

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

In the Matter of:

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

**RESPONSE OF
SOUTH EASTERN WATER ASSOCIATION, INC.
TO
COMMISSION STAFF'S SECOND
REQUEST FOR INFORMATION
DATED JUNE 14, 2022**

FILED: June 27, 2022

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**RESPONSE OF SOUTH EASTERN WATER ASSOCIATION, INC. TO
COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION**

Comes South Eastern Water Association, Inc. (“South Eastern Water”) for its Response to Commission Staff’s Second Request for Information, and states as shown on the following pages.



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CASE NO. 2022-00065

**CERTIFICATION OF RESPONSE OF SOUTH EASTERN WATER
ASSOCIATION, INC. TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of South Eastern Water's Responses to Commission Staff's Second Request for Information. The response submitted on behalf of South Eastern Water is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

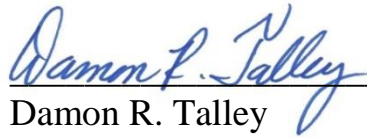
Date: June 27, 2022



Morris Vaughn, General Manager
South Eastern Water Association, Inc.

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on June 27, 2022; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



Damon R. Talley

SOUTH EASTERN WATER ASSOCIATION, INC.

CASE NO. 2022-00065

**Response to Commission Staff's Second
Request for Information**

Question No. 1

Responding Witness: Morris Vaughn

Q-1. Refer to South Eastern Water's Response to Commission Staff's First Request for Information (Staff's First Request), Item 2(a) where it states that South Eastern Water "believes that it purchased the property at below market price" in 2017.

- a. Identify the original owner of the parcel of real property that approached South Eastern Water about buying the property.**

Answer: Douglas Hail

- b. State whether this person had any personal or professional relationship with any employees or board members of South Eastern Water at the time South Eastern Water was approached with the proposal to purchase the property.**

Answer: To the best of our knowledge, Mr. Hail did not have any personal or professional relationship with any employees or board members of South Eastern Water.

- c. Provide any written or oral communications regarding negotiations between the owner of the property and South Eastern Water for the purchase of the property.**

Answer: The property purchased from Mr. Hail on the east side (the “East Parcel”) of the Somerset Bypass (Kentucky Highway 914) was not the first parcel of land along that portion of the Somerset Bypass that South Eastern Water considered purchasing. South Eastern Water’s General Manager, Morris Vaughn, was driving along the Somerset Bypass one day during the winter of 2017 and saw a Gosser Real Estate sign advertising a parcel of commercial property for sale. This parcel was directly across the road from the parcel that South Eastern Water ultimately purchased from Mr. Hail. At the next Board meeting, Mr. Vaughn informed the Board members that a parcel of land on the west side of the Somerset Bypass (the “West Parcel”) was for sale. One of the Board members, Grant Treado, stated that he had previously looked at the parcel as a potential site for a business venture. The Board, without taking any official action, instructed Mr. Vaughn and Mr. Treado to investigate the West Parcel and report back to the board at its next meeting. Mr. Vaughn and Mr. Treado scheduled a meeting with the realtor at the site. The listing price for the West Parcel was **\$179,900**. The West Parcel was well located, but it was much too small (approximately 1.3 acres) for the needs of South Eastern Water. Mr. Vaughn and Mr. Treado informed the realtor that the West Parcel

was much too small for South Eastern Water's needs. Unbeknown to Mr. Vaughn or Mr. Treado at the time, the West Parcel was owned by an LLC or other entity either partially or totally controlled by Mr. Hail.

Shortly thereafter, Mr. Hail contacted Mr. Treado.¹ Mr. Hail stated that he owned a parcel of real estate directly across the road from the West Parcel that was much larger (3.03 acres) and it was not listed with a real estate firm. His asking price was **\$150,000**. This was approximately \$30,000 less and over 2.5 times larger than the West Parcel. Mr. Treado told Mr. Hail that he would discuss this matter with the South Eastern Water Board at its next meeting.

At the February 9, 2017 South Eastern Water Board meeting, the Board authorized Mr. Treado to negotiate the terms of an Option Agreement with Mr. Hail for the purchase of the East Parcel for the asking price of \$150,000.

