

agreement between the District, Cave City and Horse Cave provided that in the event the needs of Horse Cave and Cave City called for an expansion of the District's facility, as a consequence of demand unique to the customers of the Cities, and not of general benefit to the District's customers, the costs of that expansion would be equitably charged to the Cities. The estimated costs of the proposed transmission facilities based upon the demand comes to \$3,818,400.00. After a general discussion, Manager Paige and Sam McIllwain indicated that the next step would be to meet with the Horse Cave Water Commission to discuss the proposed project. Manager Paige expressed his opinion that unless the Project as outlined by Engineer McIllwain was in place within two years, the District would likely experience difficulty during peak months in meeting the new demand.

The Committee appointed to consider the expansion of the administrative offices set a meeting on April 17, 2008 at 12:00 at the office of the District.

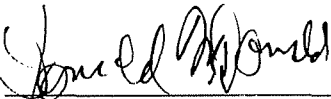
The health insurance benefits for the employees of the District will be up for renewal shortly. The new premium for the same coverage will increase by \$611.04 at the current level of participation. After a discussion, Commissioner Tucker made a motion, which was seconded by Commissioner Branstetter, to keep the health insurance coverage at the same level for the increased monthly premium.

Manager Paige gave his Manager's Report.

With no further business to come before the Board, a motion was made by Commissioner Doyle and seconded by Commissioner McDonald to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
Chairman Jack London

BY: 
Secretary

Meeting of May 8, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills
- IV. Old Business
 - (a) Hisesville water main extension & pump station ✓
 - (b) Office Building up-date ✓
 - (c) New transmission line & storage tank ✓
 - (d) Meter change out in Horse Cave ✓
- V. New Business
 - (a) State grant for water projects ✓
- VI. Manager's Report
 - (a) Line Loss
 - (b) River intake
- VII. Adjourn Meeting

May 8, 2008

The Board of the Commissioners of the Green River Valley Water District met on May 8, 2008, at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, David Peterson with CEA, and Attorney Pat Ross were also present.

Motion was made by Commissioner Branstetter and seconded by Commissioner McDonald to approve the April 10, 2008 Minutes. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Tucker made a motion to approve the payment of the April bills in the amount of \$164,436.96 which was seconded by Commissioner Doyle. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige reported that the Hiseville Water Main Extension and Pump Station Project is moving along well. William Strader and his wife have deeded the land for the pump station site to the District.

The Committee considering the office building met and discussed the various options, including adding on to the existing building, building a new office building, and purchasing another larger office building which could be adapted to the District's needs. David Peterson indicated that he would ask the CEA Board as to whether it would be willing to price CEA's office building. The

Committee will continue to consider the various options and make other reports as more information is developed.

David Peterson with CEA appeared and expressed CEA's concern about the supply of water, after the new industries reach their projected water usage. On behalf of Cave City, CEA would be willing to divide the project cost 50% to Horse Cave, 25% to Cave City and 25% to the District.

The Kentucky Infrastructure Authority has funds available to loan at 1½%, but these funds will be of limited supply and promptly submitting an application provides the best chance of obtaining the loan. Other funding sources would probably not be as advantageous in view of the time limitations.

After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner McDonald to authorize Manager Paige to apply for a loan with KIA in the amount of \$4,000,000 for the project with the 12" line and in the alternative, in the amount of \$6,000,000 for the project with the 16" line. The motion carried.

Manager Paige stated that most of the new meters in Horse Cave would be installed by May 15.

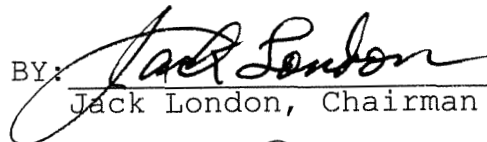
Manager Paige discussed how the State grant for the water projects needed to be used.

Manager Paige gave his Manager's Report. The line loss of the cities in the District was discussed. A track hoe will ~~not~~ be sufficient to clean out the river intake. Lee Bartlett has given a price of \$18,000 to put a top on the river intake in an effort to minimize the collection of silt and sand which requires a major effort to be maintained. The general discussion occurred about

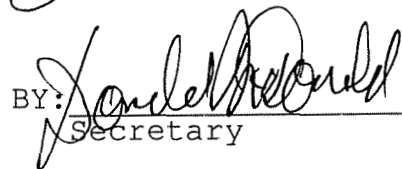
other options that might be available such as putting a pip intake structure further out into the river. Manager Paige will investigate this further and report back to the Board.

