

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

RECEIVED  
NOV 25 2009  
PUBLIC SERVICE  
COMMISSION

**IN THE MATTER OF**

**JAMES S. WAYNE, INDIVIDUALLY AND AS )  
TRUSTEE OF THE JAMES S. WAYNE )  
LIVING TRUST )**

**COMPLAINANT )**

**VS )**

**HENRY COUNTY WATER DISTRICT #2 )**

**DEFENDANT )**

**CASE NO. 2009-00264**

**COMPLAINANT'S RESPONSE TO PUBLIC SERVICE COMMISSION'S  
FIRST REQUEST FOR INFORMATION**

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Comes the Complainant, James S. Wayne Individually and as Trustee of the James S. Wayne Living Trust, and after first being duly sworn, RESPONDS to Public Service Commission's First Request for Information:



**JAMES S. WAYNE, INDIVIDUALLY AND AS TRUSTEE**

**Response to First Request for Information of Public Service Commission**

**Case No. 2009-00264**

Q-1. Paragraph 4 of the Complaint states that “previous owner told James S. Wayne prior to the purchase that the farm had access to water from the Henry County Water District #2 (“Henry District”), because he had constructed a one-mile long private water line across another property owner’s land, with permission from that property owner, to the farm from the Henry County Water District #2’s main line which runs along US Highway 421....”<sup>1</sup>

- a. Who was the owner who sold 1054 McCarty Lane in Capbellsburg, Kentucky (“Property”) to the purchasers?
- b. Who was the “adjacent property owner” reference above?
- c. What independent verification was made by James S. Wayne, Individually and as Trustee of the James S. Wayne living trust (“Complainant”), Deborah Wayne, Maria Scharfenberger, or anyone acting on their behalf, of the above assertion regarding the 3” water line prior to purchase?
- d. Did anyone associated with the Complainant discuss the 3” water line with Larry Congleton (“Congleton”) prior to the purchase?
- e. Did anyone associated with the Complainant discuss the 3” water line with the Henry County Water District prior to the purchase?

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<sup>1</sup> See Complaint, Case No. 2009-00264, paragraph 4 at page 6.

- A-1 (a). The property was purchased from Clarence Davis in August, 2000.
- (b) The adjacent property, we understand, belongs to either Larry Congleton or the estate of his late Mother.
- (c) Hon. John Berry was the attorney who handled the sale and knew of the private water line to the farm. John Berry practices law with the Hon. Barry Baxter, attorney for the Henry County Water District.

Shortly after the purchase, Larry Congleton suggested to Complainant [hereafter "James Wayne"] that James Wayne relocate the water meter from the location adjacent to US 421 to a location on the Wayne farm. Wayne at first thought that was a good idea and made application to the Water District to relocate his water meter. At that time, out of concern to protect his ownership of the water line, Wayne consulted with his closing attorney, Hon. John Berry, concerning the water line and was advised that the matter had been researched and that the water meter was used by the PSC and Water Districts and property owners to determine ownership; that where Congleton never objected to the installation of the water line across his land and the placing the water meter at the US 421 location, the Water District owned the line to the water meter and Wayne owned the line from the water meter across Congleton to the Wayne farm, and that Congleton could not subsequently change positions to cutoff

access to the Henry County Water District system. Mr. Berry put a portion of his legal opinion in writing, reflecting that Mr. Berry had consulted with the representative of the Water District. See attached. Based upon this legal advise, Wayne met with James Simpson, Chief Operating Officer, Henry County Water District, to withdraw his request to relocate the water meter, and he explained to Mr. Simpson that he was withdrawing the request to make sure that he retained ownership of the water line.

(d) No. However, shortly after the purchase the above conversations with Mr. Congleton took place.

(e) No. However, shortly after the purchase the above conversations with Mr. Simpson took place.

Q-2. What documentation was reviewed or drafted by anyone associated with the Complainant regarding the legal ownership and control of the 3” water line prior to purchase?

A-2 James Wayne does not know of a writing document that references the water line prior to the purchase.

Q-3. Is the Complainant aware of any documentation that reflects a conveyance of the real property underlying the 3-inch water line? If so, please describe.

A-3. James Wayne does not know of a writing document that references the real property underlying the water line prior to the purchase. Wayne is aware of an easement dated September 3, 2008, prepared by Hon. Berry

Baxter, whereby Larry Congleton conveyed an easement to the Water District which recited that the location of the easement was “District acquiring 3” water line that is installed on Mr. Congleton’s property.” This language prepared or approved by the Water District attorney confirms that the Water District knew – at that time - that it did not own the water line.

Q-4. When did water service from Henry District first begin on the property?

A-4. According to the documents, water service first began to the property in 1997.

Q-5. Prior to water service being provided by Henry District, how was water furnished to the Property (116.3-acre farm)?

A-5. Prior to service being provided by Henry District, water was provided by spring and cistern.

Q-6. Is that source of water still available?

A-6. Yes.

Q-7. Who currently lives on the Property?

A-7. Todd Childers and Meagan Olliges currently live on the property.

Q-8. Is the property currently being actively farmed? By whom?

A-8. Yes, by the couple named in the answer to questions number 7.

Q-9. Provide a copy of the contract and all other documentation concerning the purchase of the Property.

A-9. Deed will be provided.

Q-10. Did Complainant request that water service be disconnected to the Property on or about March 6, 2008?

- a. How was the request made?
- b. Why was the request made?
- c. When was the request made?

A-10. No. The Waynes never requested that water service be disconnected. Deborah Wayne requested by phone that service be temporarily stopped because of the leak, on or about March 6, 2008.

- (a) Deborah Wayne phoned the water company to make the request, explaining the circumstances about the leak and the threat from Larry Congleton to the farm manager, James Casey Sterr.
- (b) There was a leak in the line.
- (c) On or about March 6, 2008.

Q-11. If the answer to 10 above is in the affirmative, prior to the water being disconnected on or about March 6, 2008, did Complainant have any discussions with Henry District regarding the water service?

A-11. Yes. See above.

Q-12. Notwithstanding the complaint regarding the 3" water line, what efforts have been made by Complainant since the disconnection on or about March 6, 2008 to reconnect water service from Henry District? If any effort was made, who was involved in these efforts on behalf of the Complainant? On behalf of Henry District? Please describe these efforts.