- d. Provide any documentation, research, or communications (in written or oral form) concerning South Eastern Water's decision to purchase the property.**

¹ South Eastern Water's Response to Item 2(a) of Staff's First request mistakenly stated that Mr. Hail first approached its General Manager, Morris Vaughn. Since then, Mr. Treado and Mr. Vaughn have discussed this matter in more detail and Mr. Treado was the person first contacted by Mr. Hail about the East Parcel being for sale.

Answer: See the response to Question 1(c) above. In addition, attached as **Attachment 1-A** is the Minutes of the February 9, 2017 Board meeting which documents that the Board voted to obtain an Option to purchase the East Parcel from Mr. Hail. Attached as **Attachment 1-B** is the Minutes of the April 13, 2017 Board meeting which documents that the Board voted to exercise its option and purchase the East Parcel from Mr. Hail.

- e. Provide the names of any persons who participated in the decision to purchase the property, and describe their roles in the decision-making process.**

Answer: See the responses to Questions 1(c) and 1(d) above.

- f. Provide any research, including but not limited to consultations with real estate professionals, conducted in support of the conclusion that the property was purchased at below market price, and was therefore a “very wise business decision by South Eastern Water.”**

Answer: It is common knowledge that real estate prices have skyrocketed in Somerset, Pulaski County, most areas of Kentucky, and across the United States in the five (5) years since South Eastern Water purchased the site for its proposed Customer Service and Operations Facility on June 1, 2017. A prime example is the parcel directly across the Somerset Bypass from the parcel purchased by South Eastern Water. This parcel has been previously referenced in this Response as

the West Parcel. As previously discussed in this Response, the West Parcel was listed with a realtor at an asking price of \$179,900 in early 2017 when South Eastern Water investigated its purchase. Although this vacant commercial parcel only contains 1.3 acres, is considerably smaller in size than the West Parcel (1.3 acres compared to 3 acres), and has a much narrower road frontage, it ultimately sold for **\$235,000**. This is overwhelming evidence that the West Parcel purchased by South Eastern Water for **\$150,000** was a sound, if not wise, investment.

Attachment 1-C to this Response contains an aerial photo from the Pulaski County PVA Office of both the East Parcel (site of the proposed Customer Service and Operations Facility) and the West Parcel. The East Parcel is outlined in the first aerial photo (it has an irregular shape with a long road frontage on, and direct access to, the Somerset Bypass and access to the Marvin Hail Road in the rear). The West Parcel is outlined in the second aerial photo. It is almost a perfect square.

South Eastern Water has not performed any additional research nor consulted with any real estate professionals concerning the fair market value of the East Parcel that it purchased in 2017 as the site for its proposed Customer Service and Operations Facility.

In summary, South Eastern Water purchased the West Parcel because this parcel is ideally located and is well suited as the site of the proposed Customer Service and Operations Facility.

ATTACHMENT 1-A

Feb

**SOUTHEASTERN WATER ASSOCIATION, INC.
BOARD OF DIRECTORS**

MINUTES

The Board of Directors of Southeastern Water Association, Inc. met for its monthly meeting at 5:30 pm, February 9, 2013. Board members present: Joe Crawford, Dwight Faulkner, Harvey Phelps, Wade Burmgardner, Jr. Stout, Grant Treado, Bobby Crow and Mark Davis. Other present: Cammie Meece, CPA, Morris Vaughn, Manager, Patrice Vaughn, Office personnel.

Billy Dancy and Louie Vanhook addressed the board asking for the installation of a fire hydrant/flush plug in Cedar Grove Estates off of old 1247. They were advised a hydraulic analysis would have to be completed by the Association's engineering firm before their request could even be considered. They were encouraged to attend next month's board meeting and speak with Eddie Brown of Kenvirons Engineering Firm.

Jessie of Granitech, Inc. addressed the board and asked that Granitech be considered, by the board, to do the Association's IT and telemetry work. He also advised the board that he's now under contract with Comtronics to continue providing telemetry support until April, when the warranty with Comtronics expires.

