Kentucky Highway 192 (Marvin Hail Lane) in the rear. This location is easily accessible and centrally located for SEWA's customers. Had SEWA been able to purchase a suitable commercial building for a customer service center, it could have sold this lot for a considerable profit.

Detailed Project Description

26. The proposed facilities consist of four (4) buildings: a customer service building; a combination garage and shop building; a pipe storage building; and a materials storage building. An aerial photo of the site of the proposed Customer

Service Center and Operations Facility is attached as **Exhibit 6**. An overview of the site plan showing the relative location of each of the buildings is attached to this Application as **Exhibit 7**. A frontal view and other elevation views of the Customer Service Center (office building) are attached to this Application as **Exhibit 8**.

27. **Customer Service Building.** This one-story building will have approximately 3,740 square feet of usable space. It will provide offices for SEWA's General Manager and Assistant Manager and will house SEWA's mapping, accounting and billing departments. The building will contain a break/lunch room area, an information technology room to house SEWA's computer servers, a records storage room, and a boardroom with sufficient space to accommodate numerous visitors in addition to board members and SEWA management staff. The front portion of the building will be directly accessible to the public and contain a customer service lobby with teller stations to receive customer payments. The customer service area will include a conference room and a private office to permit customer service representatives to address customer complaints and inquiries and requests for service in a more private setting. A drive-thru station will be attached to the building.

28. **Shop Building.** This building, which is a combination garage and shop building, has approximately 6,000 square feet (100 feet by 60 feet) of usable space and will be working quarters for approximately eight (8) employees. It contains a

maintenance shop, maintenance bays for vehicle and equipment repair and one bay for vehicle washing. The Shop Building will allow for the garaging and maintenance of large trucks and equipment. SEWA's employees will now be able to service its vehicles and equipment. SEWA's meter testing facilities will be located in the building as well as its small fittings and meter inventory.

29. **Pipe Storage.** This building contains 1,440 square feet (72 feet by 20 feet) of storage space. It will be used for pipe storage and will house large fittings, valve and hydrant inventories, as well as electric generators.

30. **Materials Storage Building.** This building is 60 feet by 20 feet and contains approximately 1,200 square feet. It will provide separate storage bins for gravel, blacktop (cold mix), and top soil under roof where the materials will be protected from the weather. Furthermore, SEWA employees can access these materials at night, on weekends, and on holidays to facilitate making water line repairs when stone quarries are closed. Currently, SEWA does not have any storage space for these materials.

31. Construction of the Project will not result in the wasteful duplication of utility facilities or inefficient investment.

32. The Project will not compete with the facilities of any other public utility.

33. The Project will allow SEWA to replace its Existing Facilities with facilities that will enable SEWA to more efficiently and effectively provide water service to its customers. The Project will provide adequate space for SEWA's administrative and field employees to perform their existing job functions, eliminate traffic and safety hazards, eliminate operational bottlenecks due to the lack of adequate physical space and facilities in its Existing Facility, and provide additional space to allow SEWA to expand to meet future needs if expected customer growth continues.

34. The public convenience and necessity require the Project's construction.

Compliance with 807 KAR 5:001, Section 15

35. A copy of the Development Plan for the Project site is attached to this Application as **Exhibit 7**.

36. Plans, drawings, and specifications for the Project are attached to this Application as **Exhibits 9, 10, and 11**.

37. A description of the Project's location is attached as **Exhibit 4** to this Application. A map depicting this location is shown at **Exhibit 6** to this Application.

38. The Deed for the Somerset Bypass (Kentucky Highway 914) property is attached as **Exhibit 12** of this Application.

39. Except for a Certificate of Public Convenience and Necessity, SEWA has obtained all necessary permits to construct the Project. The Project does not require a franchise.

40. SEWA anticipates the approximate annual cost of operation for the Proposed Facilities will be \$21,108. A schedule of these costs is set forth in **Exhibit 13** to the Application. This cost is \$8,436 less than the current annual operating cost of the Existing Facilities at 147 East Somerset Church Road.

41. Construction of the Project is expected to start approximately thirty days following the Commission's issuance of the requested Certificate for the Project. The estimated construction time is 15 months.

Project Costs and Related Matters

42. The plans and specifications for the proposed Project are set forth as **Exhibits 9, 10, and 11** to this Application. The Exhibits are described below:

Exhibit 9 Customer Service Building (Building A)

Exhibit 10 Garage & Shop Building (Building B)

Exhibit 11 Pipe Storage & Materials Storage Buildings (Buildings C & D)

The plans and specifications were prepared by a registered architect rather than by an engineer. Therefore, neither KRS 322.340 nor 807 KAR 5:001, Section 4(13), which requires that an engineer's seal or signature be affixed to those documents, is

applicable. The plans and the specifications were signed and dated by the architect, and he has applied his seal to them.

43. SEWA advertised the Project in accordance with the provisions of KRS Chapter 424 although it was not required to do so because SEWA is not a governmental entity. It received, opened, and reviewed the bids. Four (4) bidders submitted a bid for constructing the Project with the terms of the advertisement and the Bid Specifications. A bid tabulation is attached as **Exhibit 14**. D.C. Trimble, Inc.'s bid was accepted by SEWA's Board of Directors. SEWA awarded the contract contingent upon the Commission granting it a CPCN for the construction of the Project.

44. The total estimated cost of the proposed Project is \$2,115,864. The Project Cost Summary is attached as **Exhibit 15** to this Application. The total estimated cost of the Project incorporates the actual bids received. SEWA proposes to pay the cost of the Project by using its own unrestricted cash reserves. SEWA will **not** borrow any money to finance the Project.

45. SEWA will not incur any new debt as a result of constructing the Project. As of December 31, 2021, SEWA had unrestricted cash reserves (or reserves restricted for this Project) exceeding \$3,970,000. It will use a portion of these reserves to pay for the Project.

46. SEWA's Balance Sheet, as of December 31, 2021, is attached as **Exhibit 16**. It demonstrates that SEWA has ample cash reserves to pay for the Project without incurring any debt.

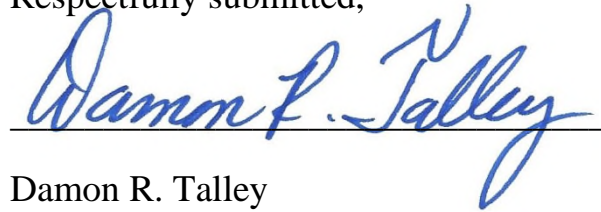
WHEREFORE, South Eastern Water Association, Inc. requests that the Commission:

1. Grant SEWA a Certificate of Public Convenience and Necessity to construct the proposed Project;
2. Enter an Order granting the requested relief without holding an evidentiary hearing in this matter; and,
3. Grant any and all such other relief to which SEWA may be entitled.

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Dated: March 29, 2022

Respectfully submitted,



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*Counsel for South Eastern Water
Association, Inc.*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8 and the Commission's Order of July 22, 2021 in Case No. 2020-00085 regarding electronic filings, I certify that South Eastern Water Association, Inc.'s filing of this Application was electronically transmitted to the Public Service Commission on March 29, 2022; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.


Damon R. Talley

EXHIBIT LIST

1. Filing Requirements List – CPCN
2. Articles of Incorporation (Consolidation)
3. Certificate of Existence (Good Standing)
4. Map Showing Location of New Customer Service Center
5. Aerial Photo of Existing Facilities
6. Aerial Photo of Site of Proposed Facilities
7. Overview of Site Plan
8. Frontal View of Proposed Customer Service Building (Building A)
9. Plans & Specs of Proposed Customer Service Building (Building A)
10. Plans & Specs of Proposed Garage & Shop Building (Building B)
11. Plans & Specs of Proposed Pipe Storage (Building C) and Materials Storage (Building D) Buildings
12. Deed to Site of Proposed Facilities
13. Estimated Cost of Operating Proposed Facilities
14. Bid Tabulation
15. Project Cost Summary
16. Balance Sheet

EXHIBIT 1

FILING REQUIREMENTS LIST

FILING REQUIREMENTS FOR AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Source Authority	Requirement	Location
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 2, Para. 1
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.020	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 18
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Page 18
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para. 2 Exhibits 2 and 3
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Not applicable
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Not applicable
807 KAR 5:001, § 15(2)(a)	The facts relied upon to show that the public convenience and necessity requires the proposed construction	Pages 4-11
807 KAR 5:001, § 15(2)(b)	Copies of franchises or permits for the proposed construction or extension	Page 15, Para. 39
807 KAR 5:001, § 15(2)(c)	A full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which same will be constructed, and the names of all public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete	Pages 11-15 Exhibits 6, 7, 8, 9, 10, & 11
807 KAR 5:001, § 15(2)(d)(1)	Maps to suitable scale showing the location or route of the proposed construction or extension, as well as the location to scale of like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of the other facilities	Exhibit 4

Source Authority	Requirement	Location
807 KAR 5:001, § 15(2)(d)(2)	Plans and specifications and drawings of the proposed plant, equipment, and facilities	Exhibits 8, 9, 10, & 11
807 KAR 5:001, § 15(2)(e)	The manner in detail in which the Applicant proposes to finance the proposed construction or extension.	Page 4, Para. 10 Page 16, Para. 45 Exhibits 15 & 16
807 KAR 5:001, § 15(2)(f)	An estimated annual cost of operation after the proposed facilities are placed into service	Page 15, Para. 40 Exhibit 13
KRS 322.340	Engineering plans, specifications, drawings, plats and reports for the proposed construction or extension prepared by a registered engineer, must be signed, sealed, and dated by an engineer registered in Kentucky	Exhibits 6, 7, 8, 9, 10, 11, & 12

EXHIBIT 2

**CERTIFICATION
AS TO
ARTICLES OF INCORPORATION**

I, **MARK O. DAVIS**, do hereby certify that I am the duly elected, qualified and acting Secretary of the Board of Directors of the **SOUTH EASTERN WATER ASSOCIATION, INC.**, a Kentucky Corporation; that the attached copy of the Articles of Incorporation/Consolidation of the Corporation is a true and correct copy of said Articles; that said Articles have not been amended; and that said Articles are still in full force and effect.

This 14th day of March, 2022.

**SOUTH EASTERN WATER
ASSOCIATION, INC.**

BY:



MARK O. DAVIS, SECRETARY

STATE OF KENTUCKY

COUNTY OF PULASKI

The foregoing Certification was subscribed, sworn to, and acknowledged before me this 14th day of March, 2022, by **MARK O. DAVIS**, as Secretary of the **SOUTH EASTERN WATER ASSOCIATION, INC.**, a Kentucky Corporation, for and on behalf of the Corporation.