A-12. Water service resumed in November, 2009 after negotiations with my attorney, W. Henry Graddy IV, and Henry District's attorney, Glenna Jo Curry. Prior to that date, Wayne made numerous contacts with the Water District seeking to restore water service. See Letter from Mr. Simpson to Mr. Wayne sent July 23, 2008, referencing "From our previous conversations, it is still the desire of the Henry County Water District #2 to incorporate the water line in question into our system." By this letter the Water District has acknowledged that it does not own the water line and that Larry Congleton does not own the water line. See attached. See letter from Mr. Simpson to Mr. Wayne dated 11/19/2008. This letter is similar to the July 23, 2008, in that the Water District appears to be conditioning restoration of waster service on Mr. Wayne relinquishing Wayne ownership of his water line. See attached. See February 12, 2009 letter from Mr. Wayne to Mr. Simpson requesting a meeting to discuss ownership and use of the Wayne water line. See attached. See Mr. Simpson letter dated 11/25/2008 to Mr. Solitha Dharman, Ky. Division of Water, stating, "The Henry County Water District #2has the desire to take over a private three inch water line on McCarty Lane in Henry County."

Q-13. At the time of the disconnection, who was living on the Property?

A-13. The service was stopped, not disconnected. James Casey Sterr was living on the farm at the time.

Q-14. Was the Property being farmed at that time?

A-14. Yes.



Q-15. Since the water was disconnected, describe all requests made by the Complainant to Henry District to again furnish water to the Property?

- a. How were any such requests made?
- b. Who was involved in any discussions?
- c. Were there any written requests? If so, please provide copies.

A-15. Water service was stopped, not disconnected. Verbal and written conversations occurred to restore the line to its original state. See the answer to Question 12, incorporated herein.

- (a) I made a request to James Simpson and my attorney made written and verbal requests to James Simpson and the water board.
- (b) James Simpson, Hank Graddy, Water Co. Board, Barry Baxter, Glenna Jo Curry, James Wayne.

Q-16. Was Henry District involved in or did it participate in any way, at any time, in the negotiations between Complainant and the seller of the Property regarding the 3" water line?

A-16. No, however Clarence Davis signed an undated, un-notarized statement about the line that was sent to me by cover letter on July 23, 2008..

Q-17. If so, were any representations or assurances made to the Complainant by Henry District regarding the 3" water line? If so, please describe.

A.17. Yes. The Henry District has consistently recognized my ownership of the water line from my first discussions with Mr. Simpson on 2000,

referenced above, with the John Berry letter, and throughout 2008 in communication with me and with the Division of Water and others. See answer to Question 12, above.

Q-18. Did the Complainant have any discussions with Congleton, prior to Complainant's purchase of the Property, regarding the 3" water line on Congleton's property?

A-18. No.

Q-19. What if anything does Complainant consider Henry District's legal obligation to be in the matter of the 3" water line? Please describe and state the reason that Complainant believes this to be Henry District's legal obligation.

A-19. As outlined in our Complaint to the Public Service Commission, the Henry District is required to restore ownership of the private water line to the person who owns the private water line, and to replace the water meter where it was when Wayne purchased the farm,. "with all of the appurtenances and privileges thereunto." Deed at Bates page 00042. A water line across another's property is an "appurtenance thereunto." Alternatively, the Water District must pay just full compensation if it has the right to condemn the private property of a citizen, under both the US Constitution and the Kentucky Constitution and the Kentucky Eminent Domain Act.

Q-20. Since the Property was acquired by Complainant, has Complainant made any effort to resolve the matter of the 3” water line with the prior owner of the Property? If so, please describe. If the answer is in the negative, please state the reason.

A-20. No. The taking without permission or authorization of the line by the water district occurred over eight years after the property was transferred from Clarence Davis to Complainant.

Q-21. What efforts have been made to negotiate with Congleton to resolve the matter of the 3” water line since Complainant purchased the Property? If so, please describe. If not, please explain.

A-21. The complaint is not against Larry Congleton. He made verbal threats to our farm manager forbidding access to the easement to repair the line.

Q-22. What is Complainant’s understanding of the service capacity of a 3” water line?

A-22. It is sufficient to service our active farm.

Q-23. Paragraph 6 of the Complaint states that “Complainant is the sole owner of the Wayne water line, where such line was constructed by the prior owner

of the farm and where such line was included in the purchase price of the farm.....”<sup>2</sup>

- a. What documents exist that support the statement made in paragraph 6 above?
- b. If no such document exists, is it Complainant’s position that the prior owner had the legal authority to transfer the underlying real estate owned by Congleton to the Complainant?
- c. What is this belief based on?
- d. Was it memorialized in the deed to the Complainant?
- e. Please provide a copy of the deed and any other documents regarding the transfer of the 3” waterline that were received by the Complainant from any source.
- f. If no such documents exist, is it Complainant’s position that such a transfer could be achieved based upon verbal representation?

A-23. (a) See the above answers to Questions 1, 12, 17, and 19 and the documents referenced therein.

(b) N/a

(c) KRS and PSC regulations.

(d) The Deed expressly conveys “appurtenances thereunto” which language includes the water line.

(e) See attached. Bates #00041.

(f) N/a.

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<sup>2</sup> Id at pp6-7.

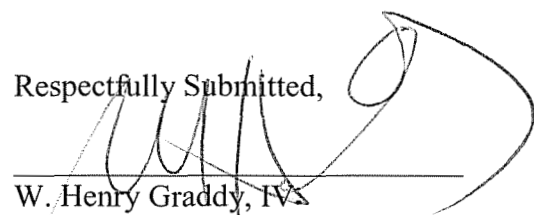
Q-24. What has been the relationship between the Complainant and Congleton since Complainant purchased the property?

A-24. Business and personal friendship.

Q-25. Did this relationship change the Complainant's disconnection of water service from Henry District? If so, in what way?

A-25. No we continued to sell calves in a business relationship and he remains a friend, as far as I am concerned.

Respectfully Submitted,



---

W. Henry Graddy, IV

Randal A. Strobo

W. H. Graddy & Associates

103 Main Street

P. O. Box 4307

Midway, KY 40347

(859) 846-4905 Phone

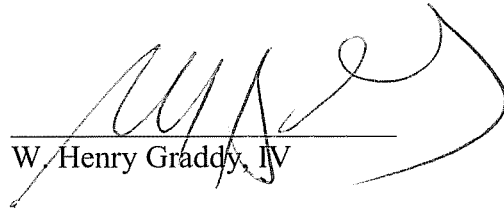
(859) 846-4914 Facsimile

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that one original and seven copies of this Discovery Response was served upon the Public Service Commission and a true and accurate copy of the foregoing has been served upon the following parties by mailing the same, U.S. first class postage pre-paid to the following:

Hon. Glenna Jo (Jody) Curry  
900 East Mt. Zion Road  
Crestwood, KY 40014

This the 19 day of November, 2009.