Minutes from January 12 meeting was read. Motion made by Bobby Crow, 2nd by Jr. Stout to accept minutes as read. Motion passed without opposition.

Minutes from January 23 special called meeting was read. Motion by Dwight Faulkner, 2nd by Jr. Stout to accept minutes as read. Motion passed without opposition.

Morris Vaughn gave the monthly managers report, no action was required by the board.

Patrice Vaughn presented a new proposal from United Systems, the Association's current IT support and IT Security provider. The new proposal will increase the monthly bill from \$300.00 per month to \$800.00 per month. However, the IT security will be greatly enhanced and their service, to date, has been exemplary. Motion made by Dwight Faulkner and 2nd by Mark Davis to accept new proposal. Motion passed without opposition.

Grant Treado presented, to the board, the specs on the Doug Hail property that's for sale. Property is located on East side of 914 at 914 and old 192 with an asking price of \$150,000. Motion made by Harvey Phelps, 2nd by Wade Burgarnder to authorize Grant Treado to purchase, up to \$1000.00, an "option to buy" the property from Doug Hail.

Motion made by Jr. Stout, 2nd by Mark Davis to sell the 2006 Chevy pickup truck by taking sealed bids. Motioned passed without opposition.

Motion made by Wade Burmgardner, 2nd by Bobby Crow to adjourn. Meeting adjourned at 7:35 pm

Respectfully Submitted,

Mark O. Davis, Board Member

ATTACHMENT 1-B

ADK

SOUTHEASTERN WATER ASSOCIATION, INC.
BOARD OF DIRECTORS

MINUTES

Board of Directors of Southeastern Water Association met for its monthly meeting, 5:30 pm, April 13, 2017. Directors present: Bobby Crow, Grand Treado, Dwight Faulkner, Wade Bumgardner, Joe Crawford, Harvey Phelps and Mark Davis. Others present: Cammie Meece, CPA, Bruce Orwin, Attorney and Eddie Brown, engineer.

Logan Bradley, a visiting Association member, discussed with the Board the possibility of extending the water main on Flat Rock Rd. His property is approx. 300 yards from where the water main ends. President Crawford informed Mr. Bradley of the intensive work and the time frame of including such an extension on a project. Mr. Bradley was advised that his quickest means of obtaining water service would be to purchase a meter and run his own service line. If, in the future the water main is extended past his property his meter can be moved without him having to purchase another tap on.

Minutes from last months meeting, March 9,2017 were read and tabled until some discrepancies concerning the minutes can be rectified.

Motion by Mark Davis, seconded by Dwight Faulkner to reimburse Mr. Paul Frye for having paid a minimum bill for a number of years, for a meter, on Ben Baker Rd., that was never set. This motion also includes reimbursement for the tap-on fee Mr. Frye paid. Mr. Morris Vaughn advised the Board, a clerical error resulted in Mr. Frye being erroneously billed. Motioned passed

Motion by Harvey Phelps, seconded by Wade Bumgardner to install a meter for Jamie Mink on Stilesville, Rd. Motion passed

Motion by Harvey Phelps, seconded by Bobby Crow to accept the "Conflict of Interest Policy" for the up coming project. Motion passed.

Motion made by Grant Treado, seconded by Harvey Phelps to authorize Mark Davis, as Secretary, to be able to receive all bank statements and transaction correspondences from Citizens National Bank, First and Farmers National Bank and Cumberland Security Bank. This authorization is not just limited to the aforementioned financial institutions but also includes any institution where the Association may have accounts, now or in the future. Motioned passed


Motion by Dwight Faulkner, seconded by Wade Bumgardner to authorize Bruce Orwin, Joe Crawford and Grant Treado to proceed with the purchase of property from Doug Hail. This includes obtaining all the documents, permits and applicable legal work. Motioned passed

Cammie Meece, CPA from Barry Daulton, CPA gave the financial report along with financial statements. She advised she only has a year end (2016) draft, as she hasn't received an official year end report. She also does not have the depreciation schedule but is supposed to receive it when Bill Wesley finishes with the 2016 taxes returns.

