

Office:
8955 Main Street • P.O. Box 219
Campbellsburg, KY 40011

Telephones:
(502) 532-6279 • (502) 532-6280
1-800-256-2350

Fax:
(502) 532-0027



Water Treatment Plant:
3278 Morton Ridge Road
Bedford, KY 40006

Telephone:
(502) 255-0126

Fax:
(502) 255-0347

RECEIVED

AUG 13 2009

PUBLIC SERVICE
COMMISSION

08/11/2009

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

Reference: Case No. 2009-00264

Dear Mr. Derouen:

This writing is in response to the complaint filed by W.H. Graddy and Associates representing James S. Wayne, Trustee of the James S. Wayne living trust.

- History of service

In May of 1997 water service was applied for by Mr. Ray Powell to serve the property now owned by Mr. Wayne. The District was on a tap-on ban at the time and all new services had to be approved by Division of Water. Service was approved by Division of Water and meter was installed on Mr. Larry Congleton's property with Mr. Congleton's permission May 1997. Shortly after service installation, Mr. Clarence Davis had the account transferred to his name and hired a contractor to install a three inch water line from the meter to his property. Mr. Davis sold the property to Mr. Wayne in the year 2000. Mr. Wayne had the account transferred to his name August 2000.

Prior to the construction of the three inch line from the meter to Mr. Davis' property, Mr. Davis and Mr. Congleton contacted then Water District Superintendent Mr. Gene Powell about the District taking over the three inch line after installation of the line. This would allow the other residents on McCarty Lane the ability to receive water service from the District.

Mr. Gene Powell agrees to take over the water line on behalf of the District once the District came off of the tap-on ban. Mr. Powell retired from the District shortly

thereafter before an easement was signed. All of this information is in an affidavit signed by Mr. Davis. (Attached)

In January of 2008 the meter readers noted that Mr. Wayne's meter was turning and that he could possibly have a leak. After previous and present readings were compared a high usage notification letter was sent to Mr. Wayne. Mr. Wayne hired a plumbing company to repair the leak. The plumbing company was denied entry onto the property to repair the leak by Mr. Congleton. Mr. Wayne had service disconnected on March 6, 2008.

Mr. Larry Congleton called me around March 20, 2008 and inquired about having the meter service connected in his name. I told him I would need to contact the PSC before we could do that because even though the meter was on Mr. Congleton's property, it was the meter for the three inch line.

On March 24, 2008 I called Ms. Ginny Smith at the PSC and explained the situation to her. I told her about the dispute between the two property owners over the water meter and line. Ms. Smith said it would be okay to let Mr. Congleton pay a connection fee and have the meter in his name. Mr. Congleton had the meter put in his name on April 4, 2008.

Mr. Wayne never came back in to have the meter re-connected in his name. Mr. Congleton continued to pay the bill on the account.

On July 23, 2008 a letter was sent to Mr. Wayne. A copy has been enclosed. In summary the letter stated that Mr. Congleton will give the District an easement for the three inch water line that is entirely on his property.

On September 3, 2008 Mr. Congleton granted an easement to the District for the three inch water line. A copy of the recorded easement has been provided. (Attached)

On September 30, 2008 the District submitted plans to the Division of Water for the purpose of getting approval of the three inch line.

On October 6, 2008 District personnel begin work on the three inch line to bring it up to specifications. Work sheets of employee hours and supplies used to repair water line are enclosed.

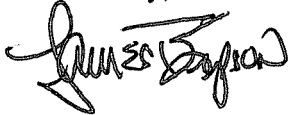
The water line issue was discussed at the November 11, 2008 Board of Directors meeting. A letter was sent to Mr. Wayne detailing the outcome of the discussion. The Division of Water approved the plans on the three inch water line. The meter base was removed from the original site. Bear in mind that Mr. Wayne is not a customer of the District and has not been since he requested service to be disconnected in March. The District has never denied Mr. Wayne service. Mr. Wayne was told that when he wanted service again that the meter would be installed near the end of the line on his property.

