

Graves County Water District
P.O. Box 329
Mayfield, Kentucky 42066

RECEIVED

AUG 03 2009

PUBLIC SERVICE
COMMISSION

July 28, 2009

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
21 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

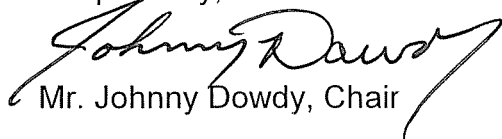
Re: Graves County Water District, Case No. 2007-00496

Dear Mr. Derouen,

In response to your letter of July 14, 2009, be advised that to achieve compliance with the required 120 day time frame contained in the conditions of the Commission's merger approval Order dated May 21, 2008, the joint Applicants met in official meetings throughout the summer of 2008, executed all documents and completed all actions necessary to effect the merger as set out in its application of November 30, 2007. Notice of having accomplished the required tasks was provided by Mr. Jack Hughes, Counsel for the joint Applicants, via letter with attachments filed with the Commission on September 8, 2008. Record of such actions is contained in meeting minutes of the Transitional Board of Commissioners and executed copies of all related documents are in the District's permanent files. The District will provide copies of whatever documents and minutes of any or all meetings as the Commission may request. Many of the actions as proposed in the District's merger application necessary to effect merger were dealt with in the August 29, 2008 meeting. A copy of the agenda and approved minutes of that meeting are attached for your information.

As regards a 'date specific' marking the completion of all merger activities, the Transitional Board of Commissioners concurs with Mr. Gerald Wuetcher, Executive Advisor to the Commission, that although not previously determined it would be an advantage to the District. To this end, the Board deemed it reasonable to determine such a date based on journal entries and annual operations reporting filed with the Commission, as well as transaction dates, dates of record filings in the County Clerk's office and document execution dates. Consequently, the District's Transitional Board has established September 1, 2008 as the effective date of merger. A resolution citing this action was considered and approved on July 27, 2009, a copy of which is attached for your information.

Respectfully,


Mr. Johnny Dowdy, Chair

RESOLUTION

Relating to the Effective Merger Date of Water Districts in Graves County, Kentucky

WHEREAS, the respective boards of commissioners of the Consumers, Fancy Farm, Hardeman and South Graves County water districts agreed to and subsequently filed a joint application before the Kentucky Public Service Commission (Commission) requesting approval of a voluntarily merger of their assets and operations into the Graves County Water District on November 30, 2007; and,

WHEREAS, the Commission assigned the merger application Case No. 2007-00496, requested and received additional information and approved the merger request by Order issued on May 21, 2008, subject to conditions, one of which states "...Within 120 days of the date of this Order, the joint Applicants shall execute all documents and perform all other actions necessary to effect the proposed merger."; and,

WHEREAS, in the course of June, July, August and September of 2008, the Transitional Board of the joint Applicants held several meetings, each with proper notice, published agendas and approved minutes, wherein all required merger related actions were taken and documents executed, as duly authorized, and notice to this effect was provided to the Commission on September 8, 2008, together with financial information and consolidated tariffs.

NOW THEREFORE, based on the District's records of meetings and the various execution dates of documents relating to actions necessary and appropriate to effect the merger as proposed by the joint Applicants and approved by the Commission, for purposes of permanent record, the Transitional Board of Commissioners of the Graves County Water District, hereby designates September 1, 2008, the effective date of voluntary merger of the Consumers Water District, Fancy Farm Water District, Hardeman Water District and the South Graves County Water District.

