



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

John W. Clay
Commissioner

April 1, 2009

John C. Collins, Esq.
Gregory D. Allen, Esq.
Law Offices of Collins and Allen
P.O. Box 475
Salyersville, Kentucky 41465

Mary Stephens, Esq.
Office of General Counsel
200 Fair Oaks Lane, First Floor
Frankfort, Kentucky 40601

David Edward Spenard, Esq.
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204

Re: Magoffin County Water District
Case No. 2008-00443

Ms. Stephens and Gentlemen:

The enclosed documents, Paintsville Utilities' Response to the Commission's Open Records Act Request and Rural Development's Response to the Commission's Freedom of Information Act Request, have been filed in the record of the above-referenced proceeding.

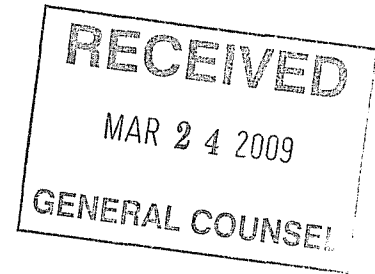
Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director



United States Department of Agriculture
Rural Development
Kentucky State Office



March 20, 2009


Public Service Commission
211 Sower Blvd.
P O Box 615
Frankfort, KY 40602-0615

RE: Freedom of Information (FOIA) Request

The attached is in response to your Freedom of Information request received March 17, 2009. The enclosed documents are copies from our office files of reports in which the water supply of Magoffin County Water District or the City of Salyersville. There is no official correspondence in the file.

If you have any questions, contact Michele Witt, Freedom of Information Officer at 859/224-7324.

Sincerely,


VERNON C. BROWN
Acting State Director

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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23 FEB 2000

PRELIMINARY ENGINEERING REPORT
MAGOFFIN COUNTY WATER DISTRICT
WHITE OAK WATER EXTENSION—PROJECT #9
MAGOFFIN COUNTY, KENTUCKY

KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601

PROJECT NO. 1999164

FEBRUARY, 2000

000002

**PRELIMINARY ENGINEERING REPORT
PROJECT 9—WHITE OAK WATER LINE EXTENSION**

I. INTRODUCTION

The Magoffin County Water District's White Oak Water Line Extension Project is Project 9 in the District's efforts to extend water service throughout all of rural Magoffin County. This particular project consists of line extensions in various locations throughout northern Magoffin County, mostly in the in the northwestern part of the county. The project will include portions of the following roads: Grape Creek, White Oak, Hammond Fork, Salt Lick, Cow Creek, U.S. 460 West, Lick Creek, Mine Fork and KY 7 South.

As proposed, the project will include an extension of approximately 89,000 l.f. of PVC water line and necessary appurtenances to serve nearly one hundred (100) new customers. Also included in the system will be five (5) new 50,000 gallon water storage tanks to insure adequate storage for the Magoffin County Water District system.

II. PROJECT PLANNING AREA

The area to be served is in northern Magoffin County, mostly in the northwestern part of the county. A map showing this area is included as Exhibit 1. The project will follow existing roadways to the residents who are to be added to the distribution system.

The project is located in the Appalachian area of Eastern Kentucky. The areas to be served by this project are currently served by wells, springs, and cisterns. Many of the wells and springs are contaminated with fecal coliform and have a high content of minerals such as iron, manganese, and chloride. As a result, the water from these wells and springs is considered unsafe and/or unsightly, and of poor taste. Public water service will help to alleviate these problems.

III. EXISTING FACILITIES

The Magoffin County Water District began water service in 1985, and has expanded its service several times in it fifteen years. This expansion is a result of the desire and need for potable water by the residents of Magoffin County.

The District purchases treated water from the City of Salyersville. The City's treatment plant has a capacity of 1.0 MGD, and presently treats about 0.7 MGD.

The existing water distribution system consists of 8", 6", 4", and 3" water lines. Seven (7) pump stations (three (3) 100 gpm pump stations, one (1) 80 gpm pump station, three (3) 24 gpm pump station) pump water to eight (8) water storage tanks (four (4) 100,000 gallon, one (1) 50,000 gallon, one (1) 10,000 gallon, and two (2) 5,000 gallon).

The system is relatively new and in good condition. District personnel strive and succeed in maintaining relatively small amount of water loss. The system is in compliance with the Kentucky Division of Water and Federal Safe Drinking Water standards.

IV. PROJECT NEED

This project will make public drinking water available to people who are not presently able to connect to the public water system. This will enable people to not be dependent on contaminated wells and springs.

V. ALTERNATIVES

The alternate to this project is to not extend any water lines in northern Magoffin County. This will keep people dependent on unsafe and/or unsightly water with poor taste from wells and springs contaminated with fecal coliform having a high content of minerals such as iron, manganese, and chlorides.

VI. PROPOSED PROJECT

- A. The proposed project will be designed to meet or exceed generally accepted design criteria for potable water. An approval from the Kentucky Division of Water will be obtained before any construction will begin.

Exhibit 1 shows the general location of the proposed lines of the project.

- B. Table 1 shows the estimated quantities and construction cost of the project to be \$845,450.00, with the total project cost of \$1,100,000.00.

000004

AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this the 23 day of September, 1997, between the Salyersville Water Commission (City of Salyersville) P.O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the Seller and the Magoffin County Water District, P.O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the Purchaser.

WITNESSETH: That in consideration of the mutual covenants contained herein, Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983 and Amendment dated August 11, 1995 and Amend as follows:

Paragraph (A)(1) Quality and Quantity of portable water be increased from 14,000,000 gallons per month to the quantity of water that may be required by the Purchaser but not exceed 16,000,000 gallons per month. All water purchased over 8,000,000 gallons per month shall be \$1.75 per thousand.