The District researched Mr. Wayne's deed to his property and there is absolutely no mention of a water line whatsoever.

Since Mr. Wayne consulted an attorney who assisted with the purchase of the farm, would a title search not have been done? Why is there no mention of a water line in the deed? Why does Mr. Wayne state numerous times in the complaint that the District is not providing service when he had service disconnected?

In closing, the District believes that they have a legal recorded easement from the property owner that the water line is on. Mr. Wayne has not been a customer of the District since March 6, 2008 and has not requested to be one since then. The District contacted PSC staff before allowing Mr. Congleton to put account in his name. The District believes that they have acted properly in this matter and in the best interests of the other residents on McCarty Lane who now have access to city water which was the original intent at the beginning.

Sincerely,

A handwritten signature in black ink, appearing to read "James T. Simpson". The signature is stylized and cursive.

James T. Simpson
Chief Operating Officer
Henry County Water District #2

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PUBLIC SERVICE
COMMISSION

The following statement below is a true and accurate account of how water service came about on my farm on McCarty Lane in the year of 1997.

The meter was set in May 1997 in the name of Mr. Ray Powell. Shortly thereafter the account was transferred into the name of Mr. Clarence Davis. The meter was installed onto property owned by Mr. Larry Congleton. An unwritten agreement took place between Mr. Davis and Mr. Congleton giving permission to Mr. Davis to install a 3" water line from the meter through Mr. Congleton's property to Mr. Davis' property.

After the line was installed Mr. Davis and Mr. Congleton contacted Mr. Gene Powell, who was Superintendent of the Henry County Water District #2, about the District taking over the 3" line allowing other residents on McCarty Lane water service. Mr. Congleton agreed to sign an easement over to the District on the water line.

Mr. Powell agreed to take over the water line on behalf of the District once the District came off of the tap-on ban imposed by The Division of Water. Mr. Powell retired from the District shortly thereafter before an easement was signed.

As stated before, this is a true and accurate account of verbal agreements between all parties involved.

A handwritten signature in black ink, appearing to read "Clarence Davis", written over a horizontal line.

Clarence Davis

A handwritten signature in black ink, consisting of several overlapping, scribbled lines, written over a horizontal line.

Witness

SIGNED STATEMENT FROM
MR. CLARENCE DAVIS, PREVIOUS
OWNER OF WAYNE PROPERTY

LOCAMTR#	TYPE	RATE	PREV	PRESENT	USE	AVG	REASON
06-17760 24309728	108420 WATER	ARNOLD, JAMES M 542 SKIDMORE LN R01	9037	9037	516	298	LOW RD(Var 2.98)
06-17830 05096624	111217 WATER	GRAYSTONE FARMS, 756 SKIDMORE LN R01	9713	10353	640	308	HIGH RD(Var 613)
06-17850 37749506	108407 WATER	MOORE, DONNIE 1057 SKIDMORE R01	34538	34538	0	0	LOW RD(Var 0)
06-18020 47775233	108482 WATER	ISON, JOHNNIE 2289 HILLSBORO RD R01	29488	230033 <i>230275</i>	200545	604	HIGH RD(Var 1202) <i>RWD</i>
06-18100 43355315	108492 WATER	HINTON, TERRY 2858 HILLSBORO RD R01	101773	105426	3653	1082	HIGH RD(Var 2153)
06-18404 10776547	111029 WATER	STIERLE, GREG & LORNA 545 HILLSBORO RD R01	45298	46678	1380	674	HIGH RD(Var 1341)
06-18430 51907154	108436 WATER	BRADING, JANETTA 431 HILLSBORO RD R01	17434	17762	328	156	HIGH RD(Var 310)
06-18580 04171586	107892 WATER	AIRINGTON, JOE A 784 BOYER LN R01	14009	13109	-900	1100	LOW RD(Var 11) <i>READING TURNED IN WRONG 13400 when put in</i>
06-18610 32910430	106859 WATER	JONES, DEMINT 110 OLD CARMON RD R01	17568	17862	294	104	HIGH RD(Var 207)
06-18680 10774240	107587 WATER	REEVES, JR, GARRY 6971 CAMPBELLSBURG RD R01	45856	45856	0	159	LOW RD(Var 1.59)
06-18765 96739487	111187 WATER	MCCARTY, STEVE 1045 OREM RD R01	56484	61966 <i>61985</i>	5482	81	HIGH RD(Var 161)
06-18950 45836954	111177 WATER	CRUM, RHONDA 12 MCCARTY LANE R01	8751	9189	438	112	HIGH RD(Var 223)
06-18990 98325922	107608 WATER	WAYNE, JAMES & DEBRA CAMPBELLSBURG RD R01	78434	84210 <i>86805</i>	5776	1660	HIGH RD(Var 3303) <i>METER TURNING CUST HAS LEAK</i>
06-19020 04171621	107612 WATER	CONGLETON, LARRY 5502 CAMPBELLSBURG RD R01	27499	28817	1318	626	HIGH RD(Var 1246)