NOTARY PUBLIC, State at Large

NOTARY ID: 619318

MY COMMISSION EXPIRES: 4-10-2023

041042

ARTICLES OF CONSOLIDATION

ELIHU TATEVILLE WATER ASSOCIATION P.O. BOX 722

NAME ADDRESS

SOMERSET, KENTUCKY 42502

CITY/STATE/ZIP

AND

HELDON VALLEY WATER ASSOCIATION P.O. BOX 910

NAME ADDRESS

SOMERSET, KENTUCKY 42502

CITY/STATE/ZIP

RECEIVED & FILED
\$8.00
DEC 17 2 07 PM '93
SHERIFF'S OFFICE
CLERK OF THE COURT
KENTUCKY

KNOWN ALL MEN BY THESE PRESENTS:

That we, whose names are to subscribed, acting as incorporators for the purpose of forming a non profit corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporation under said laws, and do hereby adopt the following Articles of Consolidation and set forth the following plan of consolidation.

ARTICLE I

PLAN OF CONSOLIDATION

Pursuant to KRS 74.961, 273.281 and an Order of the Public Service Commission of Kentucky dated February 22, 1988 in Case NO. 9967, the boards of the directors of the corporations enumerated below do hereby set forth their plan of consolidation as required by KRS 273.281 and affirmatively state as follows:

1. The identities of the corporations to be consolidated are: Elihu Tateville Water Association, P.O. Box 722, Somerset, Kentucky 42502, and Nelson Valley Water Association, P.O. Box 910, Somerset, Kentucky 42502.

2. The name and address of the new corporation is to be Southeastern Water Association Inc., P.O. Box 722, Somerset, Kentucky 42502.

3. Pursuant to an Order of the Public Service Commission and after an affirmative vote by the membership of each consolidating corporation, the consolidating corporations shall cease to exist and the new corporation will assume and claim all powers, rights, privileges and immunities granted or permitted by law, and previously held and adopted by the consolidating corporations and subject to all the duties and liabilities of a corporation organized under the provisions of KRS Chapter 273.

4. The assets and liabilities of the consolidating corporations shall be merged to the extent allowed by law with the exception that outstanding obligations of the consolidating corporations which are secured by a pledge of the income and revenues of the systems operated by each of them shall continue to be retired from such money and funds as shall be collected from the users of facilities operated by such consolidated corporations in the original area served in accordance with the terms and provisions of KRS 74.361(5) and the authorizing resolutions or indentures under which the outstanding obligations were issued, until all such obligations have been retired by payment, debt consolidation or re-issuance.

5. The existing board of directors of each consolidating

corporations shall serve on the board of the new corporation until such time as the first annual election of directors to be held no later than 120 days from the filing of these articles. Thereafter, the number and terms of directors shall be governed by the provisions of Articles IX herein.

6. On April 12, 1993, at a annual meeting of the members of Elihu Tateville Water Association, duly held in accordance with KRS Chapter 273 and the Articles of Incorporation and Bylaws of Elihu Tateville Water Association, a quorum having been present and the plan of consolidation receiving two thirds votes of those present or by proxy voting, the above Plan of Consolidation was duly adopted.

7. On March 1, 1993, at a annual meeting of the members of Nelson Valley Water Association, duly held in accordance with KRS Chapter 273 and the Articles of Incorporation and Bylaws of Nelson Valley Water Association, a quorum having been present and the plan of consolidation receiving two thirds votes of those present or by proxy voting, the above Plan of Consolidation was duly adopted.

ARTICLE II

NAME

The name of this corporation shall be SOUTH EASTERN WATER ASSOCIATION INC..

ARTICLE III

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at Somerset, County of Pulaski, State of Kentucky; the registered agent at such address is Kenneth D. Morrow Manager

NAME

TITLE

1851 West Hwy. 80 Somerset, Kentucky 42501.

ADDRESS

CITY/STATE/ZIP

ARTICLE IV

PURPOSE

The purpose of said corporation shall be to establish, develop and operate a complete water supply and distribution system by purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto.

ARTICLE V

SEAL

This corporation shall have a seal, which shall contain the corporate name, Kentucky, and the words "corporate seal."

ARTICLE VI

POWERS

The corporation shall have all powers provided by law.

ARTICLE VII

MEMBERSHIP

Persons may become members of the corporation as provided in the By-Laws.

DURATION

The corporation shall be of perpetual duration.

ARTICLE IX

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a board of seven directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election, two directors shall be elected for a term of one year; two directors shall be elected for a term of two years; three directors shall be elected for a term of three years. Thereafter, directors shall be elected for a term of three years.

2. If the office of any director become vacant by reason of death, resignation, retirement, disqualification or otherwise, except removal from office, a majority of the remaining directors thought not less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next annual meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term, or terms.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election and as specified in Article I, paragraph 5, the following persons shall be Directors:

<u>NAME</u>	<u>ADDRESS</u>
Keith Dinsmore	180 Strawberry Rd. Somerset, Ky. 42501
Sam Davis	Box 84 S. Hwy. 27, Tateville, Ky. 42558
Joe Richards II	401 Pole Ridge Rd. Somerset, Ky. 42501
Earnest Stout	1466 Stout Hill Tateville, Ky. 42558
V.C. Wallace	Route 7 Box 96 Somerset, Ky. 42501
Valando Taylor	3572 Hwy. 39 Somerset, Ky. 42501
Leamon Colyer	4765 Hwy. 39 Somerset, Ky. 42501
Joe Crawford	777 Stilesville Rd. Science Hill, Ky. 42553
Bobby Crow	3821 East Coleman Rd. Somerset, Ky. 42501

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elected from their own number a President, Vice-President, Secretary and Treasurer.

6. The Board of Directors shall have other meetings as provided in the By-Laws.

ARTICLES X

MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the 2nd Monday in April, of each year at the time and place specified by the Board of Directors, notice of meeting may be by letter sent to each member or published in paper as per notice for special meeting.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon publishing in the newspaper of general circulation for three

consecutive weeks. With the first issue to run not more than 35 days prior to the meeting and the last issue to run not less than 10 days prior to the meeting, and such meeting shall be called by him at any time upon written demand of majority of the directors or of any ten (10) members and in case of his neglect or refusal to call such meeting, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two thirds vote of the members present at such meeting or voting by proxy.

ARTICLE XI

INCORPORATORS

The names and addresses of the incorporators are:

<u>NAME</u>	<u>ADDRESS</u>
Keith Dinsmore	180 Strawberry Rd. Somerset, Ky. 42501
Sam Davis	Box 84 S. Hwy. 27 Tateville, Ky. 42558
Joe Richards II	401 Pole Ridge Rd. Somerset, Ky. 42501
Earnest Stout	1466 Stout Hill, Tateville, Ky. 42558
V.C. Wallace	Route 7 Box 96 Somerset, Ky. 42501
Joe Crawford	777 Stilesville Rd, Science Hill, Ky. 4255
Bobby Crow	3821 East Coleman Rd. Somerset, Ky. 42501

ARTICLES XII

BY-LAWS

The corporation may make and amend By-Laws at its pleasure through its Board of Directors.

IN WITNESS WHEREOF, we have hereto subscribed our names this the 9th day of December, 1993.

Keith Dinsmore

KEITH DINSMORE PRESIDENT

Joe Richards II

JOE RICHARDS II SECRETARY

STATE OF KENTUCKY

COUNTY OF Pulaski

On this the 9th day of December, 1993.

before me the undersigned Notary Public, in and for the said County, personally appeared Keith Dinsmore and Joe Richards II, to me know to be the persons named in and who executed the foregoing instrument and acknowledge that they executed the same as their voluntary act and deed.

Shirley J. Cross

NOTARY PUBLIC

My commission expires: 4-13-96

IN WITNESS WHEREOF, We have hereunto subscribed our names this the

27 day of December, 1993

Valando Taylor
VALANDO TAYLOR PRESIDENT

Joe Crawford
JOE CRAWFORD SECRETARY

STATE OF KENTUCKY
COUNTY OF Pulaski

On this the 27 day of December, 1993,
before me the undersigned Notary Public, in and for said County,
personally appeared Valando Taylor and Joe Crawford,
to me know to be the persons named in and who executed the foregoing
instrument and acknowledged that they executed the same as their
voluntary act and deed.

Willard J. Hansford
NOTARY PUBLIC

My Commission expires: 4-13-96

DEC 29 1993

STATE OF KENTUCKY COUNTY OF PULASKI, SCT.
I, Willard Hansford, Clerk of the Pulaski County Court, certify that on the 27 day of Dec,
1993, the foregoing instrument was produced to me certified as above and filed for record. Whereupon I
have recorded the same, together with this certificate, this 29 day of Dec, 1993, in
Art B. Ac. Book 17 Page 665
Attest: WILLARD HANSFORD, Clerk By Margaret Jane Adams D.C.

076691

ARTICLES OF MERGER OF
SOUTH EASTERN WATER ASSOCIATION, INC.
AND
BARNESBURG WATER ASSOCIATION, INC.

JOHN T. ...
SECRETARY
...
John T. ...

NOV 26 9 17 AM '96

RECEIVED & FILED

** ** * * * * *

This is a Plan of Merger of South Eastern Water Association, Inc., a Kentucky non-profit corporation, and Barnesburg Water Association, Inc., a Kentucky non-profit corporation, prepared pursuant to the provisions of KRS 273.287. Barnesburg Water Association, Inc., is sometimes herein referred to as the "acquired corporation." South Eastern Water Association is sometimes hereinafter referred to as the "surviving corporation."

Neither the surviving corporation nor acquired corporation has members entitled to vote of the merger. The plan of merger as contained in these articles of merger were approved at a meeting of the board of directors of Barnesburg Water Association, Inc., held October 14, 1996 and the merger was approved by the Board of Directors of South Eastern Water Association, Inc., at a board of directors meeting held on October 14, 1996. The plan received the unanimous vote of the directors of both corporations in attendance at the meeting and a quorum of each board was present at the respective meetings.

A. THE PLAN OF MERGER:

1. Names: The names of the corporations proposing to be merged are South Eastern Water Association, Inc. and Barnesburg Water Association, Inc. Barnesburg Water Association, Inc., the acquired corporation, proposes to merge into South Eastern Water Association, Inc., the surviving corporation.