It is further agreed that Purchaser shall not purchase water from any other Sellers so long as Seller is able to meet the water demands of Purchaser, with regards to quantity and quality as per this contract.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies have caused the contract to be duly executed.

SELLER:
SALYERSVILLE WATER COMMISSION

ATTEST:
Veronica Hall
Ray Hetch
CHAIRMAN

PURCHASER:
MAGOFFIN COUNTY
WATER DISTRICT

ATTEST:
Shirley Sanders
Ray C. Carr
CHAIRMAN

This contract is approved on behalf of the Rural Economic and Community Development this the 29 day of October, 1997.

BY: Sharon C. Bean
TITLE: Mayor

OCT 24 1997

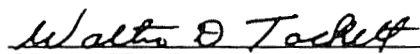
SPECIAL MEETING
OF THE
SALYERSVILLE WATER COMMISSION
HELD ON OCTOBER 23, 1997

The special meeting of the Salyersville Water Commission was called to order by Chairman Fletcher. Those present were Chairman Fletcher, Commissioner Tackett, Supt. Rowe, and Secretary Hall.

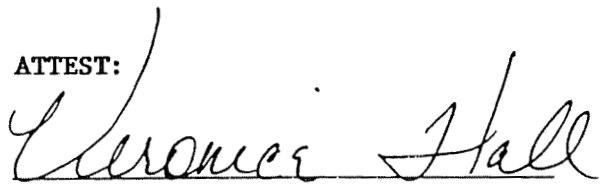
The amendment to the Magoffin County Water Districts Purchase Contract was read and discussed. Chairman Fletcher asked to hear a motion to approve the amendment. Commissioner Tackett made the motion and Chairman Fletcher seconded the motion. Vote was unanimous.

Chairman Fletcher then called the meeting to a close.


CHAIRMAN FLETCHER


COMMISSIONER TACKETT

ATTEST:


Cherone Hall

5/3

SPECIAL MEETING
OF THE
SALYERSVILLE WATER COMMISSION
HELD ON OCTOBER 23, 1997

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The amendment to the Magoffin County Water Districts Purchase Contract was read and discussed. Chairman Fletcher asked to hear a motion to approve the amendment. Commissioner Tackett made the motion and Chairman Fletcher seconded the motion. Vote was unanimous.

Chairman Fletcher then called the meeting to a close.

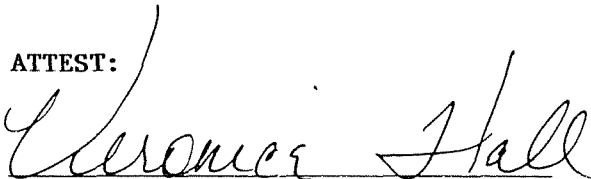


CHAIRMAN FLETCHER



COMMISSIONER TACKETT

ATTEST:



Veronica Hall

MINUTES

Magoffin County Water District Commissioners met October 22, 1997 at 1:00 P. M.

Those present were: Roy C. Cain, Henry Joseph, Allen McCarty, Jeff Jones, James Parsons, Eddie Brown, Jim Grizzle, William J. Cantrell and Shirley Borders.

Meeting was called to order by Calvin. Shirley read the minutes of the last meeting. Allen made a motion to accept the minutes as read. Henry second the motion. Motion carried.

Project No. 6 & 7 was discussed. RECD, Engineer, Contractor and Water District personnel drove the line today and took a look at the job and tank. Bill said he thought the job looked good. There is a few things that needs to be done yet.

Meeting is set for October 30, at 1:00 P. M. to try to finalize the job and pay the contractors. Warranty period was set for September 1, for the tank and October 1, was set as warranty for Project No. 6.

We do not have money to pay the contractors today but should be able to pay them on October 30. We hope to have the letter of condition on Project No. 8 on October 30.

Bill reported that a leak detector device has been purchased. The company gave us some training on the use of the device. He said he thought it was a good investment. Also bought two devices to detect location of pipe lines.

Water Purchase Contract with the City of Salyersville has been received and signed by the City. After reviewing the contract Bill recommended that the Commissioners approve the contract. Also they will give us a copy of the minutes of the meeting showing the date the Commissioners approved the contract. Allen made a motion to accept the Water

Purchase Contract that the City had signed. Henry second the motion. Motion carried.

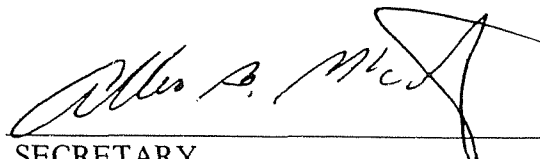
Corp of Engineers job on Rt. 30 was discussed. We have received a bill from James Parsons Construction Company for \$21,907.83. Bill said he had billed the Corp of Engineers and Mr. Parsons agreed to wait thirty days to see if we get the money from the Corp and if we haven't recieved the pay by November 25, the Water District will pay Mr. Parsons.

Next meeting date was set for November 25, at 1:00 P. M.

Eddie said he would notify Mr. Parsons about two recorders and two valve wrenches that he owes the Water District.

Mr. Jones said everything look good on the project also that the road to the tank site looked good.

Allen made a motion to adjourned. Henry second the motion. Motion carried.


SECRETARY

28

5/5

AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this 11th day of August, 1995, between the Salyersville Water Commission (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the Seller and the Magoffin County Water District, P. O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the Purchaser.