With no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Doyle to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 

Jack London, Chairman

BY: 

Secretary

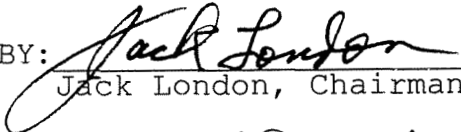
May 27, 2008

The Board of the Commissioners of the Green River Valley Water District met on May 27, 2008 at 11:00 at a special called meeting at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, and Attorney Pat Ross were also present. The purpose of the special called meeting was to discuss the contents of the letters dated May 9, 2008 and May 23, 2008 in which Caveland Environmental Authority, Inc. notified the District that it intended to take over the administrative, operational and maintenance requirements of the Cave City system in the next fiscal year for an effective date of July 1, 2008. Attorney Pat Ross expressed concern to the Board that the First Amendment to the Contract between the City of Cave City, Horse Cave and the District expressly provided that the cities would be bound to an exclusive dealing agreement in which the District provided for the maintenance and billing and the cities agreed to purchase water from the District, so long as the District had outstanding revenue bonds. The option given to the cities of taking over maintenance and administrative matters in the original Contract dated June 15, 1961 was changed in the First Amendment dated February 1, 1962 because the District could not obtain financing for the water treatment system unless that option were removed. After a discussion, the Board asked Manager Paige and Attorney Pat Ross to obtain additional information so that it

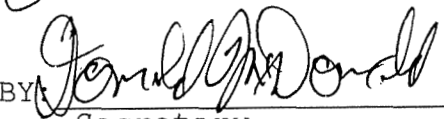
would be able to fully consider the ramifications of CEA's request at the next regular meeting. No action was taken.

With no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Branstetter to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 

Jack London, Chairman

BY: 

Secretary

SUMMARY OF FLOW DAILY FLOW MEASUREMENTS @ Hwy 31-W Master Meter

Date	Time	Meter Reading	Average 24 Hour Rate (GPM)	Average Rate Between Listed Hours (GPM)
Monday 3/24/08	7:00 AM	227715000		
			477.1	
Tuesday 3/25/08	7:00 AM	228402000		516.7
Tuesday 3/25/08	9:00 AM	228464000		
			477.1	
Wednesday 3/26/08	7:00 AM	229089000		503.3
Wednesday 3/26/08	12:00 PM	229240000		
			478.5	
Thursday 3/27/08	7:00 AM	229778000		661.9
Thursday 3/27/08	2:00 PM	230056000		
			502.8	
Friday 3/28/08	7:00 AM	230502000		514.8
Friday 3/28/08	4:00 PM	230780000		
			443.8	
Tuesday 4/1/08	7:00 AM	233058000		533.3
Tuesday 4/1/08	10:00 AM	233154000		
			512.5	
Wednesday 4/2/08	7:00 AM	233796000		627.8
Wednesday 4/2/08	1:00 PM	234022000		
			481.9	
Thursday 1/3/08	7:00 AM	234490000		494.4
Thursday 1/3/08	4:00 AM	234757000		
			441.0	
Friday 1/4/08	7:00 AM	235125000		481.9
Friday 1/4/08	7:00 PM	235472000		

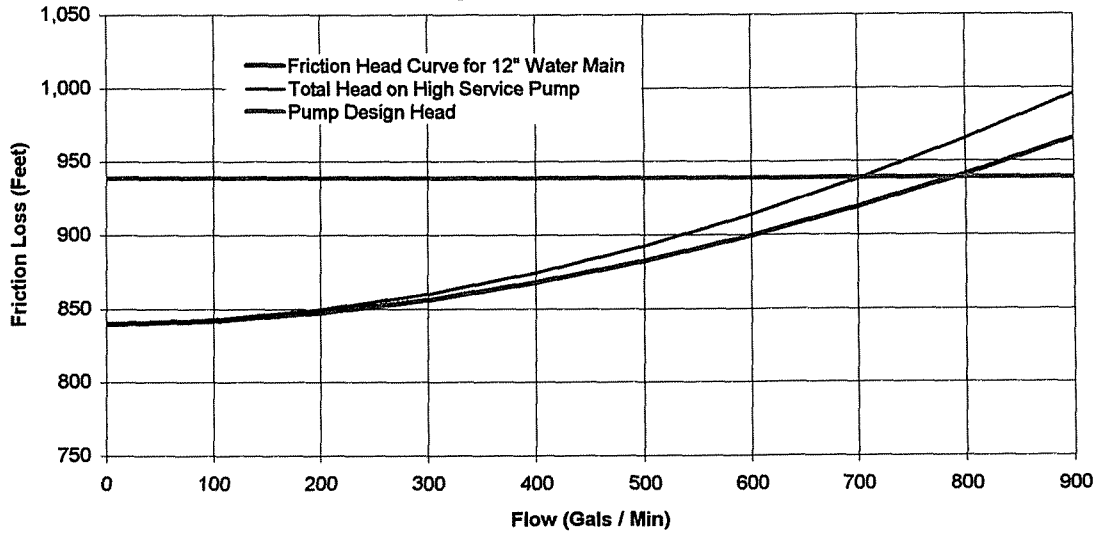
Summary of Master Meter Data from June 06 thru August 07 for Flow Entering Horse Cave / Cave City

	Average Month Average Day (GPM)	Average Month Average Day (MGD)	Peak Month Average Day (GPM)	Peak Month Average Day (MGD)
Horse Cave				
Hwy 31-W Master Meter	443	0.64	587	0.85
Hwy 335 - Master Meter	100	0.14	148	0.21
Subtotal	543	0.78	735	1.06
Cave City				
Hwy 70	143	0.21	183	0.26
Total	686	0.99	918	1.32
North System	492	0.71	727	1.05
South System	1,810	2.61	2,206	3.18
Total	2,302	3.32	2,933	4.22