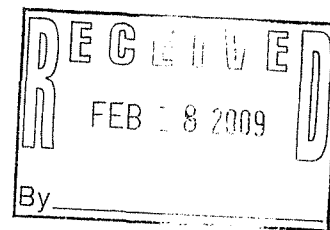
  
\_\_\_\_\_  
W. Henry Graddy, IV

C:\Documents and Settings\Graddy\My Documents\WHG&Assoc\JimWayne\FINALResponsePSC.11.18.09.doc

1280 Royal Avenue  
Louisville, Kentucky 40204

February 12, 2009

Mr. James Simpson  
Chief Operating Officer  
Henry County Water District #2  
8955 Main Street  
P.O. Box 219  
Campbellsburg, Kentucky 40011



Dear Mr. Simpson,

On August 14, 2000 my wife and I purchased, along with Maria Scharfenberger, the 116.3 acre farm at 1054 McCarty Lane, Campbellsburg, Kentucky. Subsequently, in 2005, my wife and I purchased Ms. Scharfenberger's share of the farm and transferred it to the James S. Wayne Living Trust. We are the trustees of the trust.

At the time of the 2000 sale, we were told by the seller of the farm that the farm had access to Henry County Water District #2 water because he had constructed a one mile long private water line across another property owner's land, with permission from that property owner, to the farm from the Henry County Water District #2's main line which runs along U.S Highway 421. Our private line runs parallel to McCarty Lane. At the time of its construction, until the Fall of 2008, the meter for our line was located at the line's origin at Highway 421. The purchase price for the farm included this private water line.

Our attorney, Hank Graddy, has discussed this matter with counsel for the Public Service Commission, who confirmed that standard or common practice with Water Districts is that Water District ownership of water lines ends at the location of the water meter.

My wife and I are the sole owners of the water line from our property until the line intersects with the District's main line along Highway 421, where such line was constructed by the prior owner of our farm before he sold to us.

In the Fall of 2008, employees of Henry County Water District #2 removed our meter from its location when we purchased our property without our knowledge or permission.

The December 22, 2008 value to construct this line is \$33,987.00, assuming no solid rock is encountered. The depreciated value of the line is estimated to be up to one-half of this amount.

I am requesting a meeting, at the earliest possible date, with you, and whom ever you wish to accompany you. We will bring our attorney, Mr. Graddy, so you may want to

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bring your attorney. The purpose of the meeting is to discuss the ownership and use of our private water line.

Please call me at 502-451-8262 to arrange a convenient time for our meeting.

With warm regards, I am,

Sincerely,



James (Jim) S. Wayne

cc. Mr. Hank Graddy ✓  
Attorney at Law

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**W. H. GRADDY & ASSOCIATES**

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Attorneys at Law  
103 Main Street  
P.O. Box 4307  
Midway, KY 40347

W. Henry Graddy, IV  
Elizabeth R. Bennett  
Randal A. Strobo

Telephone: (859) 846-4905  
Facsimile: (859) 846-4914  
E-mail: hgraddy@aol.com

April 30, 2009

Mr. James Simpson  
Chief Operating Officer  
Henry County Water District #2  
8955 Main Street  
P.O. Box 219  
Campbellsburg, Kentucky 40011

Re: Jim Wayne: April 14, 2009 meeting with Henry County Water District

Dear Mr. Simpson:

This letter follows our meeting with the Board on April 14, 2009.

Please let me know when the Board has selected an attorney so that we can set up a time to discuss the contents of Mr. James Wayne's February 12, 2009 letter to you, which I have attached for reference.

I look forward to hearing from you.

Very truly yours

W. Henry Graddy, IV

CC: Jim Wayne

WHG: pb

**W. H. GRADDY & ASSOCIATES**

Attorneys at Law  
103 Main Street  
P.O. Box 4307  
Midway, KY 40347

W. Henry Graddy, IV  
Elizabeth R. Bennett  
Randal A. Strobo

Telephone: (859) 846-4905  
Facsimile: (859) 846-4914  
E-mail: hgraddy@graddylaw.com

May 13, 2009

**VIA FAX: (502) 532-0027**


Mr. James T. Simpson  
Chief Operating Officer  
Henry County Water District #2  
8955 Main Street  
P.O. Box 219  
Campbellsburg, Kentucky 40011

RE: Open Records Request for Mr. James Wayne

Dear Mr. Simpson,

Enclosed is an Open Records Request for the complete file regarding the water line located on the property of Mr. James Wayne, 1054 McCarty Lane, Campbellsburg, Kentucky, as referenced in your letter dated May 13, 2009. In that letter, you indicated that you will provide a copy of the file in a timely manner if we request a copy pursuant the open records law, KRS Chapter 61. Feel free to contact me if you have any questions.

Very truly yours,



Randal A. Strobo

Enclosures

cc: Mr. James Wayne

COMMONWEALTH OF KENTUCKY  
REQUEST TO INSPECT PUBLIC RECORDS  
RE: KRS CH. 61

DATE: May 13, 2009


TO: (Name of State Agency) Henry County Water District #2, Henry County, Kentucky

1. I request inspection of the following document(s): **The complete file relating to the water line located on the property of Mr. James Wayne, 1054 McCarty Lane, Campbellsburg, Kentucky, as referenced in the attached letter from James T. Simpson, Chief Operating Officer, Henry County Water District #2.**

2. Number of copies of each document requested: **One (1) copy**

3. Enclosed \$ **Please Call with the Cost** Check  Money Order  Cash

4. Signature: **Randal A. Strobo**



Company: **W. H. Graddy & Associates**

Address: **103 Main Street, P.O. Box 4307, Midway, KY 40347** Phone: **859-846-4905**

5. Is requested information from a database or geographic information system: Yes  No

6. For commercial use: Yes  No

7. If the answer to questions 5 & 6 is yes, the commercial purpose for which the requested information shall be used to: \_\_\_\_\_

I hereby certify that the information set forth in item 7 is true and correct to the best of my knowledge.

Signature: \_\_\_\_\_

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

May 13, 2009

Honorable W.H. Graddy IV  
PO Box 4307  
103 Main Street  
Midway, KY 40347

Dear Mr. Graddy,

I am sorry that it has taken so long for me to get this correspondence back to you. First, I want to thank you and Mr. Wayne for attending the meeting and explaining to the Board your position on this issue.