< < < END OF METER READING EXCEPTION REPORT > > >

COPY

METER READING EDIT
LIST WITH NOTE FROM
METER READER INDICATING
" ON MR. WAYNE'S

RUN DATE: 8/10/2009

HENRY COUNTY WATER DISTRICT #2
CUSTOMER NOTES REPORT
ACCOUNT #: 107608

PAGE NO: 1
BY: LBW

ACCOUNT #: 107608
LOCATION #: 06-18990
NAME: JAMES & DEBRA WAYNE
ADDRESS: CAMPBELLSBURG RD
PHONE #:

NOTES:

05/02/07 jim wayne requested the billing address be changed to 1054 Mccarty lane campbellsburg,and for bank draft removed.kl

leak letter 01/08 lw

COPY

Called Matt

HENRY COUNTY WATER DISTRICT #2 - Work Order 5218

**CAMPBELLSBURG, KY 40011
502-532-6280**

JAMES & DEBRA WAYNE
CAMPBELLSBURG RD
CAMPBELLSBURG, KY 40011

ORDER NO: 5218
ACCOUNT: 107608
LOCATION: 06-18990
MID:

CLASS: HENRY

ORDER TYPE:

ISSUE DATE	BEGIN DATE	DATE CLOSED	PRINT DATE
1/15/2008			1/15/2008

Location Note: R6 SP FAR RS OF HS OVER FNCE STAKE

OLD METER ID	OLD READING	NEW METER ID	NEW READING
98325922	84210		
OLD SERIAL #	<i>855930</i>	NEW SERIAL #	

EXPENSE	DESCRIPTION	EXPENSE	AMOUNT
MATERIAL		MAT. \$	.00
EQUIPMENT		EQUIP. \$	.00
EMPLOYEES		LABOR \$	.00
LABOR HRS		TRAVEL \$	.00
MISC EXP		MISC. \$	.00

REMARKS:

CHECK METER FOR LEAK BILL IS VERY HIGH
PLEASE CALL 724-7627

Updated By: VSC On: 1/15/2008 Taken By: *MS*

Meter is leaking

*WORK ORDER To
CHECK METER. Bill is
HIGH*

COPY

HENRY COUNTY WATER DISTRICT #2 - Work Order 5539

CAMPBELLSBURG, KY 40011
502-532-6280

JAMES & DEBRA WAYNE
CAMPBELLSBURG RD
CAMPBELLSBURG, KY 40011

ORDER NO: 5539
ACCOUNT: 107608
LOCATION: 06-18990
MID:

CLASS: HENRY

ORDER TYPE: DISCONNECT

ISSUE DATE	BEGIN DATE	DATE CLOSED	PRINT DATE
3/5/2008		<i>3-6-08</i>	3/5/2008

Location Note: R6 SP FAR RS OF HS OVER FNCE STAKE

OLD METER ID	OLD READING	NEW METER ID	NEW READING
98325922	87422		
OLD SERIAL #		NEW SERIAL #	
	<i>874220</i>		

EXPENSE	DESCRIPTION	EXPENSE	AMOUNT
MATERIAL		MAT. \$	.00
EQUIPMENT		EQUIP. \$	.00
EMPLOYEES		LABOR \$	.00
LABOR HRS		TRAVEL \$	.00
MISC EXP		MISC. \$	.00

REMARKS: DISCONNECT WATER SERVICE

PLEASE DISCONNECT SERVICE CUSTOMER STATES THAT THEY HAVE A LEAK AND AREN'T SURE WHEN THEY WILL BE ABLE TO FIX.