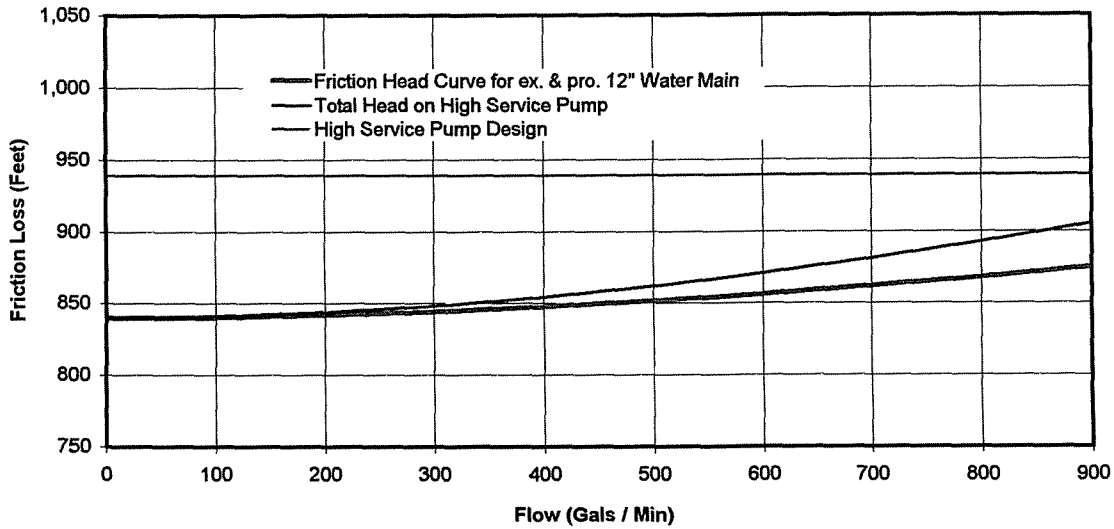
	New Avg Mo Avg Day Demand @ Hwy 31-W	New Peak Mo Avg Day Demand @ Hwy 31-W
Estimated Increases for Dart		
1 to 2 years	40	475
3 to 5 years	82	509
5 to 10 years	143	559

	New Avg Mo Avg Day Demand @ Hwy 31-W	New Peak Mo Avg Day Demand @ Hwy 31-W
Estimated with immediate increases from Marzetti and assuming no further additions		
1 to 2 years	30	500
3 to 5 years	30	534
5 to 10 years	30	583

Analysis of Transmission System to Horse Cave Existing 12-inch Water Main



Analysis of Transmission System to Horse Cave Existing & Proposed 12-inch Water Mains



Estimate of Power Savings with Second 12-inch Water Main

Flow thru Hwy 31-W Master meter	Head Reduction (feet)	Elect. Cost Savings per year
500	30.6	\$5,737
600	42.9	\$8,038
700	57.1	\$10,691

Based on an average electric cost of \$0.05 per kw-hr

SECTION XIV of JUNE 15, 1961 AGREEMENT

require funds for such purposes in excess of that which is available in its own Depreciation Fund, it may issue additional Revenue Bonds in order to provide the same, and if additional revenues are necessary in order to make possible the issuance of such additional bonds, the same shall be provided by adjustments in the District's schedule of service rates for its own customers, and shall not constitute a just or equitable reason for increasing rates to the Cities of to the Cities' customers. The District agrees to make reasonable installation and service charges for fire hydrants in its own area in order to protect itself against unreasonable loss of water.

(c) In corresponding fashion, Morse Cave and Cave City agree with the District that if expansion of the District's commonly used installations and facilities for obtaining the water supply, treating the same, conducting the same to the Morse Cave-Cave City area, and providing adequate storage, shall be made necessary by increasing demands of customers of both Cities, then the costs thereof should not equitably be charged to the District's own customers. To the extent that the District may find it necessary to provide additional capital funds for such reason, any required rate adjustments shall be made in the rates for service to the Cities and the Cities' customers, and not in rates charged to customers of the District itself.

(d) In the event a City shall demand such expansion of commonly used facilities for reasons identifiably its own (e.g., for a new industrial customer using large quantities of water, for example) such City shall have the privilege of electing to either (a) provide the necessary capital funds by issuing its own revenue bonds, or (b) agreeing to a higher level of rates charged by the District to that City or its customers.

(e) The foregoing sub-paragraphs (a) to (d), including sub-paragraph xv are statements of agreed principles.