This Resolution offered by motion for approval by Todd Hayden,
seconded by David Jackson at a meeting of the Transitional Board of the
Graves County Water District held on July 27, 2009;

Members voting for approval of the Resolution: Johnny Dowdy, Gene Mason,
Joey Morrow,

Members voting against approval of the Resolution:

Motion was declared by the Chair to have Passed.
Passed / Failed

Secretary: Joey Morrow

Date: 7-27-09

SIGN-IN SHEET

GRAVES COUNTY WATER DISTRICT (Executive Committee)

August 29, 2008
Date of Meeting

8:00 a.m.
Time of Meeting

Purchase Area Development District
Meeting Place

NAME	AGENCY REPRESENTED
1. <i>Jimmy Mann</i>	SGWD
2. <i>[Signature]</i>	Roman Assoc
3. <i>Johnny Ward</i>	GCWD
4. <i>Robert [Signature]</i>	K.A.C.
5. <i>Jim Rogers</i>	Hardeman Water Dist.
6. <i>Dale Burnett</i>	
7. <i>Eric Young</i>	
8. <i>Jane Mason</i>	
9. <i>Marty [Signature]</i>	
10. <i>Todd Hayden</i>	
11. <i>Henry Hodges</i>	
12. <i>Shirley Rogers</i>	
13. <i>Kevin Leonard</i>	
14. <i>Fred Hecker</i>	
15.	
16.	
17.	
18.	
19.	
20.	

Graves County Water District
Executive Committee Meeting
8:00 a.m. 8-29-08 Purchase ADD

Agenda

1. Call to Order
2. Agenda: Review & Approval
3. Minutes: Review and Approval of Minutes of Meeting of Executive Committee of August 19, 2008
4. Old Business
 - a. Review of Insurance Cancellation Notice to Agents
 - b. Review of Proposed Journal Entry to PSC Prepared by Romaine & Associates
 - c. Review of Responses to Offer of Employment / Contract Continuation
 - i. Consideration of MEW Contract Extension Proposal, including Addition of Financial Management & Reporting for the Hardeman Service Area.
 - ii. Review / Approval of Three (3) Contracts For Current Hardeman Contractors Engaged In Operation, Maintenance & Repair and Meter Reading Services
5. New Business
 - a. Resolution To Make Payouts for Designated Loan Obligations of Consumers and South Graves Water Districts
 - b. Resolution To Accept Assets & Liabilities of Merged Districts via Quitclaim Deeds of Conveyance, with Authorization of Chair to Execute Certificates of Consideration

- c. **Resolution Delegating Project Oversight Responsibility For Existing Infrastructure Projects In Each Service Area To Respective Members of the Board of Commissioners From That Service Area.**

6. Adjournment

MINUTES
GRAVES COUNTY WATER DISTRICT
COMMISSIONERS MEETING
(Executive Committee)
August 29, 2008

The Graves County Water District – Executive Committee met on August 29, 2008 at 8:00 a.m. in the small conference room of the Purchase Area Development District, Mayfield, KY.

Members in attendance:

Johnny Dowdy, Chairman GCWD/Consumers Water District
Joey Morrow, Secretary-Treasurer GCWD/South Graves Water District
Todd Hayden, Vice-Chairman GCWD/Fancy Farm Water District
Gene Mason, GCWD Board member/Hardeman Water District

Guests present:

Sheila Rogers, PADD/Consumers Water Staff
Krista Romaine, Romaine & Associates
Roger Recktenwald
Marty Ivy, Mayfield Electric & Water
Kevin Leonard, Mayfield Electric & Water
Adam Scott, PADD
Dale Burnett
Kim Rodgers
Eric Young
Henry Hodges, Former Director PADD and Chairman Consumers Water
Rep. Fred Nesler

Chairman Johnny Dowdy called the meeting to order at 8:00 AM and welcomed the Commissioners and guests. He stated he would like to take a moment to thank both Mr. Henry Hodges and Rep. Fred Nesler for attending today's meeting as they had played a big part in making the merger work.

Chairman Dowdy stated that the first item of business was approval of the Agenda as presented. He asked if anyone had any additions to make to the Agenda or anything that they needed changed. There were no changes made to the Agenda and was approved as submitted.