B. TERMS AND CONDITIONS:

The terms and conditions of the proposed merger and the mode of carrying it into effect are as follows:

1. The acquired corporation shall merge into the surviving corporation in a manner and with the effect provided by the statutes of Kentucky.
2. The merger shall be effective as of the date of filing of the Articles of Merger with the Kentucky Secretary of State.
3. On the effective date, the acquired corporation shall merge into the surviving corporation, the separate corporate existence of the acquired corporation shall cease, and South Eastern Water Association, Inc., shall continue as the surviving corporation. The address of the surviving corporation of the South Eastern Water Association, Inc., 147 East Somerset Church Road, Somerset, Kentucky 42503.
4. The surviving corporation shall assume all powers, rights, privileges and immunities granted or permitted by law, previously held and adopted by the acquired corporation and subject to the duties and liabilities of the corporation organized under the provisions of KRS Chapter 273.
5. The assets and liabilities of the acquired corporation shall be merge to the extent allowed by law, with the exception that outstanding obligations of the acquired corporation and the surviving corporation shall continue to be retired from such money and funds as shall be collected from the facilities operated by each such corporation in the original area served in accordance with the terms and provisions of KRS 74.361(5) as made applicable by KRS 74.361(9) and the authorizing resolution or indenture under which the outstanding obligations

were issued, until all of the obligations had been retired by payment, debt consolidation or reissuance.

6. The existing Board of Directors of South Eastern Water Association, Inc., along with two (2) directors of Barnesburg Water Association, Inc., being the president and vice president, shall serve on the board of the surviving corporation until such time as the annual election of directors to be held no more than two hundred (200) days from the filing of these articles. Thereafter, the number and term of the directors shall be governed by the provisions of Article VIII of the bylaws upon proper notice as indicated in the bylaws. The bylaws of South Eastern Water Association, Inc. shall be amended accordingly and said amended bylaws shall be the bylaws of the surviving corporation.

C. BOARD OF DIRECTORS:

Until the first annual election of the board of directors as specified herein, the following persons shall serve as directors:

Joe Richards, Sr.,	3735 Rush Branch Road, Somerset, Kentucky 42501
Sam Davis,	P. O. Box 320, Tateville, Kentucky 42558
Ernest Stout,	230 Stout Hill, Burnside, Kentucky 42519
Joe Richards, II,	401 Poleridge Road, Somerset, Kentucky 42503
Virgil C. Wallace,	2780 Rush Branch Road, Somerset, Kentucky 42503
Joe Crawford,	751 Stylesville Road, Science Hill, Kentucky 42553
Bobbie Crowe,	209 E. Coleman Road, Somerset, Kentucky 42503
Harvey Phelps,	1271 Old Mt. Vernon Road, Somerset, Kentucky 42503
Wade Bumgardner,	861 Old Mt. Vernon Road, Somerset, Kentucky 42503

Done under our hands on this the 14 day of October, 1996.

BARNESBURG WATER ASSOCIATION, INC.

BY: Harvey Phelps
Harvey Phelps, President

SOUTH EASTERN WATER ASSOCIATION, INC.

BY: Joe Richards
Joe Richards, President

E:\WP\WIN60\WPDOCS\CORP\SOUTH1AR2.WPD

STATE OF KENTUCKY COUNTY OF PULASKI, SCT.

I, Willard Hansford, Clerk of the Pulaski County Court, certify that on the 27 day of Nov, 1996, the foregoing instrument was produced to me certified as above and filed for record. Whereupon I have recorded the same, together with this certificate, this 2 day of Dec, 1996, in

Out of Inc Book 20 Page 91

Attest: WILLARD HANSFORD, Clerk By Donnaugh Donnaugh D.C.

EXHIBIT 3

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 266784

Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

SOUTH EASTERN WATER ASSOCIATION INC.

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is December 17, 1993 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

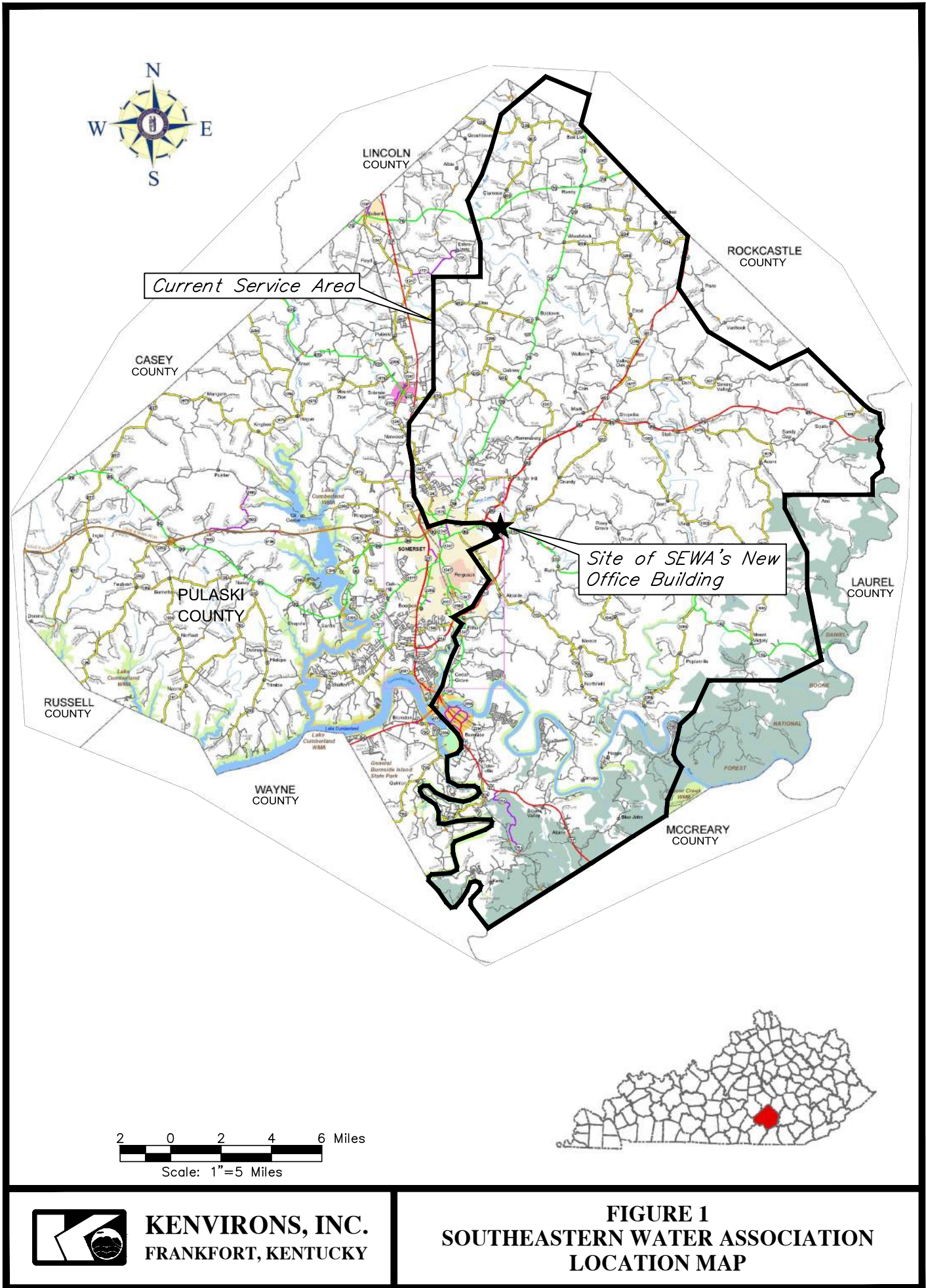
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 13th day of March, 2022, in the 230th year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
266784/0324021