At this time, the Board does not believe it is necessary to obtain outside counsel on this matter since no complaint or action has been filed against the District. The Board is also of the belief that the District has in its possession a valid recorded easement from the property owner on which the water line was constructed.

I have a file folder on this issue that goes into great detail. You may request in writing a copy of this file under the open records law and I will provide you a copy of the file in a timely manner.

Sincerely,

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

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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 HUNDRED AND TWO DOLLAR (\$1.00) and other good and valuable consideration paid Henry County Water District No. Two, Campbellsburg, KY 40011, 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 McCARTY 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

Laura S. Spivey  
NOTARY PUBLIC STATE - AT - LARGE

THIS INSTRUMENT WAS DRAFTED BY:

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

DOCUMENT NO: 100529  
RECORDED ON: SEPTEMBER 09, 2008 12:21:50P  
TOTAL FEES: 117.00  
COUNTY CLERK: JUANITA LASHLEY  
COUNTY: HENRY COUNTY  
DEPUTY CLERK: BETH G HALL  
BOOK 620 PAGES 620 - 621

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# HENRY\_CO

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HENRY COUNTY

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Pg 621



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12/11/10  
GEOVIEW 2.1  
WINDOWS 95/98/2000/NT



HENRY COUNTY WATER DISTRICT NOTICE - Customer User's Agreement

Account No. 60-0078 Meter No. 97-337-764 Phone No. \_\_\_\_\_  
Service Address \_\_\_\_\_ Plumbing Permit No. \_\_\_\_\_

Powell Ray  
(Last Name) (First Name) (Middle Initial)

Highway or R.F.D. No. Carmon Road Hwy 421  
(City) Campbellsburg Kentucky Zip Code \_\_\_\_\_

The undersigned subscribes for water services at the above address from Henry County Water District No. 2 and agrees to pay therefor such rate as may be regularly and lawfully established from time to time by the Board of Water District Commissioners. The undersigned further applies for membership in the District and agrees to abide by all of the Rules, Regulations and By-Laws thereof. Delivery of water by the District shall constitute acceptance of this application.

Monthly bills shall be mailed to me at the above Service Address unless I designate to the contrary by completing the following:

Designated Billing Address:  
Powell Ray  
(Last Name) (First Name) (Middle Initial)

Street, Highway or R.F.D. No. P O Box 146  
(City) New Castle Kentucky Zip Code 40050

Water Service at the Service Address shall commence on the 6 day of MAY, 1997

Witness the hand of the undersigned this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_

Customer Ray Powell

COPY

11/06/2008

McCarty Lane located approx. 2 miles south of Campbellsburg off of Hwy. 421

History of service

Meter service was applied for by Mr. Ray Powell in 1997. Since we were under Tap-On Ban all new services had to be approved by Division of Water. Service was approved by DOW and meter was installed on Mr. Larry Congleton's property May 6, 1997.

Shortly after service installation Mr. Clarence Davis had account put in his name and a 3" line installed through Mr. Congleton's property to Mr. Davis' property.

Mr. Davis sold the property to Mr. Jim Wayne in 2000 and account was put in his name in August of 2000.

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

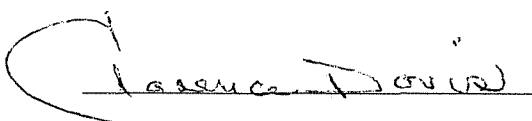
The following statement below is a true and accurate account of how water service came about on my farm on McCarty Lane in the year of 1997.

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.

  
Clarence Davis

  
Witness

COPY

Mr. Jim Wayne  
1280 Royal Avenue  
Louisville, KY 40204

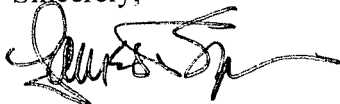
Dear Mr. Wayne:

Enclosed is a signed statement from Mr. Clarence Davis detailing the circumstances of how water service was supplied to his property. This is the same property that you purchased from Mr. Davis.

From our previous conversations, it is still the desire of the Henry County Water District #2 to incorporate the water line in question into our system. This would allow other residents on McCarty Lane access to safe drinking water. This falls under former Governor Patton's plan to provide all Kentuckians access to safe drinking water by 2020. Upon approval from the Division of Water, the District would incorporate the water line into its system and maintain the line. The District would re-locate your meter to your property or terminate the line at your property if that is what you choose.

Larry Congleton has agreed to give the District an easement for the water line plus any service lines to other residents on McCarty Lane as it was intended when this line was installed. Initially, the line is located on the Congleton farm and he appears to have the right to execute an easement in favor of the District. Any dispute that you have concerning this should be addressed with Mr. Congleton.

Sincerely,



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

000015

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

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,

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

000016

\* Jim Wayne had service disconnected 3-6-08  
had been served since 8-16-2000

REMOVED LEAK LETTER 1-08

\* LARRY CONGELTON had connected 4-10-08  
disconnected 9-9-08

\* TALKED WITH GINNY SMITH @ PSC ABOUT GETTING  
PROPERTY OWNER CONNECT SERVICE. SHE SAID IT WAS O.K.  
TO DO THAT 3-24-08

[REDACTED]

[REDACTED]

\* SENT LETTER WITH COPY OF STATEMENT FROM CLARENCE DAVIS  
TO MR. WAYNE 7-23-08

\* HCWD CREW WORKED ON Mc-CARTY LOW LINE

COPY

1280 Royal Avenue  
Louisville, Kentucky 40204

February 12, 2009

Mr. James Simpson  
Chief Operating Officer  
Henry County Water District #2  
8955 Main Street  
P.O. Box 219  
Campbellsburg, Kentucky 40011

Dear Mr. Simpson,

On August 14, 2000 my wife and I purchased, along with Maria Scharfenberger, the 116.3 acre farm at 1054 McCarty Lane, Campbellsburg, Kentucky. Subsequently, in 2005, my wife and I purchased Ms. Scharfenberger's share of the farm and transferred it to the James S. Wayne Living Trust. We are the trustees of the trust.

At the time of the 2000 sale, we were told by the seller of the farm that the farm had access to Henry County Water District #2 water because he had constructed a one mile long private water line across another property owner's land, with permission from that property owner, to the farm from the Henry County Water District #2's main line which runs along U.S Highway 421. Our private line runs parallel to McCarty Lane. At the time of its construction, until the Fall of 2008, the meter for our line was located at the line's origin at Highway 421. The purchase price for the farm included this private water line.

Our attorney, Hank Graddy, has discussed this matter with counsel for the Public Service Commission, who confirmed that standard or common practice with Water Districts is that Water District ownership of water lines ends at the location of the water meter.