Chairman Dowdy stated that the next item of business to come before the Board would be the approval of the minutes of the August 19, 2008 meeting. **Todd Hayden made a Motion to approve the minutes of the August 19, 2008 meeting as presented. Gene Mason seconded the Motion and it passed unanimously.**

Chairman Dowdy stated the next item on the Agenda under Old Business would be Review of Insurance Cancellation Notice to Agents. Mrs. Rogers referred the Board to pages 14-16 which contained the cancellation Notices for each water district which had been delivered to their respective insurance company.

Chairman Dowdy stated that next on the Agenda was the Review of Proposed Journal Entry to PSC Prepared by Romaine & Associates.

Mrs. Romaine gave to each Board member a copy of the proposed Journal Entries for their review. Mrs. Romaine stated that Mr. Recktenwald had submitted the Journal Entry to the PSC. She stated that the first page of the handout would be a summary for each of the four water districts. She went on to state that they had moved the net book value of the assets over and were looking at roughly \$5.2 million of assets, book value, not fair value of the assets. She stated they were showing approximately \$452,000 in all cash accounts, customer account receivables at approximately \$97,000, with supplies around \$3,000, and pre-payments of insurance of around \$14,000. She reminded the board that these figures were estimated as they were looking 20 days in the future and had to use the information they had available, but should be about 97% accurate. Mrs. Romaine went on to state that there were bonds payable of \$148,000, not counting the \$500,000 to be applied toward this, this would just be what they were moving over, and \$1.5 million in long term debt between all the districts being merged, which would make about \$1.7 million in debt for the four districts, before the \$500,000 is applied. She stated there were accounts payable of around \$37,000, through August 31, 2008, customer deposits of roughly \$66,000, and accrued taxes of about \$2,800, the sales tax on the bills. She stated that the actual net equity that was coming over between the four districts is roughly \$4 million. She stated that once the \$500,000 is applied to the debt, you would be looking at about \$1.2 million, which is better than first projected.

Commissioner Todd Hayden made a Motion to accept the proposed Journal Entry as presented by Romaine Associates. Commissioner Joey Morrow seconded the Motion and it passed unanimously.

Chairman Dowdy stated that the next item of business to come the Board would be the Review of Responses to Offer of Employment/Contract Continuation. Chairman Dowdy asked that Roger Recktenwald take over discussion of this item.

Mr. Roger Recktenwald stated that Mrs. Shelby Galloway, currently employed by Hardeman Water District, would be the only employee of the Graves County Water District, and she, along with the three other private contractors of Hardeman Water

District, including Kim Rogers, meter reader, Eric Young, water system operator, and Dale Burnett, maintenance and repair, were mailed the Notice of continuing employment. Mr. Recktenwald stated that Mrs. Galloway had responded to the notice and her response could be found on pages 17 through 20 of the packet. Mr. Recktenwald went on to state that he had talked with Mrs. Galloway and stated that Mrs. Galloway was in the State Retirement System and would continue in that retirement system and is interested in being able to continue her health insurance under that program.

Mr. Recktenwald stated he felt the only action he felt that would be necessary would be notification to the League of Cities, through your agent, relative to the workers' comp coverage. Chairman Dowdy stated that he had received a call from Mr. Byrn with regard to the workers' compensation insurance and had stated that it would run approximately \$460. Chairman Dowdy stated that he would go by his office and sign the papers with regard to the workers' compensation insurance.

Chairman Dowdy stated that payment of Mrs. Galloway's insurance was a part of the Agreement and it was in the amount of \$329 per month. **Commissioner Gene Mason made a Motion approving the payment of Mrs. Galloway's health insurance on a monthly basis which was currently in the amount of \$329. Commissioner Todd Hayden seconded the Motion.**