EXHIBIT 4




KENVIRONS, INC.
FRANKFORT, KENTUCKY

FIGURE 1
SOUTHEASTERN WATER ASSOCIATION
LOCATION MAP

EXHIBIT 5

Existing Office Building

Legend

 Southeastern Water Association

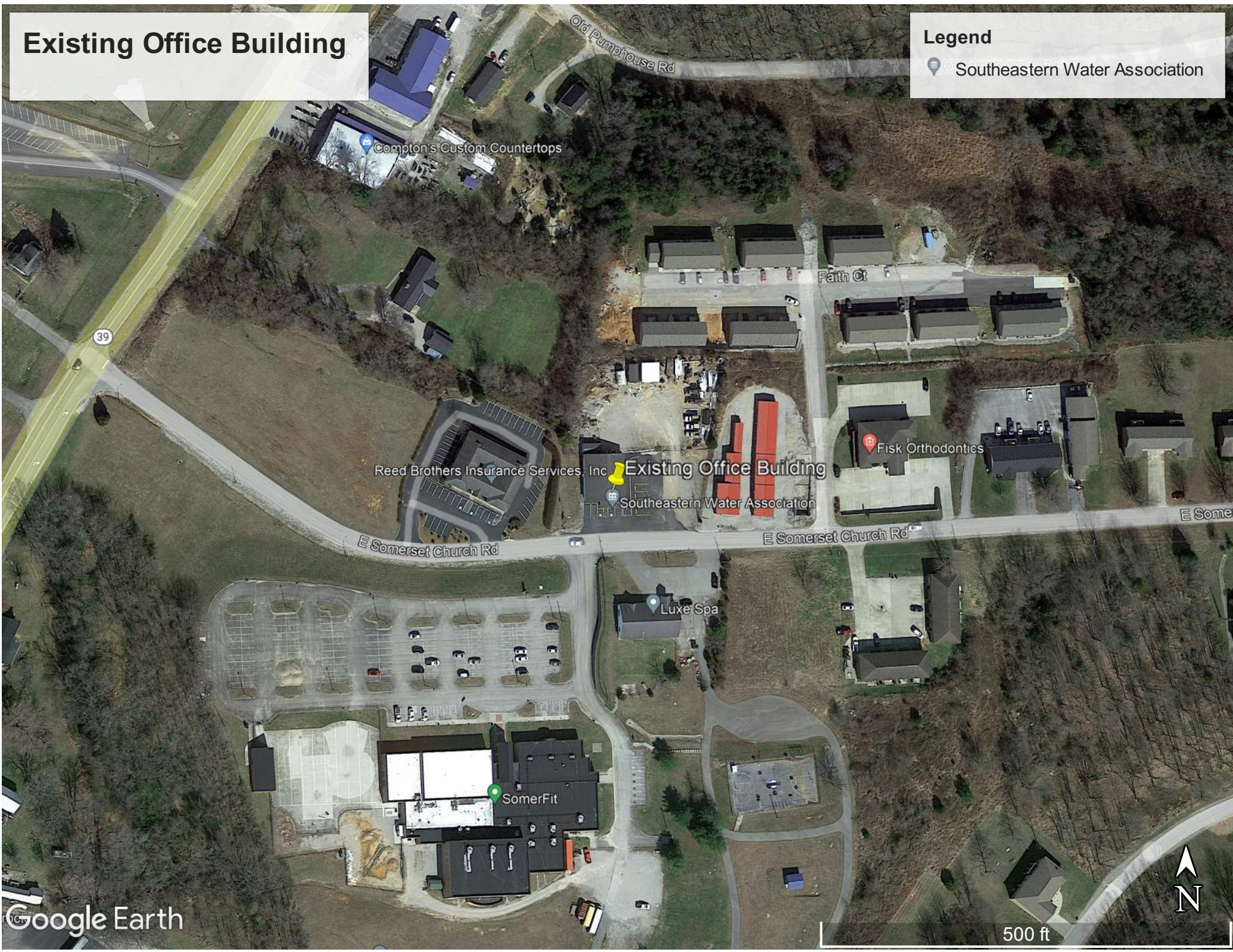


EXHIBIT 6

Site of New Office Building

Legend



Site of New Office Building

Pulaski County 911 Center

Shell

Jordans Way

914

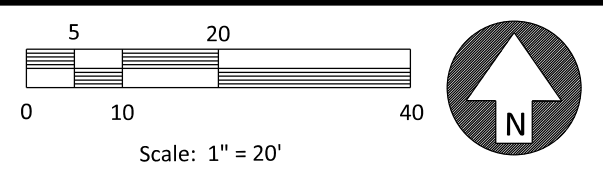
192

914

692



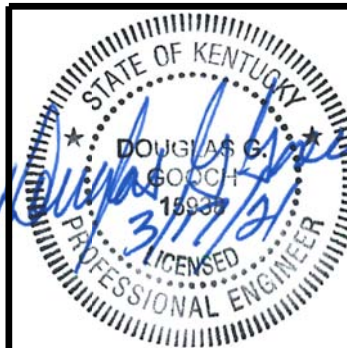
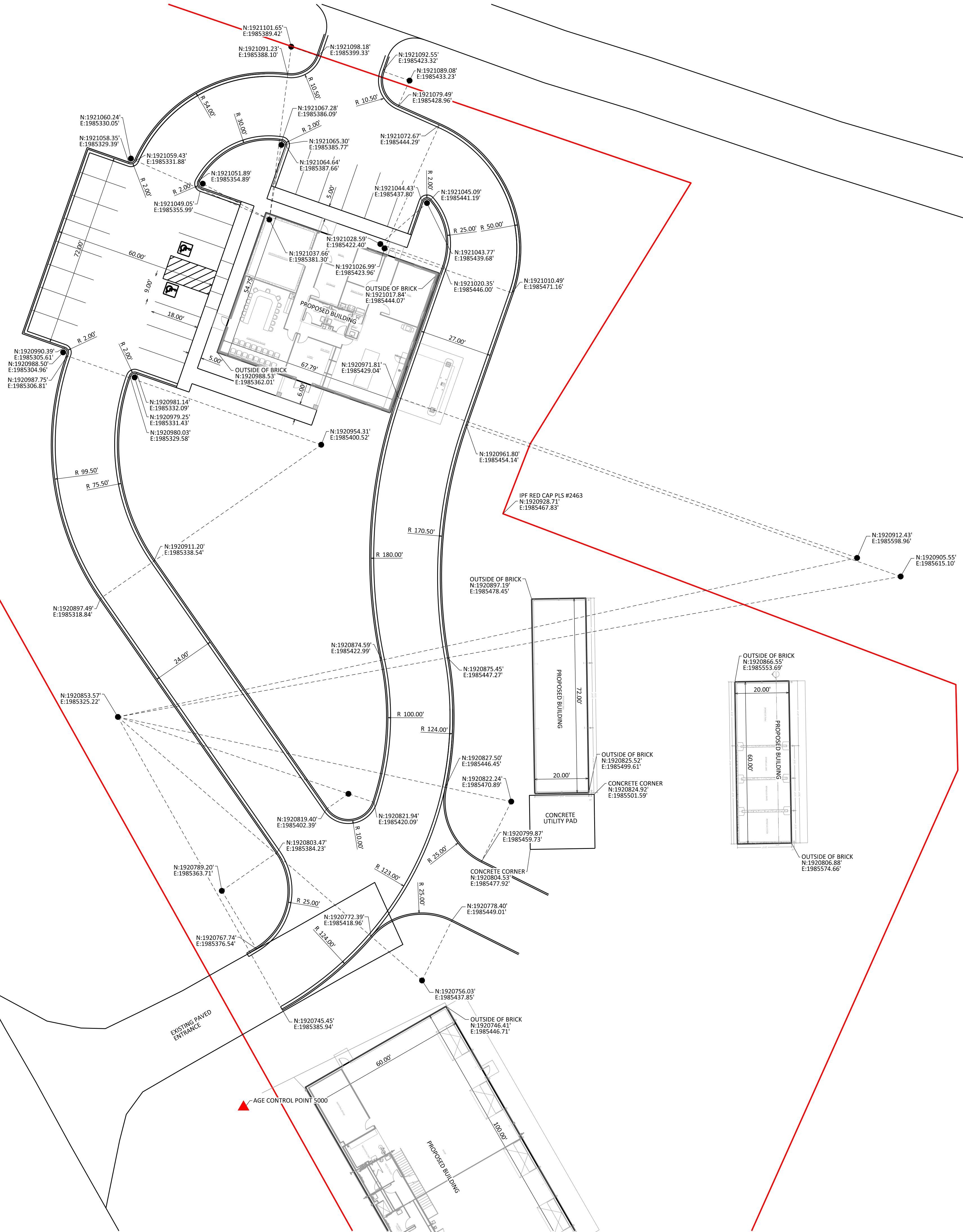
EXHIBIT 7



NOTES

- 1.) SURVEY DATUM:
SURVEY CONTROL WAS ESTABLISHED VIA A KYCORS VRS ENABLED GPS SYSTEM.
HORIZONTAL: KENTUCKY SOUTH STATE PLANE COORD. SYSTEM (NAD83)
VERTICAL: NORTH AMERICAN VERTICAL DATUM 1988 - GEOID 12A
ALL HORIZONTAL AND VERTICAL MEASUREMENTS SHOWN HEREON ARE EXPRESSED IN US SURVEY FEET.
- 2.) THE CONTROL MONUMENTS SHOWN HEREON WERE SET WITH AN RTK GPS SYSTEM. THE EXPECTED ACCURACY OF THE MONUMENT SHOULD BE 0.03 +/- FEET HORIZONTAL AND 0.05 +/- VERTICAL.
- 3.) THE BOUNDARY LINE SHOWN HEREON IS BASED ON THE RECREATION OF THE PROPERTY LINE AS DESCRIBED IN D.B. 963, PG. 137 AND FIT BASED ON FIELD LOCATED SURVEY MONUMENTS.
- 4.) THE STATE PLANE COORDINATES SHOWN HEREON ARE FACE OF CURB OR RADIUS POINT UNLESS OTHERWISE NOTED. RADII SHOWN HEREON ARE AT FACE OF CURB.
- 5.) CONTRACTOR TO CONFIRM BUILDING DIMENSIONS WITH ARCHITECTURAL PLANS.

AGE SURVEY CONTROL POINTS				
PT#	NORTHING	EASTING	ELEVATION	DESCRIPTION
5000	1920709.15	1985371.73	980.33'	IRON PIN SET WITH RED CAP
5002	1921217.54	1985024.86	-----	PK NAIL SET



DATE: 03/17/2021
SCALE: 1" = 20'
DRAWN BY: GOOCH
APPROVED BY: GOOCH
FILENAME: 21053CONST

DIMENSION PLAN
SOUTHEASTERN WATER ASSOCIATION
SOMERSET
PULASKI COUNTY, KENTUCKY

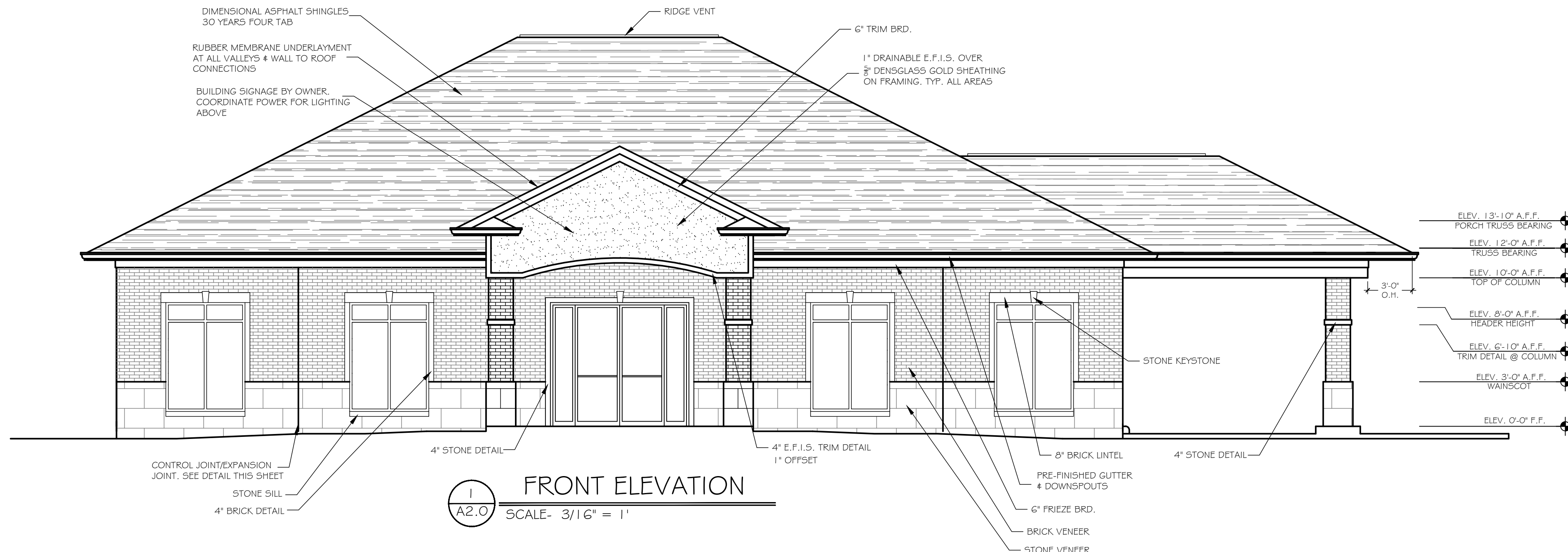
OWNER:
SOUTHEASTERN WATER ASSOCIATION
147 E. SOMERSET CHURCH ROAD
SOMERSET, KY 42503