My wife and I are the sole owners of the water line from our property until the line intersects with the District's main line along Highway 421, where such line was constructed by the prior owner of our farm before he sold to us.

In the Fall of 2008, employees of Henry County Water District #2 removed our meter from its location when we purchased our property without our knowledge or permission.

The December 22, 2008 value to construct this line is \$33,987.00, assuming no solid rock is encountered. The depreciated value of the line is estimated to be up to one-half of this amount.

I am requesting a meeting, at the earliest possible date, with you, and whom ever you wish to accompany you. We will bring our attorney, Mr. Graddy, so you may want to

000013

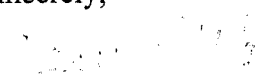
CONFIDENTIAL

bring your attorney. The purpose of the meeting is to discuss the ownership and use of our private water line.

Please call me at 502-451-8262 to arrange a convenient time for our meeting.

With warm regards, I am,

Sincerely,

  
James (Jim) S. Wayne

cc. Mr. Hank Graddy  
Attorney at Law

000019



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Bedford, Ky 40006  
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(502) 255-0126  
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(502) 255-0347

11/25/2008

Mr. Solitha Dharman  
Division of Water  
Drinking Water Branch  
Plans Reviewed Section  
4<sup>th</sup> Floor  
200 Fair Oaks Lane  
Frankfort, KY 40601

RE: McCarty Lane Water Line

Dear Mr. Dharman,

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. Design plans have been reviewed and approved for submittal by the District. Below is a list of residents who currently do not have access to city water that will be served by this line.

Mr. Tony Chisholm  
284 McCarty Lane  
Campbellsburg, KY 40011

Kenneth and Robin Parks  
402 McCarty Lane  
Campbellsburg, KY 40011

James T. And Polly Parks  
506 McCarty Lane  
Campbellsburg, KY 40011

Ms. Renita McCarty  
890 McCarty Lane  
Campbellsburg, KY 40011

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

Thanks,

A handwritten signature in black ink, appearing to read "James T. Simpson", with a long horizontal flourish extending to the right.

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

000020



TETRA TECH, INC.

COPY

December 8, 2008

Mr. Solitha Dharman  
Plans & Review Section, 4<sup>th</sup> Floor  
Drinking Water Branch, Kentucky Division of Water  
200 Fair Oaks Lane, Frankfort Kentucky 40601

Re: *McCarty Lane Line*  
*Henry County Water District No. 2 (HCWD2)*

Dear Mr. Dharman:

On behalf of HCWD2, the following documents are enclosed for your review:

- Four (4) sets of plans,
- Water Line Submittal Checklist,
- USGS topo vicinity maps
- Letter of acceptance from owner,
- Hydraulic analysis exhibits

The McCarty Lane project is a 4400' three-inch PVC line which will serve four new customers as listed in the enclosed acceptance letter from HCWD2.

Pertinent hydraulic data is noted on the plan sheets. Also enclosed are Kypipe hydraulic analysis exhibits which show minimum and maximum daily system pressures resulting from the new line, and maximum flushing velocity with system pressure residuals of 20 psi.

Because it is an existing line which was originally private and is now part of the HCWD2 system, design and construction costs are low, approximately \$5,000. The engineer of record will be Dan Shoemaker, P.E.

If you have any questions, please contact me.

Sincerely,

Tom Green  
[tom.green@tetratech.com](mailto:tom.green@tetratech.com)

Enclosures

pc: Mr. Jimmy Simpson, HCWD2

000021

STEVEN L. BESHEAR  
GOVERNOR



**COPY**

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

January 6, 2009

Mr. James T Simpson, Chief Operating Officer  
Henry Co Water District 2  
PO Box 219  
Campbellsburg, KY 40011

RE: Henry Co Water District 2  
AI # 1846, APE20080003  
PWSID # 0520192-08-003  
McCarty Lane Waterline Extension  
Henry County, KY

Dear Mr. Simpson:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 4,400 feet of 3-inch PVC waterline. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact Ms. Sarah Tucker at 502-564-8158 extension 4836.

Sincerely,

A handwritten signature in cursive script that reads "Solitha W. Dharman".

Solitha Dharman, PE  
Supervisor, Engineering Section  
Water Infrastructure Branch  
Division of Water

SD:ST

Enclosures

C: Tetra Tech Inc  
Henry County Health Department  
Public Service Commission  
Division of Plumbing

000022



**Distribution-Water Line Extension**

Henry Co Water District 2

Subject Item Inventory

Activity ID No.: APE20080003

**Subject Item Inventory:**

| ID       | Designation | Description              |
|----------|-------------|--------------------------|
| AIOO1846 |             |                          |
| PORT19   | Water Line  | 4,400 feet of 3-inch PVC |

**Subject Item Groups:**

| ID     | Description              |
|--------|--------------------------|
| GACT20 | 4,400 feet of 3-inch PVC |

**Components**

|        |                          |
|--------|--------------------------|
| PORT19 | 4,400 feet of 3-inch PVC |
|--------|--------------------------|

**KEY**

ACTV = Activity

AREA = Area

EQPT = Equipment

PERS = Personnel

STOR = Storage

TRMT = Treatment

AIOO = Agency Interest

COMB = Combustion

MNPT = Monitoring Point

PORT = Transport

STRC = Structure

000023

**Distribution-Water Line Extension**  
Henry Co Water District 2  
Facility Requirements

Activity ID No.: APE20080003

**GACT000000020 (McCarty Lane WLE) 4,400 feet of 3-inch PVC:**

**Monitoring Requirements:**

| Condition No. | Parameter | Condition  |
|---------------|-----------|--|
| M-1           | Coliform  | The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination. |

**Submittal/Action Requirements:**

**Coliform:**

| Condition No. | Condition   |
|---------------|---|
| S-1           | Coliform<br>For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet: Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)] |

| Condition No. | Condition   |
|---------------|---|
| S-2           | For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]   |
| S-3           | The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)] |

# Distribution-Water Line Extension

Henry Co Water District 2  
Facility Requirements

Activity ID No.: APE20080003

3ACT0000000020 (continued):

## Narrative Requirements:

### Additional Limitations:

| Condition No. | Condition  |
|---------------|--|
| T-1           | Additional Limitations:<br>Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)] |

| Condition No. | Condition  |
|---------------|--|
| T-2           | This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]  |
| T-3           | Unless construction of this project is begun within 1 year from the issuance date of this permit, the permit shall expire. If requested prior to the permit expiration, an official extension from the Division of Water may be granted. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]  |
| T-4           | Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)] |
| T-5           | During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]  |