Witnesseth: That in consideration of the mutual covenants contained herein, Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983, Amended as follows:

1. The Salyersville Water Commission hereby extend the Water Purchase Contract and Amended Water Purchase Contract dated April 5, 1994 for a forty two (42) year term, which said period shall expire March, 2038.
2. Paragraph (A) (1) Quality and Quantity of portable water be increased from 11,000,000 gallons per month to the quantity of water that may be required by the purchaser but not to exceed ~~14,000,000~~ 14,000,000 gallons per month. All water purchased over 8,000,000 gallons per month shall be at \$1.75 per thousand.

In Witness Whereof, the parties hereto, acting under the authority of their respective governing bodies have caused this contract to be duly executed.

SELLER:

SALYERSVILLE WATER COMMISSION

Ray Hetch
CHAIRMAN

ATTEST:

Roni Howard

PURCHASER:

MAGOFFIN COUNTY WATER DISTRICT

Bob C. Carr
CHAIRMAN

ATTEST:

Shirley Borders

This contract is approved on behalf of the Farmers Home Administration this 12 day of July, 1995.

BY *Vernon C. Sew*

TITLE *Program Manager*

000010

AMENDMENT TO
MEETING HELD ON AUGUST 15, 1995

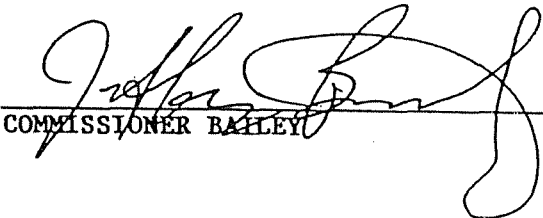
The Commissioners reviewed the proposed contract revisions to the Magoffin County Water District.

Commissioner Bailey made the motion to accept the revisions, Chairman Fletcher seconded the motion. Vote was unanimous.

With no further business to discuss the meeting was called to a close.

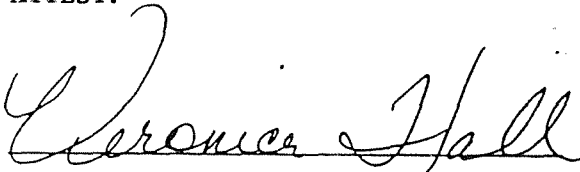


CHAIRMAN FLETCHER



COMMISSIONER BAILEY

ATTEST:



Veronica Hall

M I N U T E S

The Magoffin County Water District Commissioners met March 10, 1994 at 9:00 A. M. in William J. Cantrell's office. Those present were: Roy C. Cain, Henry Joseph, William J. Cantrell, William Grover Arnett, Vernon Brown and Shirley Borders.

The meeting was called to order by Calvin Cain. Shirley read the minutes of the last meeting. Henry made a motion to accept the minutes a read. Calvin second the motion. Motion carried.

Henry made a motion that the legal advertisement put in the paper state that the water tap fee will go to \$300.00 when the bids are opened. Calvin second the motion. Motion carried.

Bill discussed the new project and said that the engineer could not be here today but he said they had a letter to proceed from the Department of Highway. He said a letter has been sent to the Division of Water for their approval. He said at this time he did not know if the Water District will have to put up a cash bond with the Highway Department.

Bill discussed the deed that we have from Arnold Rice for the tank site. He said that we have the deed but he does not know what it is going to cost to get the site prepared for the tank. Beecher Barnett has looked at the site and said he would work on an hourly basis.

Water agreement with the Salyersville Water Commission was discussed. Henry made a motion to authorize Calvin to sign the agreement with the Salyersville Water Commission. Calvin second the motion. Motion carried.

Health insurance for employees was discussed. Now have a \$250 deductible. The cost savings plans would have a \$500 deductible. This would save \$1,728 per year. Henry made a motion to go to the \$500 deductible. Calvin second the motion. Motion carried.

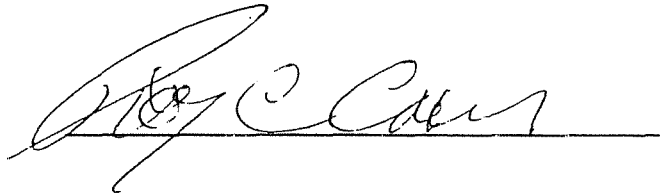
Vernon went over the list of items that needs to be completed for the project. He said we need 1,665 new and existing water users signed up and \$18,000 cash for the project.

Bill said he would contact Randy Jones and have him get everything ready that he needs to get ready.

River crossing at Bloomington was discussed.

William Grover Arnett said he would take care of any problems on the Arnold Rice deed for the tank site.

Meeting adjourned.

A handwritten signature in cursive script, appearing to read "Roy C. Carter", is written over a horizontal line.

FEB 14 1995

S/5

AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this 5th day of April, 1994, between the Salyersville Water Commission (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the (seller and the Magoffin County Water District, P. O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the (Purchaser).

Witnesseth: That in consideration of the mutual covenants contained herein Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983, Amended as follows:

1. The Salyersville Water Commission hereby extend the Water Purchase Contract for a forty (40) year term, which said period shall expire March 2036.
2. Paragraph (A) (1) Quality and Quantity of portable water be increased from 8,000,000 per month to a maximum of 11,000,000 gallons per month. All water purchased over 8,000,000 gallons per month shall be at \$1.75 per thousand.

In Witness Whereof, the parties hereto, acting under the authority of their respective governing bodies have caused this contract to be duly executed.