Mr. Recktenwald stated that notices had also been sent to the three private contractors of Hardeman, including, Kim Rogers, Dale Burnett, and Eric Young, who are all present today. Mr. Recktenwald stated that draft contracts had been given to each of them, but they were just now being given an opportunity to review those Contracts. He went on to state that the Contracts were contained in the packet for the Board's review beginning on page 21. He stated that the first contract was with regard to Mr. Burnett, for system maintenance and repair. He went on to state that the contracts were very similar in style but tried to a straightforward scope of work for each contract and included standard indemnity clauses in them. Mr. Recktenwald stated that he wanted to point out on page 22 the Note, and stated this was meant to clarify that Mr. Burnett would not be responsible for materials as the District would purchase the materials and Mr. Burnett would then perform the labor associated with the installation of the materials. He stated that this would be the same as for Mr. Young and any type of chemicals, etc. that he would need. Mr. Recktenwald stated that the Contracts were drafted without going into a lot of detail but felt since they had been operating under an oral agreement in the past, a written Contract needed to be finalized for the protection of both the contractor and the district.

Chairman Dowdy asked if Mr. Dale Burnett, Ms. Rogers, and Mr. Young if they had had an opportunity to review the contracts or if they needed more time to look the contracts over. Mr. Dale Burnett stated that he felt it would be the best time to terminate his part, as far as employment by the District, at least for the time being. He stated that he had all of the other work that he could do, but would be glad to help the District out if they needed his help, but as far as entering into a lot of paperwork or agreements, he

was not pushing for that. He stated if they needed to go ahead with the Agreement, temporarily or for a while, that would be fine, but he did not want the district to feel any obligation toward him.

Chairman Dowdy asked Mr. Recktenwald if the Board could give Ms. Rogers, Mr. Young, and Mr. Burnett some more time to review the Contracts.

Commissioner Todd Hayden asked each contractor what their job description for Hardeman Water District was. Mr. Burnett stated that he had done repair work on the lines and had worked pretty much 24/7 for a good while. Ms. Rogers stated that she worked part time in the office and read the meters. Mr. Young stated that he took care of the water treatment.

Mr. Recktenwald next referred the Board and the contractors to the contracts and asked that they review the scope of work contained in the contracts and asked if the description stated there was a fair summary of work performed by them for the Hardeman Water District. Mr. Burnett stated that with regard to item e, he was unsure what that meant. Mr. Recktenwald asked if he did attend Board meetings of the District and Mr. Burnett stated only if requested. Ms. Rogers stated that with regard to item 3(a), she stated that not all the meters had lids and, therefore lids were not secured. Mr. Recktenwald referred Mr. Young to page 27 of the packet containing the scope of his job description. Mr. Young stated that pretty much covered everything.

Mr. Recktenwald stated the obvious gap in the Contracts was the compensation. He stated that the agreement was that the District would continue the agreements with the contractors under the same agreement Hardeman held with each.

Chairman Dowdy referred the Board to page 25, Section 4, Indemnity, and stating that contractor shall carry \$1 million dollars in liability insurance and stated that he felt Mr. Burnett probably had that type of insurance, but felt that Ms. Rogers, as a private contractor, probably would not have that insurance. Mr. Recktenwald stated that would be an issue of protection of the district to be decided by the Board. He stated that if the Board felt there was not a need for that level of liability that number could be changed, but would suggest some research should be done prior to lowering the number. Mr. Recktenwald suggested they each look in to the costs of the insurance and come back to the Board and recommend either accepting or modifying that liability level of coverage. Mr. Young stated that he at one time had the liability insurance but it had gotten so expensive that he no longer carried it.

Commissioner Todd Hayden stated that they may need to look into the costs of the insurance and come back to the Board for consideration of adding that amount to their respective contract rates.

Commissioner Hayden asked Mr. Marty Ivy if Mr. Burnett did discontinue his services for Hardeman Water District, would the contract with Mayfield Electric & Water include Hardeman and they would then perform those services. It was stated that that

work would be performed at the hourly rate stated in the contract and also the mileage and the equipment charge.