Updated By: VC1 On: 3/5/2008 Taken By: *MKF*

*Work order to
disconnect service
as requested by Mr.
Wayne.*

COPY

HENRY COUNTY WATER DISTRICT #2 - Work Order 5951

*Paid
Called Matt*

CAMPBELLSBURG, KY 40011
502-532-6280

JAMES & DEBRA WAYNE
CAMPBELLSBURG RD
CAMPBELLSBURG, KY 40011

ORDER NO: 5951
ACCOUNT: 107608
LOCATION: 06-18990
MID:
ORDER TYPE:

CLASS: HENRY

ISSUE DATE	BEGIN DATE	DATE CLOSED	PRINT DATE
4/10/2008		<i>4-10-08</i>	4/10/2008

Location Note: R6 SP FAR RS OF HS OVER FNCE STAKE

OLD METER ID	OLD READING	NEW METER ID	NEW READING
98325922	87422	<i>95989-577</i>	<i>107590</i>
OLD SERIAL #		NEW SERIAL #	<i>Zelights</i>

EXPENSE	DESCRIPTION	EXPENSE	AMOUNT
MATERIAL		MAT. \$	.00
EQUIPMENT		EQUIP. \$	.00
EMPLOYEES		LABOR \$	.00
LABOR HRS		TRAVEL \$	.00
MISC EXP		MISC. \$	.00

REMARKS:

NEW CUSTOMER:
CONNECTION
LARRY CONGELTON
\$25.

Updated By: VSC On: 4/10/2008 Taken By: *MT*

*Work order connecting
service to Mr. Larry
Congelton.
Conferred with PSC
staff before doing so.*

COPY

HENRY COUNTY WATER DISTRICT #2 - Work Order 7006

CAMPBELLSBURG, KY 40011
502-532-6280

LARRY CONGLETON
CAMPBELLSBURG RD
CAMPBELLSBURG, KY 40011

ORDER NO: 7006
ACCOUNT: 111466
LOCATION: 06-18990
MID:
ORDER TYPE: DISCONNECT

CLASS: HENRY

ISSUE DATE	BEGIN DATE	DATE CLOSED	PRINT DATE
9/9/2008			9/9/2008

Location Note: R6 SP FAR RS OF HS OVER FNCE STAKE

OLD METER ID	OLD READING	NEW METER ID	NEW READING
45989577	10759		
OLD SERIAL #		NEW SERIAL #	

EXPENSE	DESCRIPTION	EXPENSE	AMOUNT
MATERIAL		MAT. \$	.00
EQUIPMENT		EQUIP. \$	.00
EMPLOYEES		LABOR \$	.00
LABOR HRS		TRAVEL \$	.00
MISC EXP		MISC. \$	.00

REMARKS: DISCONNECT WATER SERVICE

DISCONNECT

Updated By: JS On: 9/9/2008 Taken By:

*Work order to disconnect
service from Mr.
Congleton.*

107590

Disconnected by KM

9-9-08

COPIY

COPY

RIGHT OF WAY EASEMENT

5502 CAMPBELLSBURG Rd. CAMPBELLSBURG KY. 40011
KNOW ALL MEN BY THESE PRESENTS that Mr. LARRY CONGLETON hereinafter called Grantor(s), in consideration of ONE DOLLAR (\$1.00) and other good and valuable consideration paid Henry County Water District No. Two, hereinafter called Grantee, its successors and assigns, easement with the right to erect, construct, install and lay and the right to construct service lines perpendicular from the water main to the road right-of-way for the purpose of serving customers across the road, thereafter use, operate, inspect, repair, maintain, replace and remove water lines, valves, fittings, meters and accessories over and across the following land owned by Grantor(s) in HENRY County, state of Kentucky:

RECEIVED
HENRY COUNTY CLERK
JUANITA LASHLEY
2008 SEP 9 PM 12:11

Said property was acquired by Grantor(s) by _____ dated the _____ day of _____
Book 209, page 377 of the records of the Office of the HENRY County Clerk.