SELLER:

SALYERSVILLE WATER COMMISSION

Kenny Hatcher
CHAIRMAN

ATTEST:

Geri Anagnostou
SECRETARY

BUYER:

MAGOFFIN-COUNTY WATER DISTRICT

Bob E. Carr
CHAIRMAN

ATTEST:

Shirley Gardner
SECRETARY

This contract is approved on behalf of the Farmers Home Administration this 11 day of March, 1994.

BY Vernon C. Brown

TITLE chf c t B P

FEB 27 1994 000014

AMENDED WATER PURCHASE CONTRACT

THIS AMENDED WATER PURCHASE CONTRACT, made and entered into this 16th day of October, 1989, between the SALYERSVILLE WATER COMMISSION (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465, hereinafter referred to as the (Seller) and the MAGOFFIN COUNTY WATER DISTRICT, P. O. Box 430, Salyersville, Kentucky 41465 hereinafter referred to as the (Purchaser).

WHEREAS, the Seller and Purchaser entered into a certain Water Purchase Contract dated January 26, 1983 for a term of forty years, which contract was extended for an additional four years by agreement dated March 20, 1987;

WHEREAS, the Purchaser, Magoffin County Water District, is procuring financing to extend its water lines up Middle Fork of Licking River in Magoffin County, Kentucky and it is necessary for them to secure an extension of the Amended Water Purchase Contract insuring a supply of water for at least a period of forty (40) years which is the term of the bonds, notes and mortgages which will finance such project;

NOW THEREFORE, it is agreed between the parties as follows:

1. In recognition that the purchaser desires to extend its water lines to the Middle Fork area of Magoffin County, Kentucky and will purchase additional waters from the Seller and that Purchaser further must secure the water purchase contract securing its source of water for such project for a period of over forty (40) years from the date of the initiation

of said project, the parties do hereby agree and covenant that the water purchase contract of January 26, 1983 between them as amended by Amended Water Purchase Contract on March 20, 1987 is further amended so that the term thereof shall be for a term of forty (40) years from and after January 1, 1991.

2. The parties state that no other term of the original Water Purchase Contract of January 26, 1983 and the Amended Water Purchase Contract are modified except as provided above and all other terms remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused this Amended Water Purchase Contract to be duly executed in seven counterparts, each of which shall constitute an original.

SELLER:

SALYERSVILLE WATER COMMISSION

BY:

Colin Roy Jackson
COLIN JACKSON

Joe Salyer
JOE SALYER

Bobby Howard
BOBBY HOWARD

ATTEST:

Therese Hall
SECRETARY

BUYER:

MAGOFFIN COUNTY WATER DISTRICT

BY:

ATTEST:

Henry Joseph
SECRETARY

000016

STATE OF KENTUCKY:

COUNTY OF MAGOFFIN:

I, J.C. Cole, a Notary Public for the County and State aforesaid, do certify that on the 16 day of October, 1989, personally appeared before me COLIN JACKSON, JOE A. SALYER AND BOBBY HOWARD, who declared to me that they are the Commissioners of the Salyersville Water Commission, and that they have the authority to execute said instrument on its behalf.

My Commission Expires 7/5/90
J.C. Cole
NOTARY PUBLIC

STATE OF KENTUCKY:

COUNTY OF MAGOFFIN:

I, William J. Cornwell, a Notary Public for the County and State aforesaid, do certify that on the 19th day of October, 1989, personally appeared before me Roy C. Cain, who declared to me that he is the Chairman of the Magoffin County Water District, and that he has the authority to execute said instrument on its behalf.

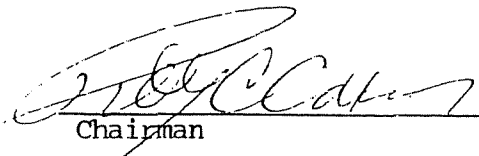
My Commission Expires 3/6/91
William J. Cornwell
NOTARY PUBLIC

This Contract Extension Agreement is approved on behalf of the Farmers Home Administration on this 1st day of November 1989.

FARMERS' HOME ADMINISTRATION
BY: W Lee Floyd
Community & Business Prog. Specialist
000017

R E S O L U T I O N

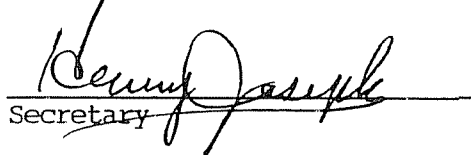
The Commissioners of the Magoffin County Water District authorize Roy C. Cain, Chairman, to sign the Amended Water Purchase Contract between The Salyersville Water Commission and the Magoffin County Water District. Motion was made by Bill Arnett, seconded by Henry Joseph. Vote was unanimous.



Chairman

Date: October 13, 1989

ATTEST:



Secretary

AMENDED WATER PURCHASE CONTRACT

THIS AMENDED WATER PURCHASE CONTRACT, made and entered into this 20 day of March, 1987, between the SALYERSVILLE WATER COMMISSION (City of Salyersville) P.O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the (Seller) and the MAGOFFIN COUNTY WATER DISTRICT, P.O. BOX 430, Salyersville, Kentucky 41465 hereinafter referred to as the (Purchaser).

WHEREAS, the Seller and Purchaser entered into a certain Water Purchase Contract dated January 26, 1983, for a term of forty years, which contract must be extended for an additional four years, and;

WHEREAS, the above mentioned Water Purchase Contract provided for a water rate of \$1.25 per thousand gallons which rate must be increased because of increased costs to the Salyersville Water Commission;

WITNESSETH: That in consideration of the mutual covenants contained herein Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983, be and is hereby amended and extended so that the term thereof shall be for a term of forty years from and after the 26th day of January, 1987.