### Distribution-Water Line Extension

Henry Co Water District 2  
 Facility Requirements

Activity ID No.: APE20080003

#### PORT0000000019 (Water Line) 4,400 feet of 3-inch PVC:

#### Limitation Requirements:

| Condition No. | Parameter | Condition  |
|---------------|-----------|--|
| L-1           | Depth     | A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth $\geq 6$ in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.   |
| L-2           | Depth     | All water lines shall be covered to a Depth $\geq 30$ in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.  |
| L-3           | Diameter  | All water lines shall have Diameter $\geq 3$ in. [Recommended Standards for Water Works 8.1.4] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.   |
| L-4           | Diameter  | Water lines with Diameter $< 6$ in shall not have fire hydrants. [Recommended Standards for Water Works 8.1.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.   |
| L-5           | Distance  | Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance $\leq 1.0$ mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.  |
| L-6           | Distance  | Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance $> 10$ ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.   |
| L-7           | Distance  | Except when not practical, water lines shall be laid a horizontal Distance $\geq 10$ ft from any existing or proposed sewer. The distance shall be measured edge to edge. In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable. |

0000000019

## Distribution-Water Line Extension

Henry Co Water District 2  
Facility Requirements

Activity ID No.: APE20080003

**PORT0000000019 (continued):**

### Limitation Requirements:

| Condition No. | Parameter             | Condition   |
|---------------|-----------------------|---|
| L-8           | Distance              | <p>When water lines and sewers cross,</p> <ol style="list-style-type: none"> <li>1) water lines shall be laid such that either               <ol style="list-style-type: none"> <li>a) the top of the water line is a vertical Distance <math>\geq 18</math> in below the bottom of the sewer line or</li> <li>b) the bottom of the water line is a vertical Distance <math>\geq 18</math> in above the top of the sewer line,</li> </ol> </li> <li>2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and</li> <li>3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3]</li> </ol> <p>This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>   |
| L-9           | Distance              | <p>The open end of an air relief pipe from automatic valves shall be extended a Distance <math>\geq 1.0</math> ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>  |
| L-10          | Pressure              | <p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure <math>\geq 20</math> psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>   |
| L-11          | Pressure              | <p>Pressure <math>\geq 30</math> psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>  |
| L-12          | Residual Disinfection | <p>New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection <math>\geq 25</math> ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform.</p> <p>If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p> |



**Distribution-Water Line Extension**

Henry Co Water District 2  
 Facility Requirements

Activity ID No.: APE20080003

**PORT0000000019 (continued):**

**Limitation Requirements:**

| Condition No. | Parameter | Condition   |
|---------------|-----------|---|
| L-13          | Velocity  | Each blow-off or flush hydrant shall be sized so that Velocity $\geq 2.5$ ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum. |

**Monitoring Requirements:**

| Condition No. | Parameter | Condition   |
|---------------|-----------|---|
| M-1           | leaks     | The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination. |

**Narrative Requirements:**

**Additional Limitations:**

| Condition No. | Condition  |
|---------------|--|
| T-1           | Additional Limitations:<br>Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]   |
| T-2           | Additional Limitations:<br>Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]  |
| T-3           | Additional Limitations:<br>At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1] |

# Distribution-Water Line Extension

Henry Co Water District 2  
Facility Requirements

Activity ID No.: APE20080003

PORT000000019 (continued):

## Narrative Requirements:

### Additional Limitations:

| Condition No. | Condition  |
|---------------|--|
| T-4           | Additional Limitations:<br>All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]  |
| T-5           | Additional Limitations:<br>A flush hydrant or blow-off shall be required at the end of each dead end line. [Recommended Standards for Water Works 8.1.6]   |
| T-6           | Additional Limitations:<br>For each flush hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]   |
| T-7           | Additional Limitations:<br>No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3] |
| T-8           | Additional Limitations:<br>If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]   |
| T-9           | Additional Limitations:<br>No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]   |

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(502) 532-0027



Water Treatment Plant:

3278 Morton Ridge Road  
Bedford, Ky 40006

Telephone:

(502) 255-0126

Fax:

(502) 255-0347

11/19/2008

Dear Mr. Riley,

This letter was sent to Ms. Marlin on 9/30/2008 as notification of the District's willingness to provide service in this area. We have not received a response from the DOW on this and we want to make sure that we do not have any compliance issues before we move forward.

Please give me a call at (502) 532-6279 or e-mail me at [simpsonjt@insightbb.com](mailto:simpsonjt@insightbb.com) if you have any questions.

Sincerely,

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

000030

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Fax:  
(502) 255-0347

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,

A handwritten signature in black ink, appearing to read "James T. Simpson", is written over a horizontal line.

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

000031

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 Mack crossing | & spotted line                          | 40' of 3" pipe 40' of casing |  | 2-3" clamp |
| Wed 20  | put in a               | 3" flush out in back at end of the line | & started at Boring          |  |            |
| Thur 21 | 2" tap valve           | 2" x 3" reduced                         | 20' of 3" pipe               |  |            |
| Fri     | Finished               | tapping & cleaning up                   |                              |  |            |
| Total   |                        |   |                              |  |            |

Feet of Pipe in Inventory at end of Week \_\_\_\_\_

Comments \_\_\_\_\_

000032

COPY

Henry County Water District # 2  
Job Cost Detail

Job Name Mc Carley

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 LT | 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 work | low line     | 20' of 3" pre    | 20' casing | 1 Clamp      | 3"          |
| Wed       | Rams all day | 40' of 3" pre    | 20' casing |              | 2-3" clamps |
| Thur work | 60' of pre   | 3" 40' of casing | 6"         | 1 - 3" clamp |             |
| Fri       | Clean up     | seed storm       |            |              |             |
| Total     |              |                  |            |              |             |

Feet of Pipe in Inventory at end of Week \_\_\_\_\_

Comments \_\_\_\_\_



M<sup>rs</sup> Carty Lane

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         |        |
| (7)  | 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



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

COPY

Mr. Tony Chisholm  
529 Cardinal Drive  
Campbellsburg, KY 40011

Dear Mr. Chisholm:

The proposed line extension for McCarty Lane that would serve your property measures 1060' feet. The Board of Directors have set the price of all new line extensions at (\$8.00) eight dollars per foot. However if there is an average of (5) new customers per mile of new line the cost per foot is reduced to (\$4.00) four dollars per foot. This proposed line extension qualifies for the (\$4.00) four dollar per foot rate.