P.O. BOX 204
165 FOSTER LANE
STANFORD, KY 40484
PHONE (606) 365-8362
FAX (606) 365-1097



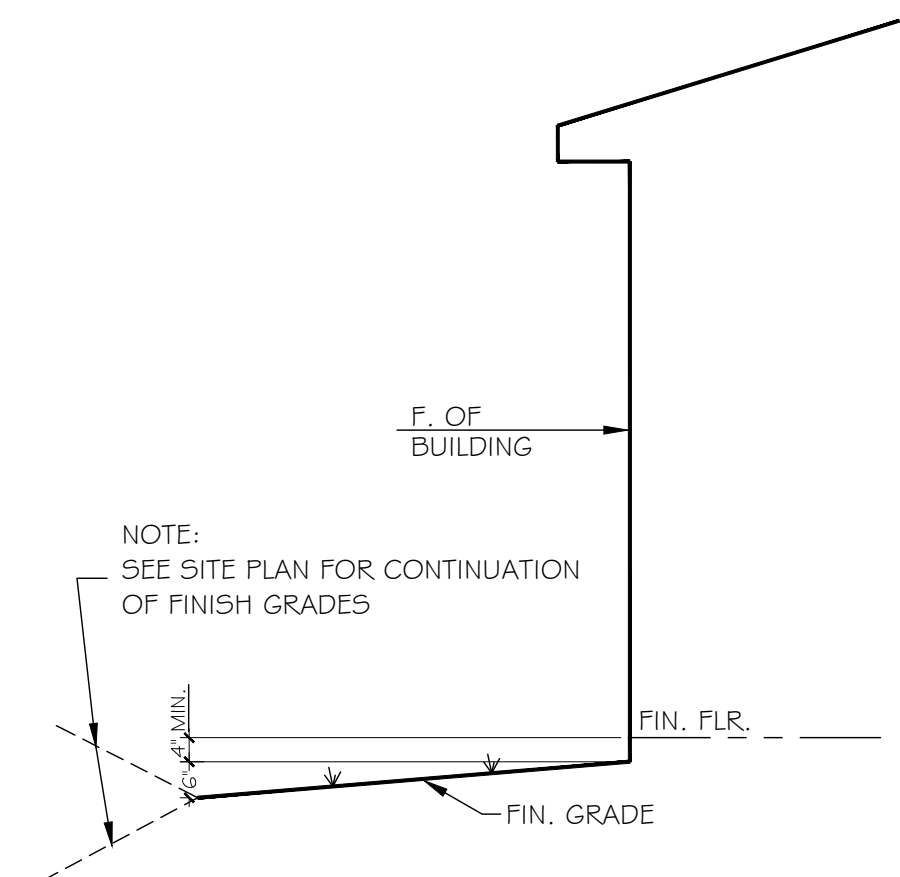
REVISION(S)

EXHIBIT 8

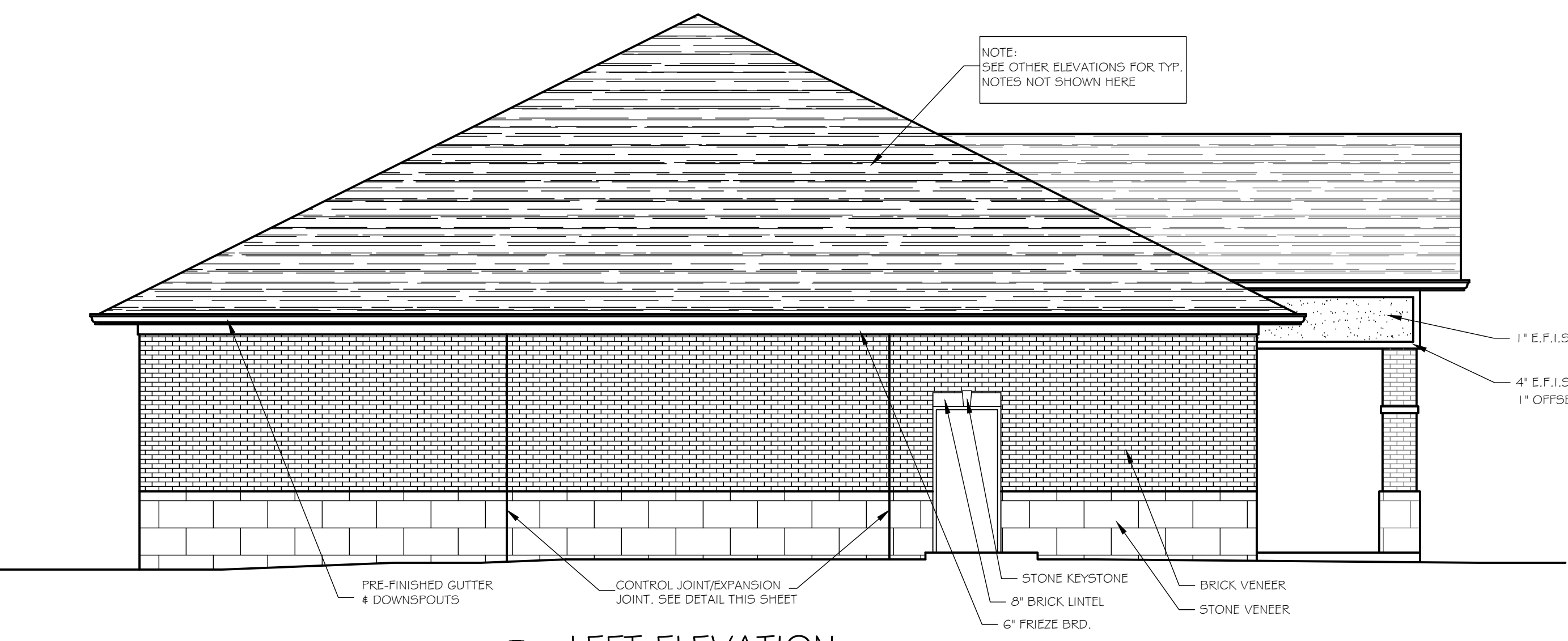


1 FRONT ELEVATION
SCALE- 3/16" = 1"

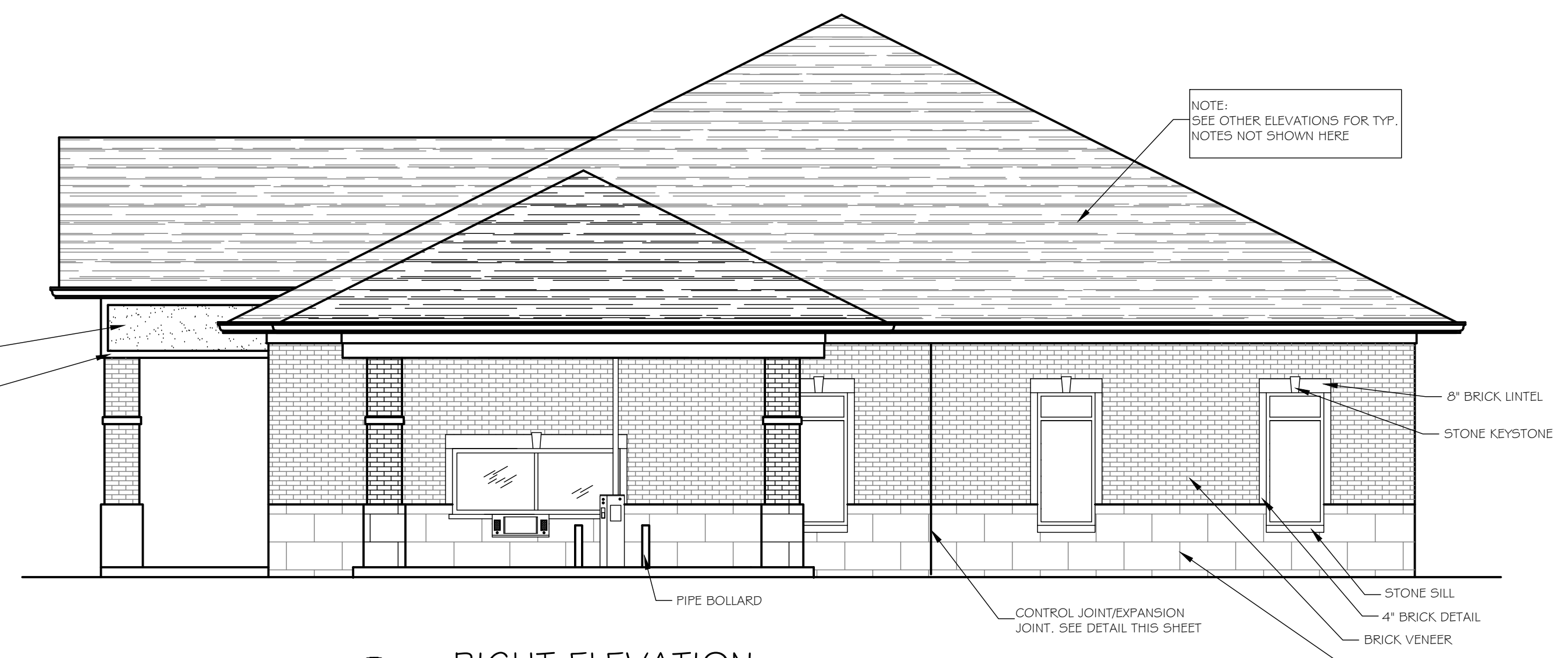
- ELEV. 13'-10" A.F.F. PORCH TRUSS BEARING
- ELEV. 12'-0" A.F.F. TRUSS BEARING
- ELEV. 10'-0" A.F.F. TOP OF COLUMN
- ELEV. 8'-0" A.F.F. HEADER HEIGHT
- ELEV. 6'-10" A.F.F. TRIM DETAIL @ COLUMN
- ELEV. 3'-0" A.F.F. WAINSCOT
- ELEV. 0'-0" F.F.