Together with the right of ingress and egress over Grantor(s) adjacent lands for the purpose for which the above-mentioned rights are granted. The easement hereby granted shall not exceed twenty (20) feet in width, the centerline thereof to be located across said land as follows: DISTRICT ACQUIRING 3" WATER LINE THAT IS INSTALLED ON MR. CONGLETON'S PROPERTY. THE LINE RUNS PARALLEL WITH Mc CARTY LANE. An ATTACHED VIEW OF APPROX. LOCATION OF WATER LINE IS PROVIDED.

The consideration recited hereby shall constitute payment in full for all damages sustained by Grantor(s) by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor(s) premises. The agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors and assigns. The Grantor(s) covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

IN WITNESS WHEREOF, the Grantor (s) have executed this instrument this 3 day of SEPTEMBER 2008
My commission expires: 1-23-11

Larry Congleton

STATE OF KENTUCKY
COUNTY OF HENRY

Before me, the undersigned notary public, personally appeared Mr. Larry Congleton and acknowledged the execution of the above and foregoing Easement for the uses and purposes set forth this 3 day of SEPTEMBER
My commission expires: 1-23-11

James Sprio
NOTARY PUBLIC STATE - AT - LARGE

THIS INSTRUMENT WAS DRAFTED BY:

D. Berry Baxter
117 West Main Street
LaGrange, KY 40031

RECORDED EASEMENT WITH AERIAL VIEW OF PROPERTY.

DOCUMENT NO: 108529
RECORDED ON: SEPTEMBER 09, 2008 12:21:58P
TOTAL FEES: \$17.00
COUNTY CLERK: JUANITA LASHLEY
COUNTY: HENRY COUNTY
DEPUTY CLERK: BETH G HALL
BOOK D260 PAGES 620 - 621

HENRY_CO

HENRY COUNTY
D260 PG 621



61071
HENRY COUNTY

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Ms. Donna Marlin
Division of Water
Drinking Water Branch
Compliance and Technical Assistance
200 Fair Oaks Lane
Frankfort, KY 40601

RE: McCarty Lane Water Line

Dear Ms. Marlin,

The Henry County Water District #2 has the desire to take over a private three inch water line on McCarty Lane in Henry County. The line measures 4300' feet. There are no hydraulic or capacity issues in this area. The District has acquired all necessary easements. There is currently a meter at the beginning of the line in question. The District will re-locate the meter at the end of the line, a flush-out hydrant will also be installed at the end of the line. A 4"x3" tapping saddle with a three inch gate valve will be installed at the beginning of the line.

In acquiring this water line, the District will be able to serve four residents who currently do not have access to city water.

If you have any questions, please give me a call at 502-532-6279.

Sincerely,

James T. Simpson
Chief Operating Officer
Henry County Water District #2

LETTER TO DOW

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COPY

11/19/08

Mr. Jim Wayne
1280 Royal Avenue
Louisville, KY 40204

RE: McCarty Lane Water Line

Dear Mr. Wayne,

The issue with the water line on McCarty Lane was discussed at our November 11, 2008 Board of Directors meeting. The history of events from start of service to present time was gone over in great detail including the letter from Mr. Davis. Additionally our counsel reviewed your deed which makes no mention of a water line. No condemnation is necessary since the District has a recorded easement from property owner Mr. Congleton. Your dispute is with him. They also agreed that based on the size of the water line that the original intent was for the District to take over ownership of the line. When you decide you want service again, we will install your meter on your property.

Sincerely,

A handwritten signature in black ink that reads "James T. Simpson". The signature is written in a cursive style with a large initial "J".