The parties realize that in actual fact it is not unlikely that expansion of installations and facilities of the District and additional financing therefor, may be made necessary by a concurrence of several of the enumerated factors, rather than by one of them alone, as in the case of more or less uniform development and expansion throughout the whole area of the District. If such be the case, analysis of the various contributing causes shall be made by Licensed Consulting Engineers, and equitable application of the stated principles shall be made, as nearly as may be. The parties agree that a concurrence of happenings and developments over a period of time may not be susceptible to precise and mathematical determination of equities, and that some degree of uncertainty and inequality must be tolerated from time to time in the ordinary course of human events. OMI

Proposed Transmission Facilities

Segment 1 - From the intersection of Hwys 88 & 1854 along route of existing 12-inch water main to Intersection of Hwy 31-W with Shortcut Rd.
 Segment 2 - Along Shortcut Road to Hwy 218
 Segment 3 - From Intersection of Shortcut Road & Hwy 218 along Hwy 1846 to Site of Proposed Water Storage Tank
 Segment 4 - Connection of Proposed Water Storage Tank to Existing 16-inch Water Main inside Horse Cave
 Segment 5 - Proposed Water Storage Tank

4.5%²¹⁰

Project Description	Length (ft)	Cost/ft	Estimated Cost	
Segment 1 - 12-inch Water Main	39,500	\$40.00	\$1,580,000	
Segment 2 - 12-inch Water Main	8,800	\$40.00	\$352,000	
Segment 3 - 12-inch Water Main	7,400	\$40.00	\$296,000	
Segment 4 - 12-inch Water Main	3,850	\$40.00	\$154,000	
Segment 5 - Water Storage Tank	N/A	N/A	\$800,000	
	Subtotal		\$3,182,000	
	Other Project Costs 20 Percent		\$636,400	
	Total Est. Project Costs		\$3,818,400	
Estimated Annual Debt Service Cost on \$3,900,000 using 4.0 % Interest & 20 year Term			\$300,000	
Estimate Annual Debt Service Cost on \$2,900,000 using 4.0 % Interest & 20 year Term (\$1,000,000 from EPA grant used for funding of storage tank and support facilities)			\$223,000	
Estimate Annual Debt Service Cost on \$1,900,000 using 4.0 % Interest & 20 year Term (\$1,000,000 from EPA grant used for funding of storage tank and support facilities) Plus \$1,000,000 grant Appalachian Regional Commission (ARC)			\$146,000	
Revenues from Horse Cave During Calendar Year 2007			\$241,982	
Revenues to Horse Cave from Dart During 2007 for purchase of avg. 4,720,000 gals per month			\$141,000	(\$89,491)
Revenues to Horse Cave from Marzetti During 2007 for purchase of avg. 2,514,300 gals / mo.			\$86,000	(\$47,646)
	Subtotal		\$227,000	\$89,862
Revenues from Cave City During Calendar Year 2007			\$157,222	

773-5261

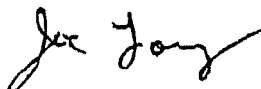
To: David Page
From: Joe Lowry
Date: April 8, 2008
Subject: Dart Container Water Demand

David:

The estimated water demand for the entire facility is listed below. This includes all current demand and estimated expansion over the time period. Much of the expansion for Building #9 will be re-located demand instead of additional demand.

Immediate monthly demand 1-2 years	6,400,000
3-5 years	8,300,000
5-10 years	11,000,000

Please contact me if more information is needed.



Joe Lowry
Facility Manager

Meeting of July 10, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills
- IV. Old Business
 - (a) Hiseville water main extension & pump station ✓
 - (b) Office Building up-date ✓
 - (c) Meter change out in Horse Cave ✓
 - (d) New transmission line & storage tank ✓
 - (e) State Grant for water projects ✓
 - (f) EPA Grant ✓
- V. New Business
 - (a) PSC Inspection July 15, 2008 ✓
 - (b) CEA Contract ✓
 - (c) Pressure problems at Hudgins ✓
- VI. Manager's Report
 - (a) River in-take ✓
 - (b) Lagoons ✓
 - (c) Line Loss ✓
 - (d) New Employee – Office ✓
- VII. Adjourn Meeting

July 10, 2008

The Board of the Commissioners of the Green River Valley Water District met on July 10, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, Junior Lee Bartlett and Attorney Pat Ross were also present.

Motion was made by Commissioner Doyle and seconded by Commissioner Tucker to approve the June 2008 Minutes. Motion carried.

Junior Lee Bartlett of JB Enterprise made a presentation to the Board as to a design which he believed would eliminate the maintenance problem of the river intake. His design is more particularly set forth on the drawing, a copy of which is in Manager Paige's possession. Essentially, the design involves extending two 30" pipe, covered by wire mesh, beyond where silt and debris can accumulate over the top of them at the edge of the river bank. Mr. Bartlett will put together a proposal so that the Board will know the costs and be in a position to know whether the project will have to be bid. No action was taken.

The monthly bills were reviewed and discussed. Commissioner McDonald made a motion, seconded by Commissioner Tucker, to approve the payment of the June bills in the amount of \$101,247.84. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

The delivery of the pump station for the Hiseville Water Main Extension and Pump Station Project is expected on July 18, 2008. The Office Building Committee agreed to meet and report back to the board.

The change out of the Horse Cave meters is expected to be completed by the end of July.