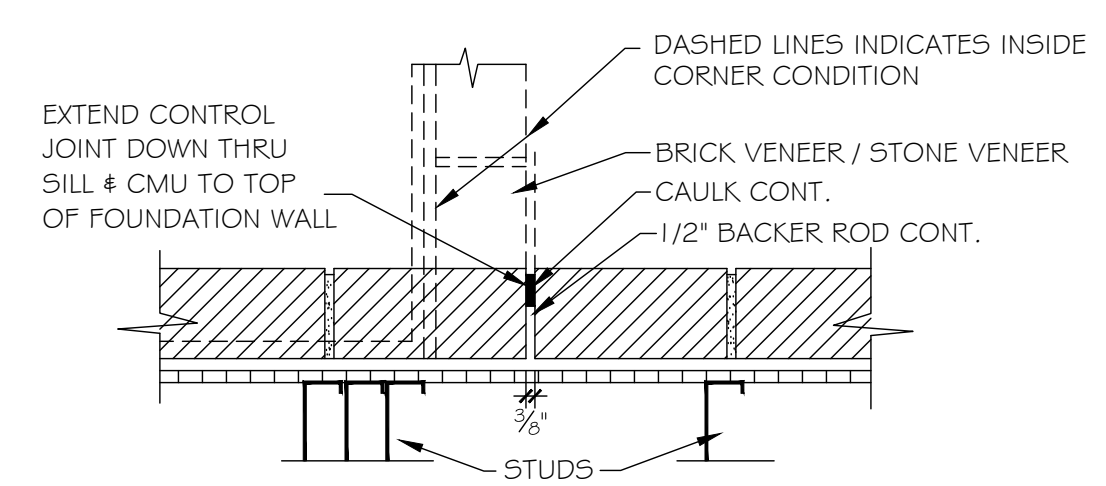
TYP. MIN. GRADE DETAIL AT PERIMETER OF BUILDING



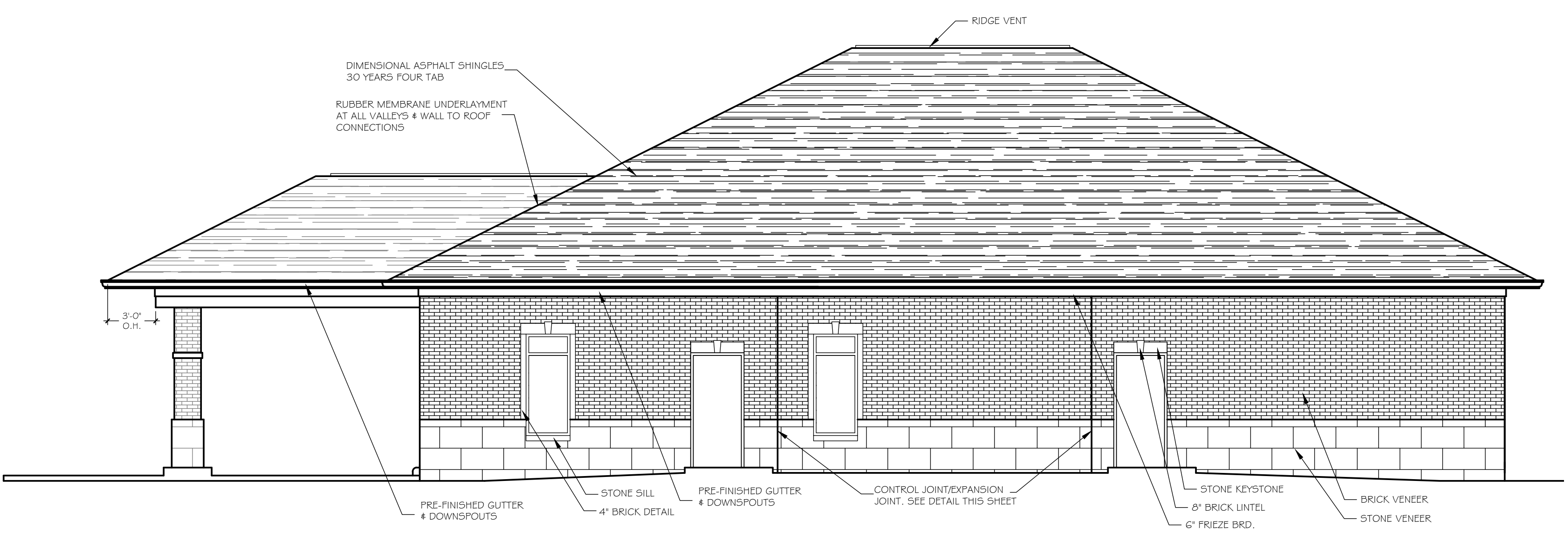
2 LEFT ELEVATION
SCALE- 3/16" = 1"



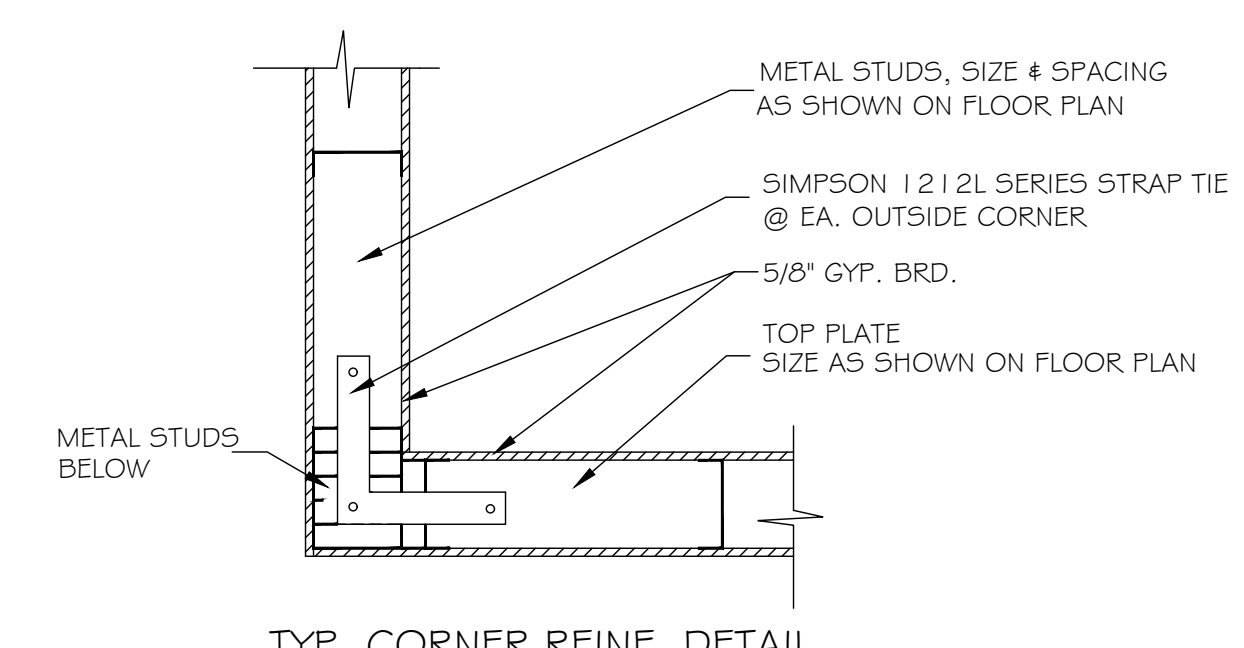
3 RIGHT ELEVATION
SCALE- 3/16" = 1"



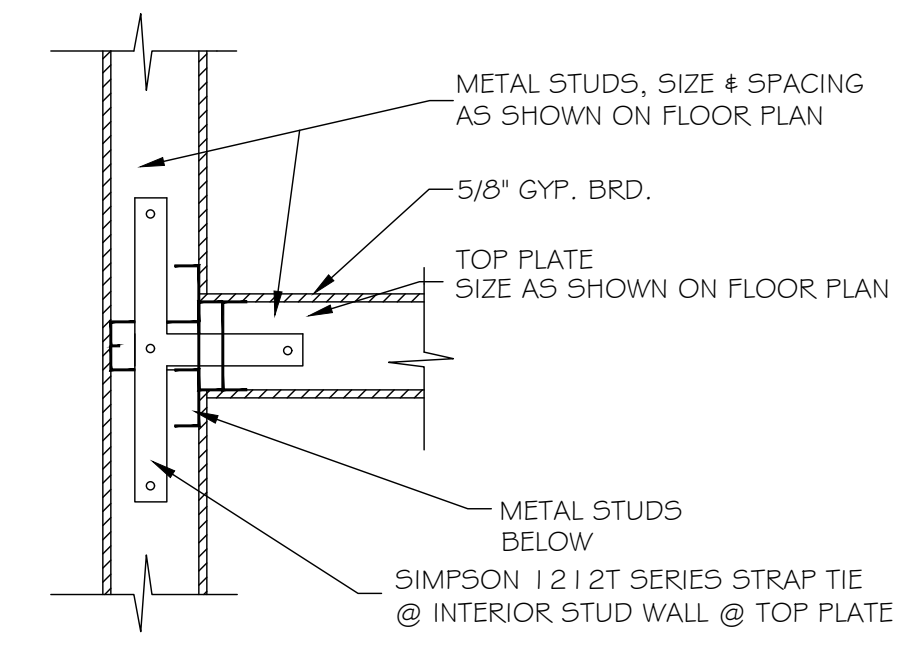
TYP. BRICK CONTROL JOINT DETAIL
SCALE- N/A



4 BACK ELEVATION
SCALE- 3/16" = 1"



TYP. CORNER REINF. DETAIL
SCALE- N.T.S.



TYP. 12" WALL REINF. DETAIL
SCALE- N.T.S.

General Notes

PLEASE NOTE:



1-14-21

No.	Revision/Issue	Date



Engineering for
Architectural • Mechanical
Systems

Eric N. Woodridge, P.E.
512 Hwy 300
Stanford, KY 40484
606.365.8070
606.669.0612 (cell)
eric.wd@gmail.com

PROJECT NAME AND ADDRESS
SE WATER OFFICE
NEW BUILDING
PULASKI CO. KY

SHEET NAME
ELEVATION VIEWS

PROJECT NUMBER 1519	SHEET A2.0
DATE: 1-14-21	SCALE AS NOTED

EXHIBIT 9

(This Exhibit is too large to be included with all the other Exhibits and will be filed separately.)

EXHIBIT 10

(This Exhibit is too large to be included with all the other Exhibits and will be filed separately.)