James T. Simpson
Chief Operating Officer
Henry County Water District #2

LETTER TO Mr. WAYNE

EMPLOYEE AND EQUIPMENT
 WORK SHEETS.
 Also List of MATERIAL
 & supplies used to
 REPAIR WATER LINES.

COPY

Henry County Water District # 2 2006
 Job Cost Detail
 Week of Oct 6, 7, 8, 9, 10

Day	Jay	Trevor	Chris		
Mon	8	8	8		
Tues	8	8			
Wed	8	8	8		
Thur	9	9	9		
Fri	8	8	8		
Total	41 hr	41 hr	33 hr		

Day	Bulldozer	SK Ram	SM Backhoe	Backhoe L.T	Trencher
Mon		6 hr	6 hr		
Tue		6 hr	4 hr	3 hr	
Wed		8 hr	3 hr		
Thur		8 hr	7 hr	4 hr	
Fri			8 hr	4 hr	
Total		28 hr	28 hr	11 hr	

Day	Pipe Laid	From - To	Supplies		
Mon	low line	used 1 -	3" clamp		
Tues leak	low line	20' of 3" pipe	20' casing	1 clamp	3"
Wed	Ran all day	40' of 3" pipe	20' casing	2-3" clamps	
Thur leak	60' of pipe	3" 40' of casing	6"	1-3" clamp	
Fri	Clean up	seed	stump		
Total					

Feet of Pipe in Inventory at end of Week _____

Comments
Clamps 5 pipe 120' of 3" Casing 80' of 6"

COPY

Henry County Water District # 2
Job Cost Detail

Job Name McCarty

Week of Oct 14, 15, 20, 21, 22

Oct.

Day	Jay	Trevor	Chris		
Mon 14	8 hr	8 hr	8 hr		
Tues 15	8 hr	8 hr	8 hr		
Wed 20	8 hr		8 hr		
Thur 21	8 hr	8 hr	8 hr		
Fri 22	4 hr	4 hr	4 hr		
Total	36 hr	28 hr	36 hr		

Day	Bulldozer	SK Ram	SM Backhoe	Backhoe LT	Trencher	
Mon		6 hr	8 hr	6 hr		
Tue		8 hr	8 hr	4 hr		
Wed			8 hr	2 hr		
Thur			4 hr	2 hr		
Fri			4 hr	1 hr		
Total		14 hr	32 hr	15 hr		

Day	Pipe Laid	From - To	Supplies		
Mon	Clean up	& hauld rocks all day			
Tues	Finished creek crossing	& spotted line	40' of 3" pipe	40' of casing	2-3" clamp
Wed 20	put in a	3" flush out w back	at END of the line	& started	at Boring
Thur 21	2" tap valve	2" x 3" reducer	20' of 3" pipe		
Fri	Finished	tapping & cleaning up			
Total					

Feet of Pipe in Inventory at end of Week _____

Comments 1-2" tapping valve 1-2" x 3" reducer 1-3" valve
Clamp 2-3" pipe 60' Casing 40' of 6"

COPY

2008

M^c CARTY LAKE

Acquired PRIVATE 3" WATER LINE 4,400' OF 3" LINE

* MATERIAL & Supplies

(1)	2" x 4" TAPPING SADDLE	37.36	
(1)	2" x 3" BRASS NIPPLE	12.24	
(1)	2" THREADED VALVE	197.96	
(1)	2" x 3" C.I. REDUCER	68.35	
(1)	3" MJ GATE VALVE	290.22	
(2)	ALUMINUM VALVE TOP WITH LID	72.60	
(1)	3" 1.5 REPAIR CLAMPS 56.25 ea.	393.75	
	180' OF 3" PVC PIPE	1.35 PER FOOT	243.00
	120' OF 6" PVC PIPE	4.73 " "	567.60
(10)	BALES OF STRAW	3.75 EA	37.50

* LABOR	1322.00	
215 HOURS	952.90	2964.90 TOTAL
	330.00	

ENGINEERING - NO INVOICE YET

\$ 4400.00