A survey of a potential tank site on property owned by Teresa Druen has been completed and Manager Paige will be talking with Justin Baird, her attorney, about a fair price for the purchase of that site. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner McDonald, to authorize Manager Paige to negotiate the best terms possible for the purchase of the tank site in a range of \$20,000 to \$30,000, with additional leeway given to the Manager in connection with the road that will be built for access to the tank site that might also be of benefit to Ms. Druen. Motion carried.

Manager Paige presented another rate analysis preliminary proposal prepared by Skip Campbell for consideration in applying to the public service Commission for a rate increase. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to employ Karen Lee to prepare the application to be submitted to the Public Service Commission for the rate increase for the compensation not in excess of \$8,000. The motion carried.

Manager Paige discussed the State grant for water projects and the EPA Grant. Given the timing concerns of the new transmission line and storage tank project, Manager Paige recommended that these

grants be applied toward other projects of the District instead of being used to fund the new transmission line and storage tank project. Since the District will need to borrow the total project costs for a new transmission line and storage tank project, as well as fund at the outset, the District's other projects which will be reimbursed through the EPA Grant, a total loan of \$6,500,000 will probably be needed. After a discussion, Commissioner Doyle made a motion, seconded by Commissioner McDonald, to authorize Manager Paige to apply for a loan in the amount of \$6,500,000 with Kentucky Rural Water Association on the most favorable terms that are available. The motion carried.

The Public Service Commission inspection is scheduled for July 15, 2008. Although the District has a cross connection prevention program in place, this program is not set out in a formal resolution which Manager Paige anticipated the PSC would require. Commissioner Branstetter made a motion, seconded by Commissioner McDonald to adopt the cross connection prevention program as set forth in the resolution attached hereto and incorporated herein. The motion carried.

Manager Paige and Attorney Ross reported on the status of negotiations between CEA and the District about CEA's assumption of the maintenance and billing of Cave City's Water System. Consultant Larimore reported that he had been verbally informed by Vernon Brown of Rural Development that a formal agreement between the District and CEA would not be opposed by Rural Development. Attorney Ross discussed the terms of a proposed Contract between the district and CEA, a copy of which is attached hereto and

incorporated herein by reference. After a discussion, Commission Tucker made a motion, seconded by Commissioner Branstetter to authorize the District to enter into such a Contract, pending the Agreement of CEA. The motion carried.

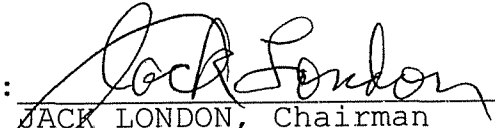
Manager Paige reported on the air pressure problems the customers in the Hudsins area were having. During the peak usage, the pressure at the meter does occasionally dip below 20 pounds. Discussion took place about the best way to remedy the pressure problems. No action was taken.

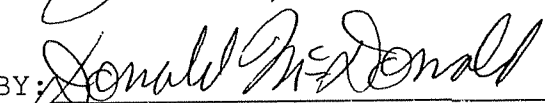
Manager Paige gave his Manager's Report. Manager Paige informed the Board that as a way to improve employee moral and to save the District expense, he believed that a 10 hour day-four day work week might be beneficial.

Manager Paige reported on the need for another employee in the office. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner McDonald to authorize the employment of another office employee, effective as of August 1, 2008. The motion carried.

With there being no further business to come before the Board, Motion was made by Commissioner Doyle and seconded by Commission McDonald to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
JACK LONDON, Chairman

BY: 
DONALD McDONALD, Secretary

Meeting of ~~June 12~~ 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) Hiseville water main extension & pump station ✓
 - (b) Office Building up-date ✓
 - (c) Meter change out in Horse Cave ✓
 - (d) New transmission line & storage tank ✓
 - (e) State Grant for water projects ✓
 - (f) New bills ✓
 - (g) River Intake ✓
- V. New Business
 - (a) EPA Grant ✓
- VI. Manager's Report ✓
 - (a) Line Loss *16 to 18%*
 - (b) New Employee – Office – *Tina Cook* – ~~_____~~
soft copy of map – start – drive through –
 - (c) DOW inspection
- VII. Adjourn Meeting

June 12, 2008

The Board of the Commissioners of the Green River Valley Water District met on June 12, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, Skip Campbell, Sam McIllwain, and Attorney Pat Ross were also present.

Motion was made by Commissioner Doyle and seconded by Commissioner Tucker to approve the Minutes of the regular meeting on May 8, 2008. Motion carried.

Motion was made by Commissioner Branstetter, seconded by Commissioner Tucker, to approve the Minutes of the special Meeting on May 27, 2008. The motion carried.