Motion by Harvey Phelps, seconded by Grant Treado to pay the accounts payable. Motion passed

There being no other business, Mark Davis made a motion, seconded by Bobby Crow to adjourn.
Meeting adjourn at 7:30 pm.

Respectfully Submitted,



Mark O. Davis, Secretary

ATTACHMENT 1-C



Overview



Legend

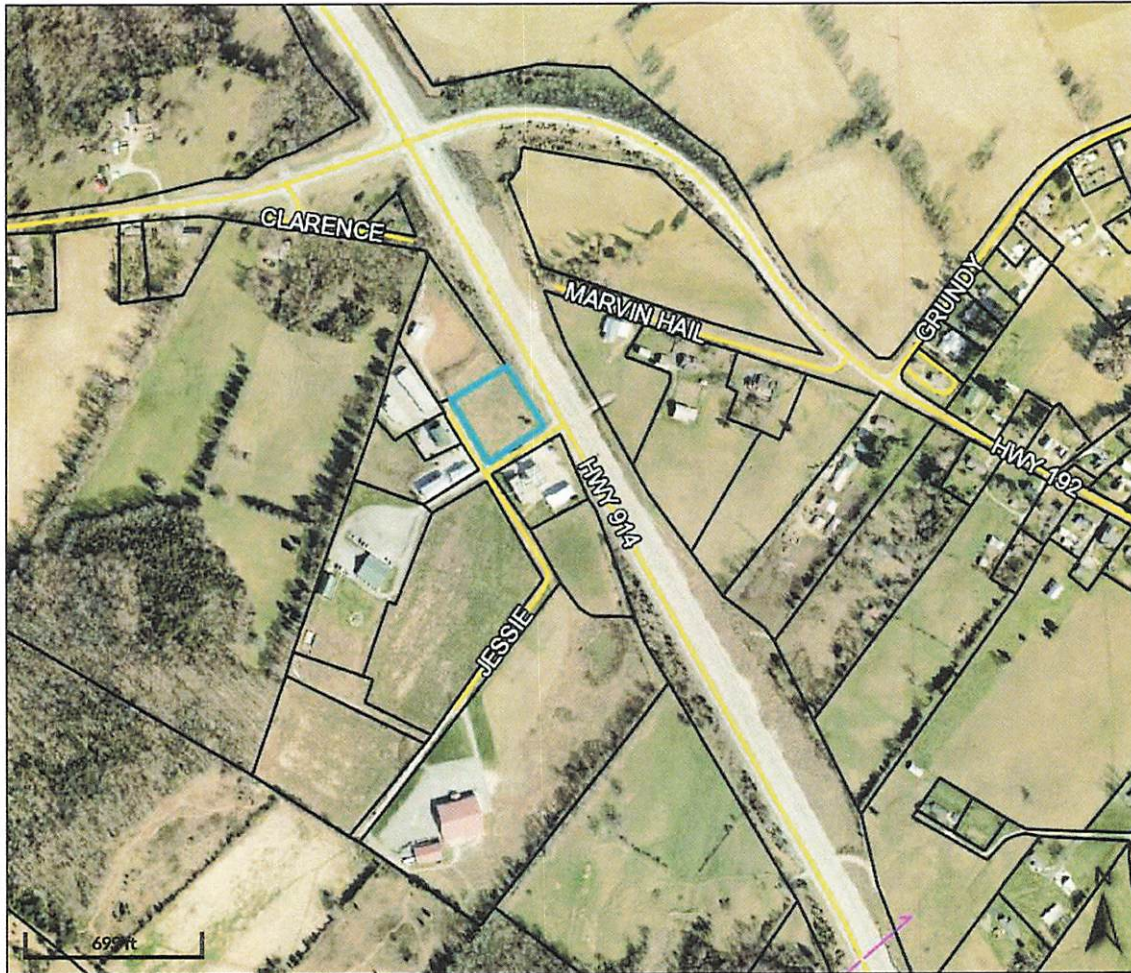
-  Parcels
-  Roads
-  Land hook

Parcel ID	076-0-0-26.1	Mailing Address	SOUTHEASTERN WATER ASSOC INC 147 EAST SOMERSET CHURCH RD SOMERSET, KY 42503	Total Value	\$150,000	Last 2 Sales			
Class	COUNTY EXEMPT PROPERTY	Physical Address	MARVIN HAIL LN Pulaski County			Date	Price	Reason	Qual
Taxing District	11					6/1/2017	\$150000	B	U
Acres/Lot	3.03					6/1/2017	\$150000	F	U