At (\$4.00) four dollars per foot times 1060' feet, the cost of the line is \$4240.00; there is also a \$950.00 impact fee and a meter installation fee of \$575.00. This brings us to a total cost of \$5765.00.

After completion of the line extension, anyone who desires to connect on to this line will be required to pay a share of the cost of the original line extension. This lasts for a 10 year period from date of completion. Any funds collected by the District in this instance will be refunded to the property owner who owns the property that the original line extension served.

If you have any questions, please don't hesitate to give me a call at (502) 532-6279.

Sincerely,

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

000026

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

Ms. Betty Diebold  
12 McCarty Lane  
Campbellsburg, KY 40011

COPY

Dear Ms. Diebold,

I am sorry that it has taken this long for me to get you this letter. From all the information I can find there was a meter at the other house; however it was not fed from the District's main water line. It was fed off of a line from the brick house. There were a handful of these situations years ago when the District was in its infancy. The meter for the brick house was the master meter and the one for the other house was the minor meter. The readings were adjusted so each residence received a bill for what was actually used at each residence. This is no longer an acceptable practice in accordance with Public Service Commission regulations.

I went ahead and measured all the way back to the Herbert McCarty farm, there are several options depending on the number of participants on the proposed line extension. The Board of Directors has set the price of all new line extensions at (\$8.00) eight dollars per foot. However if there is an average of five (5) new customers per mile of new line the price is reduced to \$4.00 per foot.

All the options are as follows:

Option #1

Measures 1060' feet to last lot of Diebold Farm divided. One new customer with this option. 1060' times \$4.00 per foot equals \$4240.00 for the line.

\$4240.00 for the line  
\$950.00 impact fee  
\$575.00 meter installation  
Total \$5765.00

000037

Option #2

Measures 1300' to Mr. Kenneth Parks property. Two new customers with this option.

1300' times \$4.00 per foot equals \$5200.00 for the line divided by two new customers equals \$2600.00 each for the line.

\$2600.00 for the line  
\$950.00 impact fee each  
\$575.00 meter installation each  
Total \$4125.00 each customer

Option #3

Measures 1800' to Mr. Kenneth Parks front yard. Two new customers with this option.

1800' times \$4.00 per foot equals \$7200.00 divided by two new customers equals \$3600.00 each for the line.

\$3600.00 for the line  
\$950.00 impact fee  
\$575.00 meter installation  
Total \$5125.00 each customer

Option #4

Measures 1950' to Mr. Tommy Parks property. Three new customers with this option.

1950' times \$4.00 per foot equals \$7800.00 divided by three new customers equals \$2600.00 each for the line.

\$2600.00 for the line  
\$950.00 impact fee  
\$575.00 meter installation  
Total \$4125.00 each customer

Option #5

Measures 2350' to Mr. Tommy Parks front yard. Three new customers with this option.

2350' times \$4.00 per foot equals \$9400.00 divided by three new customers equals \$3133.00 each for the line

\$3133.00 for the line  
\$950.00 impact fee  
\$575.00 meter installation  
Total \$4658.00 each customer

copy

Option #6

Measures 4180' to Mr. Herbert McCarty property in front of barn. Four new customers with this option. 4180' times \$4.00 per foot equals \$16,720.00 divided by four new customers equals \$4180.00 each for the line.

\$4180.00 for the line  
\$950.00 impact fee  
\$575.00 meter installation  
Total \$5705.00 each customer

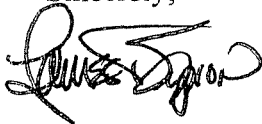
I know this is a lot of information to digest. I wanted to make sure all options were presented to the residents on McCarty Lane.

If someone new applies for service after the line extension has been completed, they will be required to pay a portion of the cost of the line extension. (Example) If they are the fifth customer to connect to the line they will pay 1/5 of the cost of the line. That will then be divided by four and a rebate check will be issued to the current property owners on the original line extension. That is the scenario if Option #6 is used. The rebates will be given to the current property owners at the time someone new connects to the line for a period of ten years from the date of the completion of the original line.

All new line extensions are taken on a first come first serve basis. From design and approval to completion of construction it will be 6-8 months.

If you have any questions please don't hesitate to call me at 502-532-6279.

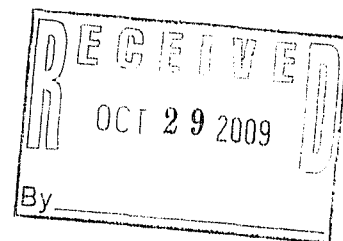
Sincerely,



James Simpson

**W. H. GRADDY & ASSOCIATES**

Attorneys at Law  
103 Main Street  
P.O. Box 4307  
Midway, KY 40347



W. Henry Graddy, IV  
Elizabeth R. Bennett  
Randal A. Strobo

Telephone: (859) 846-4905  
Facsimile: (859) 846-4914  
E-mail: hank.graddy@gmail.com

October 23, 2009

Hon. Glenna Jo (Jody) Curry  
1900 East Mt. Zion Road  
Crestwood, KY 40014

RE: Jim Wayne v. Henry County Water District #2  
PSC Case No. 2009-00264

Dear Ms. Curry,

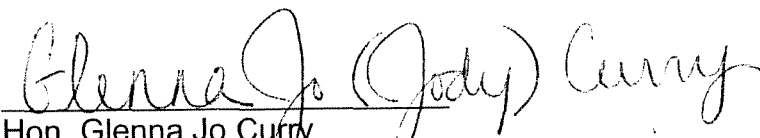
This letter follows our Email correspondence dated October 22, 2009 and confirms that Henry County Water District #2 has agreed to install a water meter and provide water to the Jim Wayne farm for a reconnection fee of \$25.00.

This does not, in any way, waive Jim Wayne's claims against Henry County Water District #2 nor Henry County Water District #2's claims against Jim Wayne. This agreement serves to provide water to farm.