Manager Paige and Attorney Ross reported on the discussions with David Peterson and Murry Raines, counsel for CEA. Based upon those discussions and a discussion between Attorney Ross and bond counsel, Bill Davis, Attorney Ross recommended that a letter be sent to Vernon Brown with Rural Development which would apprise him of the underlying facts of the contractual relationship between the District, Cave City and Horse Cave and be sure that Rural Development has no objection to CEA taking over maintenance and administration of Cave City's water system. A formal agreement would need to be developed between the District and CEA as to the new arrangement, but in the interim CEA will start billing and maintenance effective as of July 1. Attorney Ross expressed his opinion that since CEA did not request the District's approval of

this takeover ahead of time, the District would not be prejudiced as far as the contractual obligations were concerned in letting CEA perform the functions pending the ultimate approval of Rural Development and an acceptable agreement between the District and CEA. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to authorize Attorney Ross to correspond with Vernon Brown at Rural Development along the lines discussed. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to approve the payment of the May bills in the amount of \$182,462.78. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige reported that the Hiseville Water Main Extension & Pump Station project is all but completed, but for installation of the pump station and the creek crossing. The contractor has told Manager Paige that a delay in the delivery of the pumps has put installation of the pump station behind. Manager Paige expects that the pump station will be delivered sometime in the middle of July.

Manager Paige has some drawings of a proposed new office building to review with the building committee. David Peterson reported that CEA would sell its office building and three acres for \$385,000.00. The building committee will get together and report back to the Board.

The meter change out in Horse Cave is almost finished lacking about 25 meters. The early indications are that the new meters and

electronic meter system will be beneficial as far as the City's line loss.

Skip Campbell and Sam McIllwain were on hand to discuss the transmission line and storage tank project and the funding of that project. Mr. Campbell presented the Board with the anticipated needs for additional revenue to fund the projects. A copy of Mr. Campbell's examples is attached hereto and incorporated herein by reference. Manager Paige discussed the EPA Grant, the matching funds for that grant, and his concern about the timeliness of the EPA Grant funding in regard to the expected demand for water. After a discussion, Commissioner McDonald made a motion, seconded by Commissioner Doyle, to move forward with the project on as timely a basis as possible and in the event Manager Paige could not receive assurance about the up-front expenditures being available for the match of the EPA Grant, so as not to delay the project, the EPA grant would be used in a separate project. The motion carried. Manager Paige reported that it did not appear that the District would be eligible for interest with KIA at 1½% and other financial arrangements would have to be made.

Manager Paige informed the Board that a new billing format that the District could use instead of the billing cards currently in use is the format of billing used by other utilities. This would consist of an envelope and a return envelope that the customers could enclose their checks in. Also, this type of billing would permit the District to include with the bill newsletters or other items of District business. The cost was anticipated to be approximately \$1.00 extra per customer per year.


After a discussion, Commissioner Doyle made a motion, seconded by Commissioner Tucker, to authorize Manager Paige to purchase the new billing format. The motion carried.

Manager Paige stated that Chris Davis had been employed to use his track-hoe to clean out the river intake area, and to clean out the lagoons. This work was necessary maintenance. Also, Manager Paige and Lee Bartlett have talked about options as to putting a top over the river intake and Mr. Bartlett is going to put together some cost estimates for the options which will be presented to the Board at a later time.


Manager Paige gave his Manager's Report. The District received a generally favorable inspection from the Department of Water.

With there being no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Tucker to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 

JACK LONDON, Chairman

BY: 

DONALD McDONALD, Secretary

GRVWD
 EXAMPLES OF RATE INCREASE TO MEET DEBT COVERAGE
 AND BOND ISSUANCE

	<u>Current</u>	<u>Percent Increase</u>	<u>Revenue Generated</u>	<u>Percent Increase</u>	<u>Revenue Generated</u>
METERED REVENUE 2007	\$ 2,147,352	10%	\$ 214,735	15%	\$ 322,103
WHOLESALE REVENUE 2007	<u>846,811</u>	20%	<u>169,362</u>	25%	<u>211,703</u>
TOTAL REVENUE	<u>\$ 2,994,162</u>		<u>\$ 384,097</u>		<u>\$ 533,805</u>

METERED WATER RATES	<u>Current</u>	<u>Increased by above</u>	<u>Increased by above</u>
5/8 x 3/4 Inch Meter			
First 2000 gallons	\$ 14.34	\$ 15.77	\$ 16.49
Next 8000 gallons	3.62	3.98	4.16
Next 10000 gallons	3.02	3.32	3.47
Next 30000 gallons	2.61	2.87	3.00
Next 50000 gallons	2.35	2.59	2.70
All over 100000 gallons	2.28	2.51	2.62
WHOLESALE WATER RATES			
Per thousand gallons	<u>\$ 1.58</u>	<u>\$ 1.90</u>	<u>\$ 1.98</u>

Wholesale rates for CEA and Horse Cave to amortize bond issues of \$1m and \$2m for their share.