Brief Tax Description 3.03 AC MARVIN HAIL LN

(Note: Not to be used on legal documents)

Date created: 6/17/2022
Last Data Uploaded: 6/16/2022 8:13:24 PM



Overview



Legend

- Parcels
- Roads
- Land hook

Parcel ID	076-0-0-17.1	Mailing Address	GREEN STONE INVESTMENTS LLC	Total Value	\$450,000	Last 2 Sales			
Class	COMMERCIAL	Address	334 E SADDLEBROOK DR			Date	Price	Reason	Qual
Taxing District	11		SOMERSET, KY 42501			10/26/2018	\$235000	Z	Q
Acres/Lot	1	Physical Address	HWY 914			6/17/1998	\$100000	C	U
Brief Tax Description	TR 9 JORJESS 1.32 AC								
	(Note: Not to be used on legal documents)								

Date created: 6/17/2022
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SOUTH EASTERN WATER ASSOCIATION, INC.

CASE NO. 2022-00065

**Response to Commission Staff's Second
Request for Information**

Question No. 2

Responding Witness: Morris Vaughn and Benton Fudge

Q-2. Refer to South Eastern Water's response to Staff's First Request, Item4(c).

Preface. In hindsight, South Eastern Water now realizes that its Application at page 8, paragraph 20 created the false impression that the **primary** reason for constructing the proposed combination garage and shop was to bring all repair and maintenance work in-house. Nothing could be further from the truth! This "failure to communicate" became obvious when South Eastern Water reviewed Question 2 of Staff's Second Request and re-read Question 4 of Staff's First Request. Obviously, South Eastern Water **unintentionally** created this false impression with Commission Staff and **regrets having done so.**

South Eastern Water needs the proposed combination garage and shop for numerous reasons and it has no intention whatsoever of bringing all repair and

maintenance work in-house. Some of the primary reasons for constructing the combination garage and shop are:

- 1. Inside Equipment Storage.** The first, and foremost, reason for constructing the combination garage and shop building is to house its four (4) backhoes, two (2) dump trucks, two (2) road boring rigs, and the four (4) trailers used to transport the backhoes and road boring rigs inside and to protect them from the weather. Currently, they are all stored outside and suffer from being constantly exposed to the heat, cold, rain, and snow. Constructing the proposed combination garage and shop will eliminate this problem.
- 2. Quicker Response Time.** Housing its backhoes and equipment in a garage will decrease South Eastern Water's response time in the event of a major line leak or other emergency. Currently, by being stored outside, the employees must start the engines on the backhoes and "warm" them for 20 to 30 minutes, depending upon the temperature, before they can be moved. The hydraulic fluid that operates the front loader, the rear bucket boom arm, the transmission and gear shifting mechanism, and other features of a backhoe must achieve a certain temperature before the backhoe will move. In addition, in cold or icy conditions, when the backhoes are stored outside, valuable time is lost

trying to open the backhoe door and scraping the ice or frost off the cab windows. Furthermore, even if there is not an emergency, the employees can be dispatched more quickly to perform their daily tasks since they will not have to wait for the hydraulic fluid to “warm” to the required operating temperature. This will also eliminate wasting expensive diesel fuel while the backhoes are running to “warm” the hydraulic fluid.

- 3. CDL Pre & Post Trip Inspections.** The operators of dump trucks must do a pre-trip inspection and a post-trip inspection of the dump trucks and any trailers that are being pulled and document it in their log books to comply with federal Department of Transportation regulations. This inspection requires getting under the vehicles and inspecting numerous items. Currently, the operators must do this outside, on a graveled lot, sometimes when it is dark outside, and in all weather conditions. Once the combination garage and shop building is constructed, these inspections will be performed indoors, on a smooth concrete floor, with better lighting conditions, and out of the weather.
- 4. Meter Test Bench.** Currently, South Eastern Water’s meter test bench is housed inside its office building. In the future, it will be housed in the proposed garage and shop building.