The Magoffin County Water District shall pay to Salyersville Water Commission not later than the fifteenth day of each month, for water delivered, the sum of \$1.35 per thousand gallons under paragraph (B) (1) of the Water Purchase Contract.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused this extension of contract to be duly executed in seven counterparts, each of which shall constitute an original.

SELLER:

SALYERSVILLE WATER COMMISSION

BY:

Jerry Teal
JERRY TEAL

Grover C. Salyer
GROVER C. SALYER

Joe A. Salyer
JOE A. SALYER

ATTEST:

Sharon Salyer
SECRETARY

BUYER:

MAGOFFIN COUNTY WATER DISTRICT

BY:

ATTEST:

Sharon Joseph
SECRETARY

STATE OF KENTUCKY:

COUNTY OF MAGOFFIN:

I, TR C Bell, a Notary Public for the County and State aforesaid, do certify that on 20 day of March, 19 87 personally appeared before me JERRY TEAL, GROVER C. SALYER AND JOE A. SALYER, who declared to me that they are the Commissioners of the Salyersville Water Commission, and that they have the authority to execute said

instrument on its behalf.

My Commission Expires 7/5/90.

TCColl
NOTARY PUBLIC

STATE OF KENTUCKY:

COUNTY OF MAGOFFIN:

I, TCColl, a Notary Public for the County and State aforesaid, do certify that on the 20 day of March, 1987, personally appeared before me Calvin Cain, who declared to me that he is the Chairman of the Magoffin County Water District, and that he has the authority to execute said instrument on its behalf.

My Commission Expires 7/5/90.

TCColl
NOTARY PUBLIC

This Contract Extension Agreement is approved on behalf of the Farmers Home Administration this 24th day of MARCH, 1987.

FARMERS' HOME ADMINISTRATION

BY: Robert W. Letton
CHIEF, Community & Business Programs

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 26th day of January,
19 83, between the Salversville Water Commission (City of Salversville)
P. O. Box 640 Salversville, Ky.
(Address)

hereinafter referred to as the "Seller" and the Magoffin County Water District
P.O. Box 430, Salversville, Ky.
(Address)

hereinafter referred to as the "Purchaser", and is to become effective on the date of receipt
by Seller of Request by Purchaser as per Sec. C. #3.
WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the
Code of Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution
system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish
this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the
present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown
in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the 13th day
of January, 19 83, by the Seller, the sale of water to the Purchaser in accordance
with the provisions of the said Resolution was approved, and the execution of this contract
carrying out the said Resolution by the Chairman of the Salversville Water Commission
and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Board of Commissioners
of the Purchaser, enacted on the _____ day of _____, 19 83,
the purchase of water from the Seller in accordance with the terms set forth in the said Resolution
was approved, and the execution of this contract by the Chairman of the Magoffin County Water District
attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of
this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the _____
Ky DNRSP and State Health Department

in such quantity as may be required by the Purchaser not to exceed 7,000,000 gallons per month. nor
160 gpm at each metering station.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That thirty (30) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water, or any Section thereof,

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ 1.25/1000g which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every two (2) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement. (See item 9)

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. All subsequent rate changes will occur at the same time and in the same percentage of change as applied to all customers of the Salyersville Water Commission both inside and outside the city.

10. It is agreed that all of the Purchaser's rights and equities under this contract may be and the same are hereby pledged to the USDA, FmHA, as security for a loan FmHA proposes to make to purchaser to finance the construction of a water system.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in Seven (7) counterparts, each of which shall constitute an original.

Seller:

SALYERSVILLE WATER COMMISSION

By Donald Crowder

Title CHAIRMAN

James Robinson
Clinton Aselt

Purchaser:

MAGOFFIN COUNTY WATER COMMISSION

By Bill Aselt

Title CHAIRMAN

Attest:

Carlotta Howard
Secretary

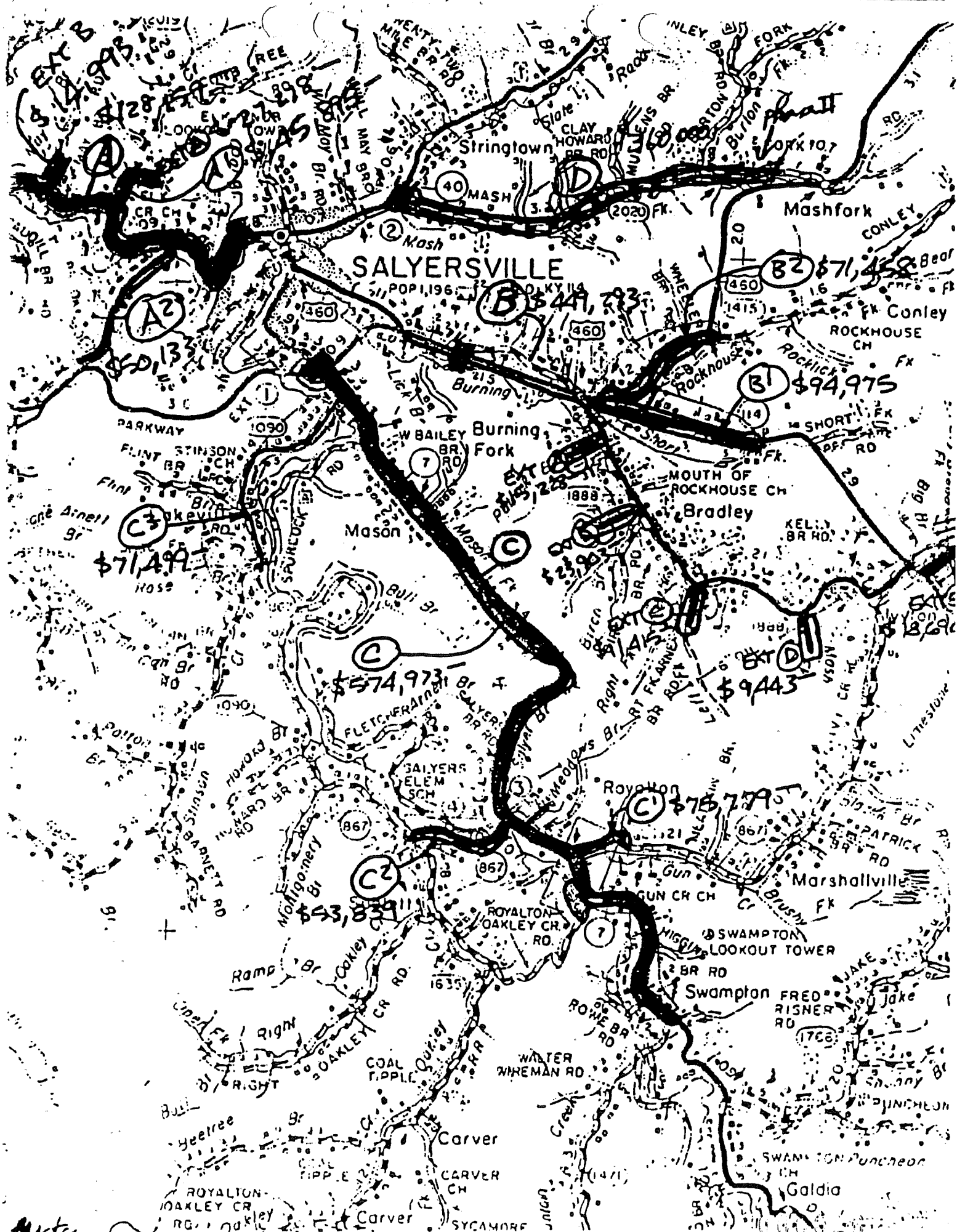
Attest:

John E. Calkins
Secretary

This contract is approved on behalf of the Farmers Home Administration this 6th day of June

19 83

By David R. King
Title County & Basin Program Specialist



\$128,995
 \$428,995
 \$425,995
 \$501,333
 \$71,499
 \$574,973
 \$53,839
 \$94,975
 \$71,458
 \$9443
 \$75,779

SALYERSVILLE

Master
 11/1/68



PAINTSVILLE UTILITIES
137 Main Street
P O Box 630
PAINTSVILLE, KENTUCKY 41240
Phone - (606) 789-2630
TDD NO - 1-800-247-2510



RECEIVED
MAR 25 2009
GENERAL COUNSEL

LARRY D HERALD
General Manager

RECEIVED
MAR 25 2009
PUBLIC SERVICE
COMMISSION

March 23, 2009

Mr. Gerald E. Wuetcher
Executive Advisor
Public Service Commission
211 Sower Blvd
P O Box 615
Frankfort, KY 40602-0615

Re: Open Records Act Request

Dear Mr. Wuetcher:

Enclosed you will find copies of contracts requested per your Open Records Act Request of March 16, 2009. These are the only records we have on file, and they were presented previously

Should you have any further questions or concerns please call at (606)789-2630.

Sincerely,

A handwritten signature in cursive script that reads "Larry D. Herald".

Larry D. Herald,
General Manager

Enclosures

AGREEMENT

THIS AGREEMENT made and entered into this 18 day of MAY, 2000 by and between THE PAINTSVILLE UTILITY COMMISSION, by and through its Chairman, OTTO BALDRIDGE, Main Street, Paintsville, KY 41240 hereinafter referred to as party of the first part and THE MAGOFFIN

COUNTY WATER DISTRICT, by and through its Bill May, Chairman

Magoffin Co Water District Salyersville, Ky hereinafter referred to as Party of

the second part and THE MAGOFFIN COUNTY FISCAL COURT, by and through its County Judge Executive, Courthouse, Salyersville, KY, party of the third part;

WHEREAS the Magoffin County Water District is in need of an emergency supply of water; and

WHEREAS the Paintsville Utility Commission has lines in the vicinity of the lines of Magoffin County Water District located in Johnson County, Kentucky

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. The Paintsville Utility Commission will provide water on an emergency basis to the Magoffin County Water District at a location to be designated by party of the first part.

2. It is agreed and understood by both parties that party of the first part shall have the exclusive right to determine whether or not to provide emergency water to the party of the second part. It is solely within the discretion of the party of the first part to provide the water on an emergency basis but will do so, so long as it is determined by Party of the First part that it will not impact the Paintsville Utility Commission's water system.

3. Party of the second part hereby agrees to pay for and to convey to party of the first part all necessary lines running from the Magoffin County line where it meets Johnson County and to hook up to the Paintsville Utilities Commission's system in accordance with the Paintsville Utilities Commission System's specifications.

4. It is further agreed and understood that the party of the second part shall be responsible for all costs of the construction of the lines and further will provide or be obligated to pay for a meter located on the Johnson-

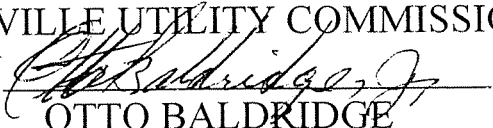
Magoffin County line or such location as determined by the party of the first part.

5. The party of the second part hereby is obligated to pay the costs of any water used by party of the second part which will be billed on a regular basis by party of the first part.