Commissioner Hayden went on to state that after the one year time frame was up, in the event Mayfield Electric & Water took over the meter reading and treatment, would that also be included in on the charges stated in the contract. It was stated that the work could be done at basically the same fees and would need to work with Kim and Eric for a while to familiarize Mayfield Electric & Water with their system. Mr. Ivy stated that the contract that they were to review stipulates a per customer charge taking off the 85 cents per meter that was paid to Ms. Rogers and that amount would have to be added back in.

Mr. Recktenwald asked if Mr. Young and Ms. Rogers would be satisfied with finding out the costs of the liability insurance and adding that amount to their contract rate to be paid to them by Graves County Water District. Mr. Young and Ms. Rogers stated that they would like to have a little time to consider the matter and would get back to them. **Commissioner Joey Morrow made a Motion to table the matter of the liability insurance until the next meeting of the Executive Committee on September 16th. Commissioner Todd Hayden seconded the Motion and it passed unanimously.** Mr. Recktenwald stated that a decision needed to be made no later than the date of their next meeting and went on to state that the Board would need to be sure and incorporate the amount for the insurance in the per monthly fee for the contract service.

Chairman Dowdy stated that the next item to be discussed would be Consideration of MEW Contract Extension Proposal, including Addition of financial Management & Reporting for the Hardeman Service Area.

After discussion between the parties, **Commissioner Todd Hayden made a Motion to accept the proposed new Contract from Mayfield Electric & Water System for the Graves County Water District and further authorizing Chairman Johnny Dowdy execute the Contract for and on behalf of the Graves County Water District Board. Commissioner Joey Morrow seconded the Motion and it passed unanimously.** Commissioner Todd Hayden went on to state that he felt the full Board should be brought up to date with regard to the new Contract at the full Board meeting scheduled to be held in October. Mr. Recktenwald asked for confirmation that the approved contract would include the addition of financial management and reporting for the Hardeman Service Area. Mr. Recktenwald further asked that a facsimile of the Contract between Mayfield Electric & Water and Graves County Water District would be provided. Mr. Ivy state that with regard to the mileage increase, this provision would be subject to review semi-annually with the IRS.

Mr. Recktenwald went on to state that if you could make the contract coincide with the next calendar year, which would mean the Contract would be good through December 31 of 2009 as opposed to September 1 of 2009, it would get you on a

systematic basis and a fiscal year basis with your contracts. Mr. Ivy stated that he had no problem with that and the Board agreed.

Chairman Dowdy stated that the next item on the Agenda was Item 5, New Business, Resolution to Make Payouts for Designated Loan Obligations of Consumers and South Graves Water Districts.

Mrs. Krista Romaine referred the Board to page 30 of the packet containing the payoff amounts for the USDA loans. She stated that she had the payoffs for First Kentucky Bank and was still waiting for a payoff on the KAAD Bonds for Consumers Water and also waiting for a payoff from Regions Bank. She went on to state that the payoffs were to be as of September 3rd. She stated the checks would be prepared by Mayfield Electric and they would then next day them out. Mrs. Romaine stated that the payoffs for USDA would be the total of \$93,678.72, including principal and interest as of September 3, 2008. She stated the payoff at First Kentucky Bank would be the approximate amount of \$12,670.00 as of September 3, 2008, and the amount of the payoff of the second First Kentucky Bank loan would be \$11,019.00, including interest and principal as of September 3, 2008. Mrs. Romaine stated that the KAAD bonds were approximately \$55,460.00, and with the payoff of the Regions Bank loan being in the approximate amount of \$9,680.00, including interest and penalty as of September 3, 2008. Mr. Recktenwald stated the total amount for the payoffs would be in the approximate amount of \$182,507.00, leaving approximately \$325,000.00 to pay toward KIA debt. **Commissioner Joey Morrow made a Motion to approve the payment of the following loan payoffs: USDA in the approximate amount of \$93,678.72, including principal and interest as of September 3, 2008; First Kentucky Bank in the approximate amount of \$12,670.00 as of September 3, 2008, and the amount of the second First Kentucky Bank loan in the amount of \$11,019.00, including interest and principal as of September 3, 2008; the KAAD bonds in the approximate amount of \$55,460.00; and payoffs at Regions Bank being in the approximate amount of \$9,680.00, including interest and penalty as of September 3, 2008. Commissioner Todd Hayden seconded the Motion and it passed unanimously.**

Mr. Recktenwald stated that we would need to retain copies of all of those payoff checks and asked that the copies be given to Ms. Rogers so that she could keep them to him along with the other necessary documents.