Yours Truly,

  
W. Henry Graddy, IV

HAVE SEEN AND AGREED TO:

  
Hon. Glenna Jo Curry

10-26-09

Date

CC: Mr. Jim Wayne

WHG:dtr

C:\WP\LITIGATION\Wayne.Jim.File\03 Correspondence\Letters\Curry\Water Agreement.10.23.09.doc

THIS DEED made and entered into this 14 day of August, 2000, by and between CLARENCE DAVIS, single, Hwy. 127, Box 127, Glencoe, KY, party of the first part, and JAMES S. WAYNE and DEBORAH K. WAYNE, or the survivor, 1280 Royal Avenue, Louisville, KY, parties of the second part, and MARIA SCHARFENBERGER, 230 Woodbine Street, Louisville, KY, party of the third part,

WITNESSETH: for and in consideration of the sum of Two Hundred Ninety One Thousand Two Hundred Fifty Dollars (\$291,250.00) cash in hand paid, the receipt of which is hereby acknowledged, the party of the first part has bargained and sold and by these presents bargains, sells, transfers and conveys unto the parties of the second part for and during their joint lives with the remainder in fee simple to the survivor of them, ~~an undivided two-thirds interest,~~ and unto the party of the third part, her heirs and assigns, an undivided one-third interest, in and to the following described property:

BEGINNING at a post corner to Charles Sanford, and running thence with Sanford's line, North 32 1/2 degrees East 34.54 chains to a stone in Cox's line; thence with his line North 45 degrees West 28.83 chains to a stone corner to Ira Orem; thence with his line South 32 1/2 degrees West 18.90 chains; South 57 1/2 degrees East 9 links, and South 32 1/2 degrees West 20.28 chains to the center of Orem Lane corner to Sanford Boyer; thence with the center of said Lane, South 48 degrees East 13 chains, and South 55 degrees East 14.78 chains to a stone in the center of said Lane, corner to Sanford; thence with his line North 44 degrees East 6.64 chains to the place of beginning, containing 116 1/2 acres, more or less.

000041

Also included are the tobacco sticks situated on the above described property.

The above described property is the same property conveyed to Clarence Davis from Donald Jamison, et al, by deed dated September 30, 1996, and recorded in Deed Book 192, page 157, of the records of the Office of the Henry County Clerk.

ALSO included in this conveyance is a 1995 Fairmont modular home, VIN MY9593280AB.

IT IS UNDERSTOOD AND AGREED that the taxes which shall become due and payable on the above described property during the year 2000 shall be prorated between the parties as of the date of this deed.

IT IS FURTHER UNDERSTOOD AND AGREED that the parties of the second and third parts shall be entitled to possession with the delivery of this deed. This property is sold subject to the usual and customary rights of the tenants in and to the tobacco crop for the 2000 crop year, and subject to the rights of the tenants currently residing in the modular home for three months from the date of this deed.

The parties hereto state that the consideration reflected in this deed is the full consideration paid for the property. The grantees join this deed for the sole purpose of certifying the consideration pursuant to KRS 382.135.

TO HAVE AND TO HOLD the same together with all of the appurtenances and privileges thereunto with an undivided two-thirds interest unto the parties of the second part for life with the remainder in fee simple to the survivor, his or her heirs and

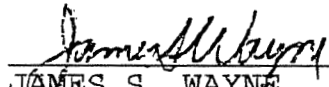
000042

assigns, forever, and the remaining undivided one-third interest unto the party of the third part, her heirs and assigns, forever, all with a covenant of GENERAL WARRANTY.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto on the date first above written.

  
CLARENCE DAVIS

GRANTEES:

  
JAMES S. WAYNE

  
DEBORAH K. WAYNE

  
MARIA SCHARFENBERGER

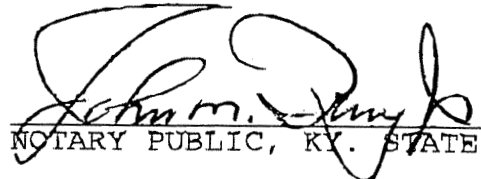
STATE OF KENTUCKY)

SCT.

COUNTY OF HENRY)

The foregoing Deed and Consideration Certificate were acknowledged and sworn to before me this 14 day of August, 2000, by Clarence Davis, grantor.

My commission expires 8-3-04.

  
NOTARY PUBLIC, KY. STATE AT LARGE

000043




STATE OF KENTUCKY)

SCT.

COUNTY OF HENRY)


The foregoing Consideration Certificate was acknowledged and sworn to before me this 14 day of August, 2000, by James S. Wayne, Deborah K. Wayne and Maria Scharfenberger, grantees.

My commission expires 8-3-04.

  
NOTARY PUBLIC, KY STATE AT LARGE

THIS INSTRUMENT WAS DRAFTED BY:

Ret. BERRY & FLOYD, P.S.C.  
ATTORNEYS AT LAW  
NEW CASTLE, KY 40050

BY: 

J.45\Wayne.Ded

DOCUMENT NO: 42741  
RECORDED ON: AUGUST 14, 2000 02:21:39PM  
TOTAL FEES: \$14.00  
TRANSFER TAX: \$291.50  
COUNTY CLERK: RHONDA CARPENTER  
COUNTY: HENRY COUNTY  
DEPUTY CLERK: BETH G HALL

000044

BOOK D214 PAGES 154 - 157

November 17, 2000

Rep. James S. Wayne  
1280 Royal Avenue  
Louisville, KY 40204

Dear Jim:

In response to your telephone request, I have consulted with the local Planning & Zoning Administrator and the Henry County Water District. As you might expect, the relocation of your meter or the change in ownership of the line would in no way affect the present zoning classification of the land along the road to your place. On the other hand, if you move the meter from the road to your farm in order to divide the uses between the manufactured home and the farm, the line between 421 and your property would then be dedicated, or become the property of the water district. In that event, anyone along that road who wanted to tap onto the line with the permission of the water district could do so.

While changing the ownership of the line will not change the classification of the land bordering Orem Lane, it will certainly enhance the potential for uses of that land other than current uses which are now permitted by the Henry County Planning & Zoning Ordinance simply because of the availability of water. Furthermore, it would probably be considered by Planning & Zoning if there were an application for a conditional use permit or a change in the classification of the land. Availability of public water obviously is an important factor.

I do not believe that it is in your interest to take such a risk.

Very truly yours,

BERRY & FLOYD, P.S.C.

JOHN M. BERRY, JR.

JMBjr:mc

000045

## Schroeder Construction, Inc.

616 Pear Orchard Road NW  
Elizabethtown, KY 42701  
Bus (270) 737-7717  
Fax (270) 737-3612

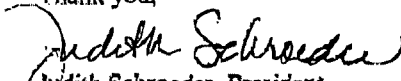
Date: 12/22/08

Jim Wayne  
502-456-6968

Dear Mr. Wayne,

Schroeder Construction Inc proposes to furnish and install approximately 5000 LF of 3" PVC water line. No solid rock excavation is included in the price of \$33,987.00. If solid rock is encountered, removal is at \$60.00 per cubic yard.

Thank you,

  
Judith Schroeder, President  
Schroeder Construction Inc