6. To secure payment, party of the first part does require party of the second part to put up a bond to cover the cost of the emergency water supply to the party of second part.

7. Party of the third part hereby enters into this agreement and shall be obligated as is Party of the Second Part for the payment of any costs associated with the construction of the lines and for payment of any bills incurred by second parties for water usage.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and date first above written.

PAINTSVILLE UTILITY COMMISSION
BY 
OTTO BALDRIDGE
CHAIRMAN

MAGOFFIN COUNTY WATER DISTRICT
BY Bill W. May

MAGOFFIN COUNTY FISCAL COURT
BY Paul H. Salyers
PAUL SALYERS, MAGOFFIN COUNTY
JUDGE EXECUTIVE

STATE OF KENTUCKY
COUNTY OF JOHNSON

Subscribed and sworn to before me by OTTO BALDRIDGE for and on behalf of PAINTSVILLE UTILITY COMMISSION on this the 18th day of May, 2000.
My commission expires 7-1-01.

Jeresa G. Litteral
NOTARY PUBLIC

STATE OF KENTUCKY
COUNTY OF MAGOFFIN

Subscribed and sworn to before me by _____ for and on behalf of MAGOFFIN COUNTY WATER DISTRICT on this the 18 day of May, 2000.
My commission expires 7-1-2001.

Marlene W Spradlin
NOTARY PUBLIC

STATE OF KENTUCKY
COUNTY OF MAGOFFIN

Subscribed and sworn to before me by PAUL SALYERS, MAGOFFIN
COUNTY JUDGE EXECUTIVE for and on behalf of MAGOFFIN
COUNTY FISCAL COURT ON this the 18 day of May, 2000.

My commission expires 7-1-2001.

Marlene W Spradlin
NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

J. Scott Preston
J. SCOTT PRESTON
P. O. BOX 1361
PAINTSVILLE, KY 41240

EMERGENCY WATER SUPPLY AGREEMENT

THIS agreement made and entered into this the 13 day of Oct., 2008 by and between the Paintsville Utilities Commission ("PUC"), whose address is 137 Main Street, P.O. Box 630, Paintsville, Kentucky, 41240 and the City of Salyersville, by and through its Mayor, City Hall, Salyersville, Kentucky ("Salyersville").

WITNESSETH:

WHEREAS, Salyersville is in need of an emergency water supply and:

WHEREAS, PUC has water lines in the vicinity of Salyersville and is willing to provide Salyersville with an emergency water supply subject to the provisions below;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Upon request of Salyersville, PUC will provide water on an emergency basis to Salyersville at a location to be designated by PUC.
2. PUC shall have exclusive authority and discretion to determine whether to provide emergency water to Salyersville and shall have the exclusive authority to determine the amounts of emergency water to provide Salyersville. Without limiting the foregoing, PUC agrees to not unreasonably withhold the provision of emergency water to Salyersville and will do so when the same could have an impact on PUC's water system.
3. Salyersville shall be solely responsible for the financing, procurement, and installation of all necessary water lines from its existing system to the Magoffin/Johnson County line where Salyersville shall make connection with the PUC water system in accordance with the PUC's system specifications. It shall also be the responsibility of

Salyersville to purchase and install a water meter, at a location to be determined by PUC, to measure the water flow to Salyersville. Upon installation of said water lines, Salyersville agrees to convey ownership of said lines to PUC, and PUC shall adopt said lines into its existing system.

4. It shall be the sole responsibility of Salyersville to obtain any and all necessary easements, right-of-ways, and permits to effectuate this agreement. Upon procurement of the same, Salyersville agrees to assign or transfer said easements, right-of-ways and permits to PUC and have the transfer instrument along with the easements and other documentation placed of record in the Magoffin County Clerk's Office.

5. When emergency water is provided to Salyersville, Salyersville agrees to pay the cost for said water, which will be billed at PUC's standard billing rate and on a monthly basis.

6. As security for payment of said emergency water, PUC requires of Salyersville and Salyersville agrees to procure a bond in the amount of \$10,000.00 to cover the cost of the emergency water supply to Salyersville. Upon procurement of said bond, Salyersville agrees to transmit a copy of the same to PUC, which is a condition precedent to PUC providing emergency water.

7. The term of this Agreement shall be for a period of one (1) year and shall automatically renew each year thereafter for a successive one-year term. Either party may cancel this Agreement, with or without cause, by providing written notice not less than thirty (30) days prior to the anniversary date of this Agreement.

8. Salyersville shall indemnify and hold harmless PUC for any and all claims caused, in whole or in part, by Salyersville's negligence. It is further agreed and

understand that Salysville shall fully and completely and unconditionally indemnify and hold harmless PUC for any claims or causes of action asserted against PUC for providing said emergency water, including, but not limited to, for any claim or cause of action relating to the procurement of any and all easements, right-of-ways or other legal documents; the financing or installation of the aforementioned water lines; and any and all other claims or causes of action arising out of this agreement.

9. If any provision of this Agreement is determined to be unenforceable that determination shall not affect the enforceability of any other provisions of this Agreement.

10. This Agreement contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agent of either party that are not contracted in this written contract shall be valid or binding; this Agreement may not be enlarged, modified or altered except in writing signed by the parties and indorsed on this Agreement.

11. It is mutually understood and agreed that this Agreement shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance.

12. The Parties agree this Agreement is the result of mutual changes and the Rule of Construction against the drafter shall not apply.

In witness whereof, the parties hereto have executed this agreement the day and year first above written.

10-13-08

See Attached Rate
Sheet. S.H.