Chairman Dowdy stated that the next item of business to come before the Board was item 5(b) Resolution to Accept Assets & Liabilities of Merged District via Quitclaim Deeds of Conveyance, with Authorization of Chair to Execute Certificates of Consideration.

Chairman Dowdy stated that the proposed Quit Claim Deeds had been included in the last packet for everyone's review and stated that the Districts were conveying to Graves County Water District all property each owned or had an interest in.

Mr. Recktenwald stated that the signature of Graves County Water District was for the purposes of completing the Certificate of Consideration in the Deed. He stated that the amounts shown in the Certificate of Consideration were taken directly from the PSC report in terms of assets. Mrs. Krista Romaine stated that the issue she had was when that value was put in there, they are moving at net book, and the values that were put in there was actual cost, not less any depreciation, just what they paid for it over time, and she stated there may be an issue with the PSC with the value that you have assigned to it versus the net book value. Mr. Marty Ivy agreed with Mrs. Romaine that there was a big difference in the fair market value and book value and what the equity really is. Mr. Recktenwald stated that the PSC had reported the specific numbers that are shown. Mrs. Romaine stated that number shown is without any depreciation.

Mr. Henry Hodges asked if ongoing projects of the water districts would be allowed to be completed. Chairman Dowdy stated that yes all ongoing projects were going to be completed.

Commissioner Todd Hayden made a Motion authorizing Chairman Johnny Dowdy to sign the four Quit Claim Deeds of the water districts in favor of Graves County Water District and to further have the Quit Claim Deeds filed appropriately at the Graves County courthouse. Commissioner Joey Morrow seconded the Motion and it passed unanimously.

Chairman Dowdy stated that the next item on the Agenda was item 5(c), Resolution Delegating Project Oversight Responsibility for Existing Infrastructure Projects in Each Service Area to Respective Members of the Board of Commissioners From that Service Area.

Chairman Dowdy stated that he and Mr. Recktenwald had discussed this matter and further discussed that even though each district was conveying all property over to the Graves County Water District, any and all ongoing projects would remain under the care and supervision of each Board of the specific district where the project is being undertaken. He stated that each Board would give a report to the full Board at the quarterly meetings.

Mr. Kevin Leonard asked if KIA cared if the grant money was in Fancy Farm Water District's name, or Hardeman's money is in Hardeman's name, and all of the Authorizations would be coming from Graves County Water District, would that make a difference to the KIA. Mr. Adam Scott stated that he would try to take care of that matter once the merger had taken place. He stated that the name on the project would change and the authorized official address would change with everything else remaining the same, but that could be taken care of.

Mr. Recktenwald stated that each district would continue with their ongoing projects and the members of the Graves County Water District full Board, who are the former Board members of Consumers Water District, review the projects, look at the pay estimates coming from the contractor, and then approve or disapprove at that level.

He stated that this is what you are delegating this Board to do. He stated that once they have approved or disapproved, it is brought before the Executive Committee of Graves County Water District, and then this Board, having right of review, and unless you see something you really have questions about, would take the project under advisement and proceed accordingly. Mr. Recktenwald stated that even with the Hardeman project, which is not expected to commence for some time, since the project is already in the plan stage, even if the year is up you could still request that the current Hardeman Board consider being in charge of the project, with reports to be given to the Graves County Water District Board. He stated that they would be under no obligation to continue in that status and it would then be the full responsibility of this Board.