CEA annual cost \$89,656

Water sales based on \$1.98 per thousand	\$ 241,307
Debt costs	<u>89,656</u>
	<u>\$ 330,963</u>
Rate based on 2007 need to generate the above amount	\$2.72

HC annual cost \$179,313

Water sales based on \$1.98 per thousand	\$ 349,189
Debt costs	<u>179,313</u>
	<u>\$ 528,502</u>
Rate based on 2007 need to generate the above amount	\$3.00

**GRVWD
DEBT COVERAGE REQUIREMENTS**

Operating revenue 06/30/2007 \$ 3,182,375

Operating Expenses 3,048,487
 Less: Depreciation (775,058)
2,273,429

Operating revenues for calculating debt Coverage \$ 908,946

DEBT:

Bonds due 2008 \$ 485,200
 Interest due 2008 545,000

Debt to be covered \$ 1,030,200

Current debt coverage 88.23%
 Required debt coverage 120%

Amount of coverage required \$ 1,236,240

Shortage of operating revenues
 required to meet current debt coverage \$ (327,294)

Additional annual debt requirement for \$2,700,000 bond issue \$ 200,000

Shortage of operating revenues with bond issuance \$ 527,294 ✓

The above amount of \$327,294 represents additional revenue required to be generated before the District could issue any additional bonds.

The above amount of \$527,294 represents additional revenue required to be generated with the issuance of \$2,700,000 of new bonds

Meeting of August 14, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) Hiseville water main extension & pump station ✓
 - (b) Office Building up-date ✓
 - (c) Meter change out in Horse Cave ✓
 - (d) New transmission line & storage tank ✓
 - (e) State Grant for water projects ✓
 - (f) EPA Grant ✓
 - (g) CEA Contracts ✓
- V. New Business
 - (a) River intake bids ✓
 - (b) KRWA – voting delegate ✓
- VI. Manager's Report
 - (a) Line Loss ✓
 - (b) Lagoons @ water plant ✓
 - (c) New Employee – Tina Cooke ✓
 - (d) Employee raises & O.T.
- VII. Adjourn Meeting

*O+M. balance
\$292,995.81*

August 14, 2008

The Board of the Commissioners of the Green River Valley Water District met on August 14, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, Representatives of Robert Poppey Excavation and Construction and Attorney Pat Ross were also present.

The bids on the river intake design and construction project were opened. Robert Poppey Excavation and Construction bid \$79,000 for its proposal of a jet system which would blow out the silt and sand. The bid provided that in the event the Corp of Engineers stopped the project or the District stopped the project for any reason, Robert Poppey would be entitled to 10% of the bid as well as its actual costs for labor and materials up until the time the project was stopped. J & B Enterprise bid the total sum of \$34,000 for its proposal which consisted of pipes 36 inches in diameter by 18 feet with a 2 inch pipe at the bottom contained within the larger pipe to flush out the sediment. Manager Paige will discuss the two alternatives with the Division of Water and Kentucky Rural Water Association to obtain input as to the best way to proceed as to engineering and the Corp of Engineers and will report back to the Board.

Motion was made by Commissioner McDonald and seconded by Commissioner Doyle to approve the July, 2008 Minutes. Motion carried.

The monthly bills were reviewed and discussed. Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to approve the payment of the July bills in the amount of \$160,264.39. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

The Hiseville Water Main Extension and Pump Station Project is progressing satisfactorily. Manager Paige discussed the need to begin upgrading the District's telemetry equipment since the equipment currently in use cannot be replaced. Manager Paige estimated that it would cost about \$35,000 to begin the conversion of the telemetry system in phases. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner McDonald, to advertise for bids for the first phase of the new telemetry system. The motion carried.

Manager Paige reported that he anticipated that he would be in receipt of a preliminary plan for a new office building from Square Deal Lumber Company so that the building committee could convene and consider the project within the near future.

The installation of new meters in the Horse Cave Water System has been completed and the final inspection is scheduled for August 21, 2008.

The loan application for the new transmission line and storage tank project in the amount of \$6,500,000 is ready to be submitted once the 2008 audit is completed. A revision to the survey of the tank site location had to be made based upon the preference of the landowner, Teresa Druen. Negotiations between her attorney and Manager Paige are progressing satisfactorily.

Manager Paige said that he expected to receive a letter providing the requirements for the State Grant within the near future.

As to the EPA Grant, Manager Paige will be attending a meeting with the Division of Water and BRADD about that grant.

The final language on the Amendment to the Contract between the District and CEA has not yet been finalized, although progress is being made. The responsibility of CEA, Horse Cave, and the District as to the new transmission line and storage tank project will also be set forth in a written Contract satisfactory to all parties.

Commissioner London made the Board aware of a anonymous complaint that had been made with the State Auditor's Office as to alleged questionable practices of District's employees. The allegations were vague and sufficient documentation exists to answer the auditor's inquiry. Attorney Ross will respond to the letter.

The Kentucky Rural Water Association Annual meeting is coming up and the District needs to appoint a voting delegate and an alternate voting delegate. Manager Paige's responsibilities at the District prevent him from attending the meeting this year. Commissioner Branstetter made a motion, seconded by Commission Tucker, to appoint Consultant Elroy Larimore as the District's voting delegate, and Commissioner Jack London as its alternate delegate. Motion carried.