5. **Safety Meetings.** In the future, the mandatory monthly safety meetings for the “outside” employees will now be conducted in the garage and shop building.
6. **Meter & Small Parts Inventory.** As stated in the Application at page 8, paragraph 19, South Eastern Water’s current meter and small parts inventory is scattered in different locations. Some of them are stored in small, portable storage buildings located behind its current office building, and some are stored in different places in the existing office. In the future, the spare meters, repair clamps, small fittings, and other small parts inventory will be stored in a centralized area in the garage and shop building. This will enable South Eastern Water employees to quickly find what they need and will enable the person responsible for inventorying these items and ordering the meters and other items to quickly determine the number on hand.
7. **Work Stations.** Each employee in the Transmission and Distribution Department will have a separate workstation or cubicle in the garage and shop building.
8. **Records Storage.** In the mezzanine area of the garage and shop building will be a suitable place to store old paper records which must

be preserved. Currently, some of these are stored in a 10 feet by 10 feet unit of an off-site storage building that costs \$600 per year.

9. **Necessity.** Most water utilities, and certainly all with over 7,500 customers, have one or more garages or a combination garage and shop building. They consider this a necessity. South Eastern Water has never enjoyed this “necessity.”
10. **Miscellaneous.** There are many other advantages of having a garage and shop building. For instance, during inclement weather when it is too risky or employees to travel on icy roads or during “slow” times, South Eastern Water’s employees can perform minor service work (e.g. oil changes, changing filters, etc.) in the garage and shop building. This is not the reason for constructing the garage and shop building, but it is an added bonus.
 - a. **Explain why no cost-benefit analysis has been performed regarding the justification of bringing all repair and maintenance work in-house.**

Answer: No cost-benefit analysis has ever been performed because it was never South Eastern Water’s intention to bring its repair and maintenance work in-house. With such a small fleet of vehicles, common sense dictates that it will be impossible to justify bringing the repair and maintenance work in house.

- b. State how much of the overall budget of \$2,115,864 is allocated to the construction of the proposed combination garage and shop building that will enable South Eastern Water to perform service and maintenance in-house.**

Answer: None of the cost of the combination garage and shop building is attributable to installing special features or amenities to enable South Eastern Water employees to perform minor service and maintenance work. There will not be an in-ground hydraulic truck lift nor a floor mounted 4-post truck jack system to lift the vehicles as is seen in commercial garages and truck dealership service buildings. There will be no open pit area where a person can stand in the pit and service a truck or backhoe that has pulled over the open pit. There will not be front-end alignment equipment in the building.

- c. State how much the overall budgeted project cost of \$2,115,864 would be lowered by eliminating the construction of the proposed combination garage and shop building.**

Answer: Unfortunately, the bid was a lump sum bid instead of an itemized bid. Therefore, there is no easy way to determine the portion of the lump sum bid of \$1,919,870 that is attributable to the combination garage and shop building. Similarly, only the contractor knows how much the bid price will be reduced if the combination garage and shop building is eliminated from the Project. Last week the

architect attempted to contact the contractor to obtain this information. Unfortunately, the contractor was on vacation. He returned from vacation on Monday, June 27 and informed the architect that he would provide the requested information. He stated that he would need to review his “workpapers” from when he submitted the bid and make some additional calculations. He indicated that this would take him a “few” days to provide this information.

Rather than waiting on the contractor, South Eastern Water is submitting the Response without this information so the Response can be timely submitted. Once the contractor provides the requested information, South Eastern Water will provide a Supplemental Response with this information.

- d. State the expected annual operations cost for in-house vehicle service and maintenance at the proposed facility.**

Answer. N/A. Since South Eastern Water does not plan to use the garage and shop building to bring all its repair and maintenance work in house, it has not calculated the annual cost of operating such a facility.

