

**KIRKSVILLE WATER ASSOCIATION  
SPECIAL BOARD MEETING MINUTES JULY 1, 2022**

**Attending**

Board Members: Mr. Armon Sanders, Mr. Alfred Winkler, Mr. Randal Webb, Mr. Bobby Powell, Mr. Wayne Long

Kirksville Water Association Staff: Mr. Mike Agee, Mr. Aaron Owens, Mrs. Ashley Owens and Mr. Grady Osbourne

Kirksville Water Attorney: Mr. Jud Patterson

Scribe: Joanna Taylor

**Call To Order**

A special meeting was called to order at 4:00 pm by Wayne Long on July 1, 2022.

**Minutes**

A special meeting was called to order today by Jud Patterson to inform the board about his communications with the PSC. We recently withdrew an application that had been submitted and PSC has denied the application that is no longer active. The PSC is accusing KWA of never submitting a rate case which was actually completed in 2015. Jud Patterson recommends starting a new rate increase case in the next 6 months. In response to the PSC, Jud has typed up a motion to file and called this meeting in hope the board will all be in agreement. Jud plans to meet with the commissioner and the director of the PSC and then plan on filing the very informative motion.

Jud Patterson also required signatures on a Vehicle Purchase Resolution from the board members.

**Future Business**

The next regularly scheduled meeting is scheduled for July 20th, 2022.

Armon Sanders moved to adjourn the meeting. Alfred Winkler seconded the motion. Motion passed 4-0. Meeting adjourned at 4:45 pm by Wayne Long.

*Randal White*

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Secretary, Kirksville Water Association

Date: 7/20/2022

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KIRKSVILLE	)	
WATER ASSOCIATION, INC. FOR PERMISSION	)	2022-00076
TO ISSUE INDEBTEDNESS PURSUANT TO KRS	)	
278.300	)	

MOTION TO ALTER, VACATE OR AMEND COMMISSION'S ORDER

COMES NOW THE PETITIONER, by counsel, and for its Motion to Alter, Vacate or Amend and states as follows:

1. The Order states Kirksville Water Association never sought a general rate increase or an alternative rate adjustment and therefore its finances have never been reviewed. The order concludes Kirksville Water Association has "managed to avoid Commission review of its financial records since the water association was initially established." (Emphasis added) The implication is that KWA has intentionally avoided PSC review and is operating in some rogue status. Kirksville Water Association sought and received an alternative rate adjustment in case 2015-00097. The finances of KWA were thoroughly vetted at that time and a proper rate adjustment was granted. The KWA Board of Directors strenuously denies any intentional act to avoid PSC oversight. Quite to the contrary, the KWA Board is proud of the financial health and strength of the company and welcomes any review by a supportive and cooperative regulatory body.

2. The Commission's order states that KWA failed to secure a CPCN or "have the Commission declare a CPCN is not required." By clear reading of the statute, a CPCN is not necessary in this matter. The Petitioner's application and subsequent filings made clear that the purchase of the office building was less than \$500,000.00, was necessary for the ordinary course of business and was not going to result in a rate increase to customers. There is no credible dispute that upon a clear reading of KRS 278.020(1)(a) 1-3, a CPCN is not required. KWA is unaware of any statute or regulation requiring a proclamation by the PSC that the Petitioner has correctly interpreted the statute but, as part of this motion, formally requests the PSC declare no CPCN is required.
3. KWA withdrew its petition to approve indebtedness because it became clear the better choice was to use available cash assets. Any suggestion or allegation that KWA withdrew its petition to hide information from the PSC or to not respond to the Staff's request for information is mistaken. In fact, the information sought by the PSC relates to issues voluntarily disclosed by KWA during its application. The order suggests there is some nefarious effort to hide information from the PSC which is misplaced.
4. KWA has always operated within the law. KWA sold territory rights to the Ramsey Development Group, LLC to assign to the City of Richmond. The territory included one residence and a cattle water tank. The property sold will house a major development with mixed commercial and residential use. The development will require access to sewer which can only be provided by the City of Richmond. The City requires the developer to purchase the water rights from the provider to be annexed into the City. KWA negotiated a fair price for the transfer of territory to the

City. The transfer involved assets that book for less than \$1,000,000 and don't require PSC approval. The project is good for citizens of Richmond, Madison County, and the customers of KWA. It was the right thing to do.

- 5. KWA is operated by a staff and Board of Directors that are good, honest and decent people that are giving back to their community through their service to Kirksville Water Association. The language of the Commission's Order creates the impression that it is being run contrary to law. Nothing could be further from the truth. KWA welcomes any investigation brought by the PSC but suggests a phone call or a visit to the office would answer any remaining questions.

WHEREFORE, Petitioner requests the Order be altered as follows:

- 1. KWA filed an alternative rate adjustment case in case #: 2015-00097 and finding that its finances have been reviewed and vetted by the PSC and clarifying whether a rate case is still required.
- 2. A declaration that a CPCN is not required to purchase the office building used by KWA.
- 3. A finding that sale of territory rights that booked for less than \$1,000,000 does not require prior PSC approval.

Respectfully submitted,

Jud Patterson  
 Patterson Law Office, PLLC  
 228A West Main Street  
 Richmond, KY 40475  
 Counsel for KWA

KIRKSVILLE WATER ASSOCIATION  
SPECIAL MEETING  
July 1st, 2022  
VEHICLE PURCHASE RESOLUTION

**WHEREAS**, Kirksville Water Association desires to own it's own work trucks for use in the field by KWA staff and;

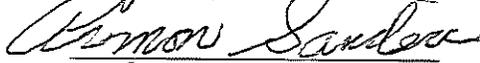
**WHEREAS**, Kirksville Water Association has identified a suitable vehicle and Kirksville Water Association has identified a line of credit with First Trust to be paid in full in less than 24 months from the date of purchase and said financing will not raise customer rates and;

**WHEREAS**, Kirksville Water Association, through its Board of Directors, has agreed to grant authority to the President of the Board to take all necessary action to complete the transaction, be it resolved as follows:

The Board of Directors of Kirksville Water Association has, by a majority vote, resolved to purchase the following vehicles: (1) 2013 Chevrolet Silverado 1500 from Mann Chrysler for \$19,499.57. Be it further resolved that Kirksville Water Association shall act by and through its President to complete all necessary documents and legal filings to complete the transaction and enter the financing with First Trust Bank.

**IN WITNESS WHEREOF**, we, the Board of Directors, have at the Special Meeting on this the 1<sup>st</sup> day of July 2022, adopted the foregoing resolution.

BOARD OF DIRECTORS.

  
Bobby W Powell  
  
Alvin Ely  
  
Cannon Sanders  
  
Randall Webb

CERTIFICATION

I, Randall Webb, Secretary of the Kirksville Water Association, Inc., a Corporation existing under the laws of the State of Kentucky; hereby certify that the attached is a true copy of the Resolution adopted this the 1<sup>st</sup> day of July, 2022.

  
Secretary