EXHIBIT 11

(This Exhibit is too large to be included with all the other Exhibits and will be filed separately.)

EXHIBIT 12

20.00
150.00
✓3742



PROPOSED LOCATION

DEED OF CONVEYANCE

THIS DEED OF CONVEYANCE made and entered into this 1st day of June 2017, by and

between **DOUGLAS HAIL** and **PAMELA HAIL**, husband and wife, of 320 Hidden Pointe Lane, Somerset, Kentucky 42501, *PARTIES OF THE FIRST PART*, and **SOUTH EASTERN WATER ASSOCIATION, INC.**, a Kentucky non-profit corporation, of 147 East Somerset Church Road, Somerset, Kentucky 42503, *PARTY OF THE SECOND PART*,

WITNESSETH: That for and in consideration of the sum of **ONE HUNDRED FIFTY-THOUSAND DOLLARS (\$150,000.00)**, the receipt and sufficiency of which are hereby acknowledged, the Parties of the First Part do hereby give, grant, bargain, sell and convey unto the Party of Second Part, its successors and assigns, forever, in fee simple, the following described real property to wit:

A certain tract of land located east of the city of Somerset on the west right-of-way of KY Hwy 914 and Marvin Hail Lane in Pulaski County, Kentucky and is more particularly described as follows:

Unless stated otherwise, any monument referred to herein as "pin and cap" is a set 5/8" diameter steel rebar, eighteen (18") inches in length, with a red plastic survey cap stamped "J.C.D. PLS 3138". All bearings shown hereon were correlated to grid north (Kentucky State Plane Single Zone) as observed by GPS observations on 04/18/17.

BEGINNING at a "pin and cap" located on the South right-of-way of Marvin Hail Lane, formally KY Hwy 192 (road deed book 002, page 025-Parcel No. 14), said "pin and cap" having a Kentucky State Plane Single Zone Coordinates of N: 3,561,521.58 E: 5,266,385.99 and being a common corner to David Casada (deed book 874, page 340); Thence with Casada S 31°38'50" W a distance of 112.56' to a found 1/2" steel rebar with a red plastic survey cap stamped W. Daulton 2463; Thence S 21°15'45" W a distance of 27.76' to a found 1/2" steel rebar with a red plastic survey cap stamped W. Daulton 2463; Thence S 69°21'36" E a distance of

103.37' to a found ½" steel rebar with a red plastic survey cap stamped W. Daulton 2463 being a common corner to David Casada (deed book 836, page 176); Thence with Casada S 69°21'36" E a distance of 75.86' to a found ½" steel rebar with a red plastic survey cap stamped W. Daulton 2463; Thence S 01°19'03" E a distance of 31.71' to a found ½" steel rebar with a red plastic survey cap stamped W. Daulton 2463; Thence S 24°06'55" W a distance of 127.89' to a found ½" steel rebar with a red plastic survey cap stamped W. Daulton 2463 being a common corner to David Casada (deed book 854, page 160); Thence with Casada S 24°05'14" W a distance of 219.75' to a "pin and cap" located in the west right-of-way of KY Hwy 914 (road deed book 018, page 586-Parcel No. 53-A), said rebar bears S 36°28'10" W a distance of 1,802.23' to a GPS control monument being a 5/8" rebar, 18" in length with an orange plastic survey cap stamped survey control; Thence with KY Hwy 914 N 29°14'35" W a distance of 515.29' to a found 2-1/2" galvanized brace post; Thence N 21°30'25" W a distance of 230.63' to a "pin and cap" located in the right-of-way of Marvin Hail Lane; Thence with Marvin Hail Lane S 71°09'08" E a distance of 400.66' to the **POINT OF BEGINNING** having an area of **3.03 ACRES** according to a field survey completed on April 24th, 2017 and performed under the direct supervision of Jody C. Dagley PLS 3138, with JD Land Surveying, Inc.

See also Plat of same titled Southeastern Water Assoc. (Hail Tract) filed of record in Plat Cabinet F, Slide 85B, Pulaski County Court Clerk's Office, Somerset, Kentucky.

BEING THE SAME PROPERTY acquired by Douglas Hail from The Mildred Hail Revocable Living Trust by Deed dated October 2, 1991, filed of record in Deed Book 963, Page 135, Pulaski County Court Clerk's Office, Somerset, Kentucky.

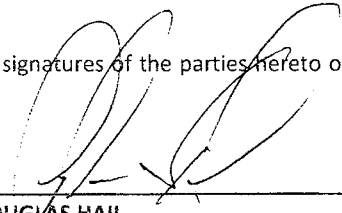
TO HAVE AND TO HOLD, the same, together with all appurtenances thereunto belonging unto the Party of the Second Part, its successors and assigns, forever, in fee simple, with **Covenant of General Warranty of Title**.

CONSIDERATION CERTIFICATE: The undersigned hereby swear and affirm under penalty of perjury that the consideration stated herein is the full actual consideration paid or to be paid for the property transferred herein.

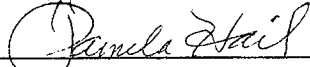
PURSUANT TO KRS 382.135(C), the parties hereby certify that the in-care-of address to which the transfer year property tax bill should be mailed is: *147 East Somerset Church Road, Somerset, Kentucky 42503.*

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto on this the day and year first above written.

FIRST PARTIES:

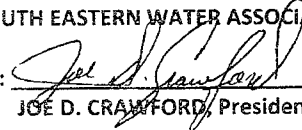


DOUGLAS HAIL



PAMELA HAIL

SECOND PARTY:

SOUTH EASTERN WATER ASSOCIATION, INC.
By: 

JOE D. CRAWFORD, President

STATE OF KENTUCKY

COUNTY OF PULASKI

I hereby certify that the foregoing **Deed of Conveyance** and **Consideration Certificate** were subscribed, acknowledged and sworn to before me on this 1st day of June 2017 by **Douglas Hail** and **Pamela Hail**, husband and wife, as their voluntary act and deed in due form of law.



NOTARY PUBLIC, STATE-AT-LARGE

My commission expires: 3.16.2019

STATE OF KENTUCKY

COUNTY OF PULASKI

I hereby certify that the foregoing Deed of Conveyance and Consideration Certificate were subscribed, acknowledged and sworn to before me on this 1st day of June 2017 by Joe D. Crawford as duly appointed President on behalf of South Eastern Water Association, Inc., a Kentucky non-profit corporation.


NOTARY PUBLIC, STATE-AT-LARGE

My commission expires: 3.16.2019

THIS INSTRUMENT PREPARED BY:



D. BRUCE ORWIN
ATTORNEY AT LAW
POST OFFICE BOX 716
SOMERSET, KENTUCKY 42502
606-678-4386

m:\plc\real estate\deeds\2017\hail, doug & pam to south eastern water assoc.docx

Filed: 06/01/2017 12:40:40 PM
Linda Burnett, County Clerk
Pulaski County, KY

Received By: PAM JONES
Documentary Tax Paid: \$150.00

423415

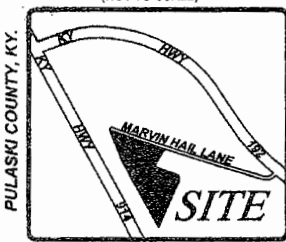


LEGEND:

- (GPS) SET 5/8" STEEL REBAR, 18" IN LENGTH WITH A RED PLASTIC SURVEY CAP STAMPED J.C.D. PLS. 3138
 - (GPS) 1/2" STEEL REBAR WITH A RED PLASTIC SURVEY CAP STAMPED W. DAULTON 2483
 - (GPS) EXISTING 2-1/2" GALVANIZED BRACE POST
 - (GPS) CONTROL MONUMENT BEING A 5/8" REBAR, 18" IN LENGTH WITH AN ORANGE PLASTIC SURVEY CAP STAMPED SURVEY CONTROL POB POINT OF BEGINNING
- BOUNDARY LINE
 - BOUNDARY LINE COINCIDENT WITH RIGHT-OF-WAY
 - RIGHT-OF-WAY
 - REFERENCE LINE
 - APPROXIMATE LOCATION OF ADJOINING PROPERTY LINE

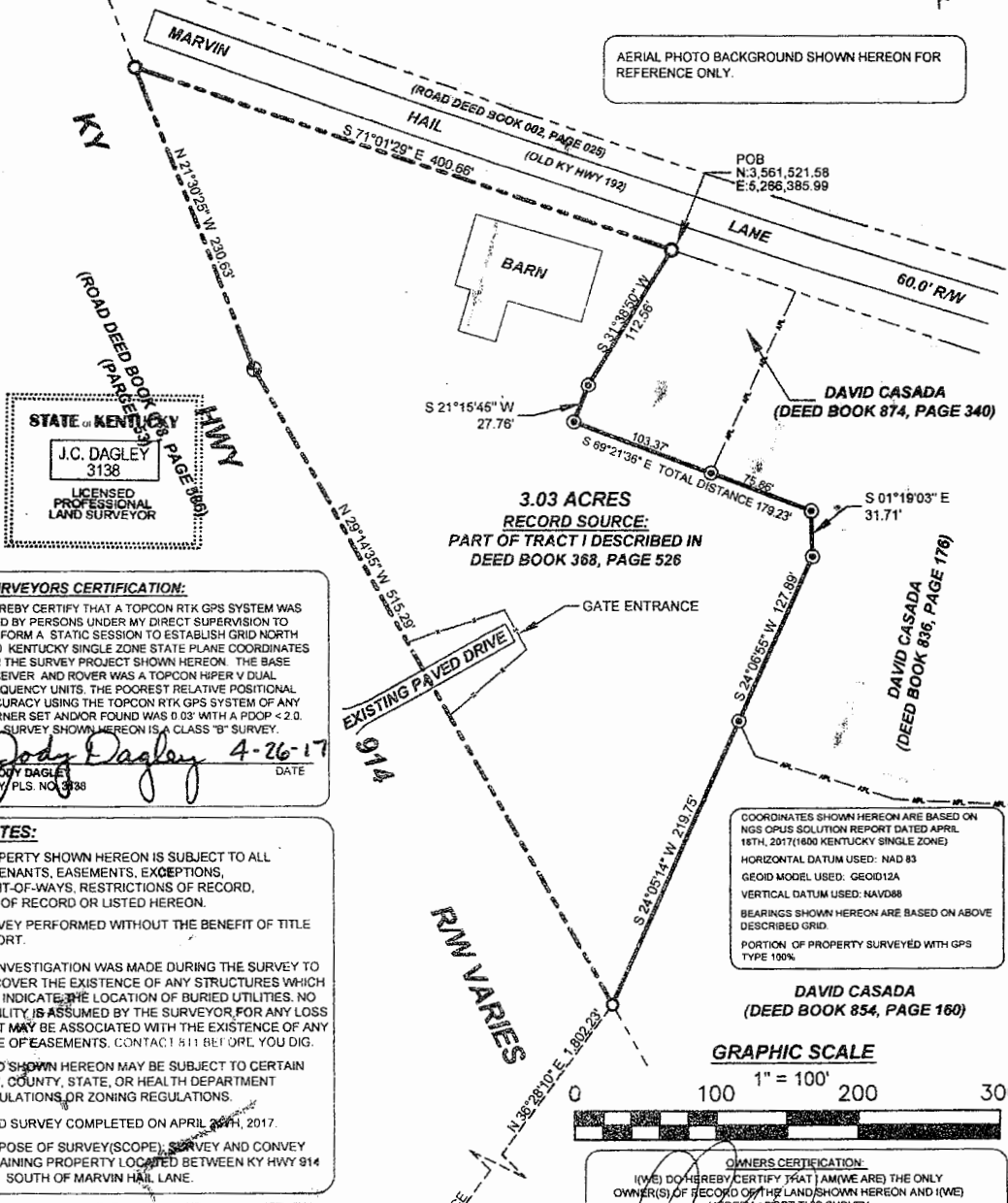
Filed: 06/01/2017 12:33:01 PM
 Linda Burnett, County Clerk
 Pulaski County, KY
 Received By: PAM JONES