- e. State the expected annual cost of outsourced vehicle repair work after the proposed facility is built.**

Answer: Because of inflation, South Eastern Water anticipates that the cost of outsourced vehicle repair and maintenance costs will exceed the \$19,128 which it spent in 2021.

SOUTH EASTERN WATER ASSOCIATION, INC.

CASE NO. 2022-00065

**Response to Commission Staff's Second
Request for Information**

Question No. 3

Responding Witnesses: Morris Vaughn

Q-3. Refer to South Eastern Water's response to Staff's First Request, Item 4(b).

- a. State approximately how many total hours of work per week will be required of the three to four current employees who are qualified to perform the routine service and maintenance work on its vehicles and equipment if they were to perform the work in-house as planned.**

Answer: N/A. This information is no longer applicable since South Eastern Water has stated in its Response to Question 2 of Staff's Second Request that it does **not** intend to "bring all repair and maintenance work in-house." South Eastern Water only plans to utilize its employees to perform routine service and maintenance work on vehicles and equipment during inclement weather and during "slow" times.

- b. State to what extent (if any) the other duties of these qualified employees will be affected by being required to perform the routine service and maintenance work on vehicles and equipment that would normally be outsourced to a third-party.**

Answer: As previously stated, most service and maintenance work will still be outsourced to third-parties. The other duties of the employees qualified to perform routine service and maintenance work will remain the same. They will only perform service and maintenance during inclement weather or doing “slow” times.

SOUTH EASTERN WATER ASSOCIATION, INC.

CASE NO. 2022-00065

**Response to Commission Staff's Second
Request for Information**

Question No. 4

Responding Witnesses: Benton Fudge and Barry Dalton, CPA

Q-4. Refer to South Eastern Water's response to Staff's First Request, Item 2(c). Provide a schedule for planned depreciation of the proposed facility.

Answer: The useful life of all four (4) buildings that will be constructed will be from 75 years to 100 years. South Eastern Water plans to be conservative and depreciate the buildings over 75 years. This equates to a depreciation rate of 1.33%.

Assuming that \$2,000,000 of the total Project cost represents depreciable assets, then the annual depreciation expense will be \$26,600 per year ($\$2,000,000 \times .0133$ equals \$26,600).

SOUTH EASTERN WATER ASSOCIATION, INC.

CASE NO. 2022-00065

**Response to Commission Staff's Second
Request for Information**

Question No. 5

Responding Witness: Joe D. Crawford

Q-5. Refer to South Eastern Water's response to Staff's First Request, Item 15. Provide any documents referencing costs involved in purchasing, using, or renovating the 23-acre property or the decision not to purchase this property.

Answer: South Eastern Water does not have any documents referencing the estimated costs of purchasing, using, or renovating the large trucking terminal located on the 23-acre property. Joe D. Crawford, President of South Eastern Water, met a contractor at the site and they spent over two (2) hours inspecting the building and property. The contractor was already generally aware of South Eastern Water's need for a new office building, combination garage and shop building, and storage facilities. Mr. Crawford provided additional details of South Eastern Water's needs to the contractor. Following the lengthy inspection, the contractor told Mr. Crawford that he needed to check on prices and he would get back to him within a few days. Within a couple of days, the Contractor called Mr. Crawford and told him that it would cost at least \$750,000 and, perhaps, as much as \$1,000,000 to renovate and remodel the

facility to meet the needs of South Eastern Water. Mr. Crawford told the contractor not to “bother” preparing a written proposal because the cost of purchasing the property and renovating the building would exceed the cost of constructing a new building. Plus, the property was in the wrong location for South Eastern Water.

As a footnote, since South Eastern Water filed its Response to the Staff’s First Request, some of the Board members and the General Manager have remarked that the old trucking company property was: (1) “too old;” (2) so “out of date;” (3) “would need to be torn down and start from scratch;” (4) “huge;” and (5) made other similar remarks. They all unanimously agreed that it was in the “wrong location” and 23 acres were far too many to maintain. Also, no formal action was taken by South Eastern Water’s Board with respect to this property.