Mr. Recktenwald stated that he had referred to each water district as a Service Area, as opposed to a Water district, and indicates a section of the overall system. He stated that the Division of Water would require each district or area to have separate PWS ID numbers based on source and would refer to each like Graves County Water District – Fancy Farm Service Area, and so on. **Commissioner Todd Hayden made a Motion to the effect of referring to each water district as Service Area of the Graves County Water District. Commissioner Joey Morrow seconded the Motion and it passed unanimously.**

Ms. Sheila Rogers referred the Board to page 31 of the packet containing page 1 of the Quit Claim Deeds proposed to be executed in favor the Graves County Water District. She stated that Mr. Body Neely of Neely, Brien & Wilson, had reviewed the proposed Quit Claim Deeds and had asked that the following be added: "Both the Grantee and the Grantor herein are tax exempt entities with the address of the Grantee herein being P. O. Box 329, Mayfield, KY 42066, for the purposes of KRS 382.135." Ms. Rogers stated that she had added this language to the four proposed Quit Claim Deeds and was just a reference to the tax exempt status of both districts. The revision of the Quit Claim Deeds was approved by the Board.

Mr. Marty Ivy asked if all of the checking accounts would be closed as of today. Chairman Dowdy asked if this would cause a problem with the grant money coming in. Mr. Scott stated that he did not think it would be a big problem, but it would take a little time to get it taken care of. Mrs. Krista Romaine stated that either the accounts would have to be closed and merged into one operating and maintenance account, one debt service account, or whatever the Board decides but instead of having five sets of operating and maintenance accounts. Mrs. Romaine stated that the payroll account concerned her as Ms. Galloway would be on payroll for nine months under the EIN number for Hardeman. She stated that the retirement account was a concern also. Mr. Recktenwald stated that questions with regard to the retirement system probably needed to be directed to CERS and get their response in writing. Mr. Recktenwald stated that he would check into the matter.

Mr. Marty Ivy stated that if the Board was considering beginning operation as the Graves County Water District on Tuesday, September 2nd, there would have to be some money put into their checking account and money would have to be

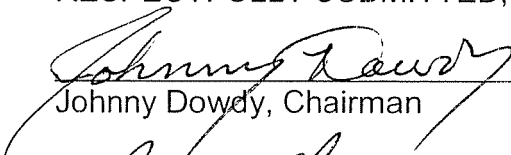
transferred from the other checking accounts into that account. Mr. Recktenwald stated that the assets and liabilities were authorized to be transferred and that should take care of that. Chairman Dowdy stated as far as the ongoing projects, we needed to make sure enough money was left in the accounts to make those payments.

Mr. Kevin Leonard stated that we probably needed to make a list of projects and different items that he knew of that was going to take place, such as the tank that was to be inspected, and other things that have already been approved by the different districts.

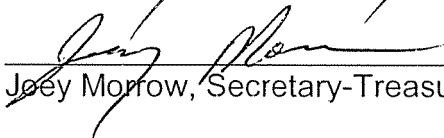
The question was asked if a new tariff needed to be prepared for and on behalf of Graves County Water District. Mr. Recktenwald stated that the tariff was being prepared by attorney, Jack Hughes. He stated that the tariffs of the 4 districts would be accepted and were to be followed and then 10 days after accepting the 4 tariffs of the districts, then they will go back in and accept the tariffs in the name of Graves County Water District. Chairman Dowdy stated that it would take some time to review all the tariffs and consolidate into one tariff. Mr. Recktenwald stated that would be responsibility of the full Board and he would suggest that a number of members be appointed to serve on a "committee" to review the tariffs, with that committee to give updates on their review.

There being no further business to come before the Board, **Commissioner Todd Hayden made a Motion to adjourn the meeting. Commissioner Joey Morrow seconded the meeting and it passed unanimously.** The date of Tuesday, September 16, 2008 at 8:00 a.m. being selected as the next meeting date.

RESPECTFULLY SUBMITTED,



Johnny Dowdy, Chairman



Joey Morrow, Secretary-Treasurer