VICINITY MAP (NOT TO SCALE)



NORTH
 GRID
 BEARINGS SHOWN HEREON WERE CORRELATED TO GRID NORTH KENTUCKY SFC (1600 SINGLE ZONE, PER GPS OBSERVATIONS AS OBSERVED ON 04/18/17).

AERIAL PHOTO BACKGROUND SHOWN HEREON FOR REFERENCE ONLY.

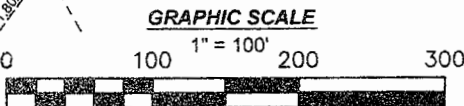


STATE OF KENTUCKY
 J.C. DAGLEY
 3138
 LICENSED PROFESSIONAL LAND SURVEYOR

SURVEYORS CERTIFICATION:
 I HEREBY CERTIFY THAT A TOPCON RTK GPS SYSTEM WAS USED BY PERSONS UNDER MY DIRECT SUPERVISION TO PERFORM A STATIC SESSION TO ESTABLISH GRID NORTH AND KENTUCKY SINGLE ZONE STATE PLANE COORDINATES FOR THE SURVEY PROJECT SHOWN HEREON. THE BASE RECEIVER AND ROVER WAS A TOPCON HIPER V DUAL FREQUENCY UNITS, THE POOREST RELATIVE POSITIONAL ACCURACY USING THE TOPCON RTK GPS SYSTEM OF ANY CORNER SET AND/OR FOUND WAS 0.03" WITH A PDOP < 2.0. THE SURVEY SHOWN HEREON IS A CLASS "B" SURVEY.
 Jody Dagley 4-26-17 DATE
 JODY DAGLEY
 KY PLS. NO. 3138

NOTES:
 PROPERTY SHOWN HEREON IS SUBJECT TO ALL COVENANTS, EASEMENTS, EXCEPTIONS, RIGHT-OF-WAYS, RESTRICTIONS OF RECORD, NOT OF RECORD OR LISTED HEREON.
 SURVEY PERFORMED WITHOUT THE BENEFIT OF TITLE REPORT.
 NO INVESTIGATION WAS MADE DURING THE SURVEY TO DISCOVER THE EXISTENCE OF ANY STRUCTURES WHICH MAY INDICATE THE LOCATION OF BURIED UTILITIES. NO LIABILITY IS ASSUMED BY THE SURVEYOR FOR ANY LOSS THAT MAY BE ASSOCIATED WITH THE EXISTENCE OF ANY TYPE OF EASEMENTS. CONTACT 811 BEFORE YOU DIG.
 LAND SHOWN HEREON MAY BE SUBJECT TO CERTAIN CITY, COUNTY, STATE, OR HEALTH DEPARTMENT REGULATIONS OR ZONING REGULATIONS.
 FIELD SURVEY COMPLETED ON APRIL 26TH, 2017.
 PURPOSE OF SURVEY (SCOPE), SURVEY AND CONVEY REMAINING PROPERTY LOCATED BETWEEN KY HWY 914 AND SOUTH OF MARVIN HAIL LANE.

COORDINATES SHOWN HEREON ARE BASED ON NGS CPUS SOLUTION REPORT DATED APRIL 18TH, 2017 (1600 KENTUCKY SINGLE ZONE)
 HORIZONTAL DATUM USED: NAD 83
 GEOD MODEL USED: GEOID12A
 VERTICAL DATUM USED: NAVD88
 BEARINGS SHOWN HEREON ARE BASED ON ABOVE DESCRIBED GRID.
 PORTION OF PROPERTY SURVEYED WITH GPS TYPE 100%



SURVEY TITLE:
 SOUTHEASTERN WATER ASSOC.
 (HAIL TRACT)

CLIENT(S): SOUTHEASTERN WATER ASSOC. P.O. BOX 778 SOMERSET, KY 42502
PROPERTY OWNER(S): DOUGLAS AND PAMELA HAIL 885 HIGHWAY 192 SOMERSET, KY 42501

"THIS PLAT DEPICTS A BOUNDARY SURVEY THAT COMPLIES WITH 201 KAR 18:150"

LOCATION OF PARCEL:
 LAT: 37°05'51.9613"
 LON: 84°34'01.4630"

SCALE: 1" = 100'
DRAWN BY: M.S.
PROJECT FILE: JD-610

DRAWING DATE: 04/26/17
FIELD CREW ID: J.C.D./R.M./J.D.
DRAWING NO.: JD-B10A

GPS CONTROL MONUMENT
 N: 3,559,538.34
 E: 3,265,272.13

JD LAND SURVEYING, INC.
 116 DERRY LANE BOSTON, KY 42016 PHONE: (502) 651-1920 EMAIL: jdagley@jdsurvey.com

- Boundary Surveys
- Commercial
- Residential
- Topographic Surveys
- Farms
- Subdivision Layout
- ALTA-ACSM
- Construction

OWNERS CERTIFICATION:
 (WE) DO HEREBY CERTIFY THAT I AM (WE ARE) THE ONLY OWNER(S) OF RECORD OF THE LAND SHOWN HEREON AND I (WE) HEREBY ADOPT THIS SURVEY.

OWNER: Pamela Hail DATE: 6/1/17
 OWNER: DATE: 6/1/17

STATE OF KENTUCKY) J.C.T.
 COUNTY OF PULASKI)
 THE FOREGOING INSTRUMENT WAS SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME BY Pamela Hail ON THIS DATE 6-1-17

STATE OF KENTUCKY) J.C.T.
 COUNTY OF PULASKI)
 THE FOREGOING INSTRUMENT WAS SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME BY Pamela Hail ON THIS DATE 6-1-17

NOTARY PUBLIC
 MY COMM. EXPIRES 3-16-19

607 12 15

EXHIBIT 13

ESTIMATED ANNUAL COST OF OPERATION (MONTHLY)

EXPENSE	EXISTING OFFICE BUILDING	PROPOSED CUSTOMER SERVICE CENTER
Heat & A/C	\$ 692	\$ 298
Internet Service	120	120
Telephone	607	607
Building Insurance	460	314
Janitorial	583	420
Total (Monthly)	\$ 2,462	\$ 1,759
Total (Annual)	\$ 29,544	\$ 21,108
Annual Savings:		\$ 8,436

EXHIBIT 14

BID TABULATION
New Office Building and Other Facilities
South Eastern Water Association, Inc.

Bidder	Amount
D. C Trimble, Inc.	\$ 1,919,870
Roger Thompson	\$ 1,944,478
Van Hook Enterprises, Inc.	\$ 2,085,000
CKY Operations	\$ 2,239,777

Note: All Bids Were Lump Sum Bids

EXHIBIT 15

PROJECT COST SUMMARY
New Office Building and Other Facilities
South Eastern Water Association, Inc.

Project Expense	Amount
1. Construction	\$ 1,919,870
2. Architectural Fees	
A. Design	\$ 50,000
B. Contract Administration	\$ 15,000
C. Inspection	\$ 10,000
3. Legal and Administrative	\$ 25,000
4. Contingency (5% of Line 1)	\$ 95,994
TOTAL PROJECT COST	\$ 2,115,864

EXHIBIT 16

Southeastern Water Association, Inc.
Statements of Net Assets
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 202,573	\$ 2,580,800
Short-term cash investments	2,777,154	2,484,563
Accounts receivable (net of allowance)	358,819	389,832
Inventory	189,431	64,793
Prepaid expenses	65,957	56,015
Total current assets	3,593,935	5,576,003
Property, Plant and Equipment		
Property, plant and equipment	43,129,007	38,169,966
Accumulated depreciation	(17,637,910)	(16,617,480)
Net property, plant and equipment	25,491,097	21,552,486
Other Assets		
Rural water 2015 (net of amortization)	52,406	55,130
Restricted cash accounts	1,785,612	1,172,862
Total other assets	1,838,018	1,227,992
Total Assets	\$ 30,923,050	\$ 28,356,482

See accountants' compilation report.

Southeastern Water Association, Inc.
Statements of Net Assets
December 31, 2021 and 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 544,896	\$ 299,699
Accrued payroll liabilities	5,531	5,373
Accrued taxes	12,276	10,140
Accrued interest payable	58,698	24,659
Advance tap-on fees	8,235	8,235
Current portion of long-term debt	323,500	323,500
Total current liabilities	953,137	671,606
Long-term Liabilities		
Long-term debt	11,590,864	10,372,365
Net of current portion	(323,500)	(323,500)
Total long-term liabilities	11,267,364	10,048,865
Total Liabilities	12,220,501	10,720,471
Net Assets		
Reserved by contract	1,242,205	1,242,205
Reserved by board	1,120,000	1,120,000
Membership fees	154,226	147,756
Tap-on fees	3,147,083	3,147,083
Contributed equity	9,729,631	9,729,631
Other	3,309,404	2,249,336
Total net assets	18,702,549	17,636,011
Total Liabilities and Net Assets	\$ 30,923,050	\$ 28,356,482