PAINTSVILLE UTILITIES COMMISSION

BY: Jim Colvin
JIM COLVIN
CHAIRMAN

CITY OF SALYERSVILLE

BY: Sandy Howard
MAYOR
CITY OF SALYERSVILLE

COMMONWEALTH OF KENTUCKY
COUNTY OF Franklin

I, Tammy Coleman, Notary Public for the County aforesaid, do certify that the foregoing Emergency Water Supply Agreement was this day produced to me in said County and duly acknowledged before me by Jim Colvin, as Chairman of the Paintsville Utilities Commission, on behalf of the Paintsville Utilities Commission, on this the 11th day of September, 2007.

Tammy Coleman
NOTARY PUBLIC

MY COMMISSION EXPIRES: 3-5-2011

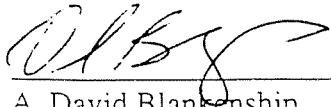
COMMONWEALTH OF KENTUCKY
COUNTY OF Magoffin

I, Sandy S. Carpenter, Notary Public for the County aforesaid, do certify that the foregoing Emergency Water Supply Agreement was this day produced to me in said County and duly acknowledged before me by the Mayor of the City of Salyersville, on behalf of the City of Salyersville, on this the _____ day of _____, 2007.

Sandy S. Carpenter
NOTARY PUBLIC

MY COMMISSION EXPIRES: May 27, 2012

THIS INSTRUMENT PREPARED BY:



A. David Blankenship
Blankenship Law Office, PLLC
328 E. Court Street
Prestonsburg, KY 41653
Telephone: (606) 886-1343
Telecopier: (606) 886-1349

PAINTSVILLE UTILITIES
CURRENT RATE STRUCTURE

10-13-08

S.H.

RATE INCREASE BASED ON
RATE INCREASE BASED ON
2007 INDEX TO THE CONSUMER
JOURNAL PRINTED AS OF
01-17-2008 PER ORDINANCE
2.5 CPI

GAS RATES Ordinance No. 2004 - 010
Effective Date 01-15-08
02-15-08 Meter Reading

	Current Inside Rate (per thousand Cubic Foot)	Current Outside Rate (per thousand Cubic Foot)
First One -Thousand Cubic Feet	\$18.74	\$23.43
Next Two -Thousand Cubic Feet	\$18.02	\$22.52
Over Three -Thousand Cubic Feet	\$17.47	\$21.77

WASTEWATER (Sewer) RATES Ordinance No. 2004 - 009

	Current Inside Rate (per thousand gal)	Current Outside Rate (per thousand gal.)
First 0 - 2,000 Gallons	\$15.37	\$15.37
Next 3,000 Gallons	\$7.35	\$7.35
Next 5,000 Gallons	\$7.35	\$7.35
Next 15,000 Gallons	\$7.29	\$7.29
Next 25,000 Gallons	\$7.29	\$7.29
Next 50,000 Gallons	\$7.29	\$7.29
Over 100,000 Gallons	\$6.90	\$6.90

WATER RATES Ordinance No. 2004 - 008

	Current Inside Rate (per thousand gal)	Current Outside Rate (per thousand gal)
First 0 - 2,000 Gallons	\$7.58	\$11.21
Next 3,000 Gallons	\$3.76	\$4.71
Next 5,000 Gallons	\$3.76	\$4.71
Next 15,000 Gallons	\$3.59	\$4.50
Next 25,000 Gallons	\$3.42	\$4.04
Next 50,000 Gallons	\$3.42	\$4.04
Over 100,000 Gallons	\$3.31	\$3.71

FINANCIAL GUARANTEE BOND

Bond # 363 42 31

Know all by these Presents:

That we, City of Salversville/Salversville Waterworks, P.O. box 640, Salversville, KY 41465 as Principal, and Great American Insurance Company, with principal office at 4965 U.S. Highway 42, Suite 1550, Louisville, KY 40202, as Surety are held and firmly bound unto Paintsville Utility Commission, 137 Main Street, Paintsville, KY 41240 in the sum of Ten Thousand dollars and no/100-----\$10,000, for the payment of which sum, well and truly to be made, we bind ourselves, our personal representatives, successors and assigns, jointly and firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH:

That Whereas, the Principal has requested that Paintsville Utility Commission has agreed to furnish Emergency Water Supply to the Principal as the terms and conditions of the Agreement between them dated October 13, 2008.

Whereas, Paintsville Water Commission is willing to accept this Bond in lieu of requiring a cash deposit to be made by the Principal to secure payment for the service to be furnished.

Now Therefore, if the Principal shall pay the full amount of all sums which become due for the said service to be furnished the Principal and/or all monies to become due under the terms of the said Agreement, in the manner at the time provided, then this obligation shall be void, otherwise to be and to remain in full force and effect.

Provided However, that this Bond is written upon the following expressed condition:

- (1) That in no event shall the liability of the surety hereunder be cumulative from year to year, nor shall the surety in any event be liable for more than the total amount of Ten Thousand Dollars and no/100 (\$10,000.00).
- (2) The bond is continuous, however the surety shall have the right to cancel this bond at any time by a written notice stating when the cancellation shall take effect and served upon or sent by certified mail to the Owner at least thirty (30) days prior to the effective date of the cancellation; provided such cancellation shall not release said surety from any liability existing hereunder at the time of effective date of the said cancellation.

Signed and Sealed this 29th day of October, 2008.

City of Salversville

Laura Howard
Witness

[Signature]

Great American Insurance Company

Diane Reggs
Witness

[Signature]
Pamela K. Marshall Attorney In Fact