Manager Paige gave his manager's report. Manager Paige recommended the purchase and installation of a flow meter in the

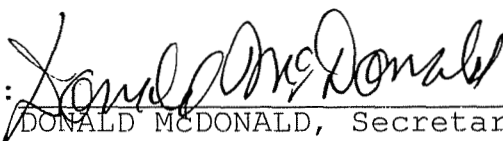
Mt. Sherman area so as to have a better understanding of water loss and water loss prevention in the northern portion of the District. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner Branstetter, to authorize Manager Paige to purchase and install the flow meter.

Commissioner London set a special meeting date of August 28, 2008 at 9:00 for the Board to meet and consider employee compensation for the upcoming year.

With there being no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Doyle to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
JACK LONDON, Chairman

BY: 
DONALD MCDONALD, Secretary

Meeting of September 11, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) New transmission line & storage tank ✓
 - (b) EPA Grant ✓
 - (c) KIA State Grant
 - (d) CEA Contracts ✓
 - (e) River intake ✓
 - (f) Office Building up-date ✓
- V. New Business
 - (a) Salary revisions ✓
- VI. Manager's Report
 - (a) Line Loss ✓
 - (b) Water rate analysis ✓
 - (c) Lagoons @ water plant ✓
- VII. Adjourn Meeting

September 11, 2008

The Board of the Commissioners of the Green River Valley Water District met on September 11, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Donald McDonald, Ray Branstetter, Pat Tucker and Phillip Doyle. Manager David Page, Consultant Elroy Larimore, and Attorney Pat Ross were also present.

Motion was made by Commissioner Tucker and seconded by Commissioner Branstetter to approve the August 2008 Minutes. The motion carried.

The monthly bills were reviewed and discussed. Commissioner McDonald made a motion, seconded by Commissioner Doyle, to approve the payment of the August bills in the amount of \$181,709.60. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

The survey description of the tank site for the new transmission line and storage tank project has been provided by Pride Engineering, and Manager Paige and the attorney for Teresa Druen have orally agreed to a purchase price of \$24,500. Ms. Druen's attorney is in the process of preparing the Deed.

Kentucky Rural Finance Administration has written its commitment letter as to the loan application for the new transmission line and storage tank project and the next step will be to submit the 2008 audit once it is available.

Manager Paige reported that as soon as the engineer has finished the design defining the scope of the project, the

agreement between the District, CEA and Horse Cave should be reduced to writing so as to keep the project moving.

As to the EPA Grant, the District has received the commitment letter from Kentucky Rural Finance Administration as to the loan for the matching funds. The scope of the project will depend upon the bids and Manager Paige has designated the scope of the project in the initial paperwork so that the District will be able to build the best project for funds available. BRADD has submitted a proposal for the administration of the EPA Grant for the sum of \$30,000. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to enter into the Contract with BRADD for this administration on the terms set forth in the written Contract presented at the meeting. The motion carried.

The District will have to have a representative sign the appropriate documentation to process the EPA Grant. After a discussion, Commissioner Doyle made a motion, seconded by Commissioner McDonald to authorize Manager Paige to sign any and all documents required in connection with the EPA Grant to satisfy any and all requirements of that Grant. Motion carried.

Manager Paige reported that he has not received any documentation in connection with the KIA State Grant, but he has been informed that since this funding will not occur until July of 2009, he should not expect that documentation any time soon.

Attorney Ross reported that he had received a letter from the attorney for CEA as to the proposed Contract between the CEA and the District as to the CEA taking over the billing and maintenance function formerly provided by the District on behalf of Cave City.

Attorney Ross still has a concern about the language not being in accordance with the exclusive dealing agreement set forth in the original Contract and the amendments thereto. Negotiations will continue to attempt to resolve the concerns of both sides.

Manager Paige informed the Board that he had been in touch with the Corp of Engineers as to the modification of the river intake. The Corp of Engineers will require a set of plans before it considers approving the modification. Manager Paige has spoken with Sam McIlliwain about the requirement of plans and Mr. McIlliwain has agreed to furnish these plans based upon the Lee Bartlett design so that they can be submitted to the Corp of Engineers. If Mr. McIlliwain makes any substantial changes in the design of the river intake, the project may have to be rebid.

Manager Paige opened up discussion about the options on a new office building involving new construction or remodeling of the present structure. No action was taken.


The Board engaged in a general discussion about the employee raises and adjustments to their compensation package based upon the prior decision of the Board regulating hours. Commissioner Tucker made a motion, seconded by Commissioner Branstetter, to provide the employees with raises that total \$12,748.39. Motion carried.


Manager Paige gave his Manager's Report. Manager Paige explained that he had received additional information about the compatibility of the District's current telemetry system and he wanted to fully investigate this matter prior to advertising for bids for a new system to be phased in. He will report back to the Board. Manager Paige expressed belief that he would be in a

possession of a draft of the District's audit and he invited members of the Board to review it prior to the October meeting. Manager Paige gave an update on his concern about the available space of the lagoons at the water plant.

With no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Tucker to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
JACK LONDON, Chairman

BY: 
Secretary

WATER MANAGEMENT SERVICES, LLC

Phone: (615) 366-6088 Suite 401
Fax: (615) 366-6203 2 International Plaza
E-mail: smcillwain@wmsengineers.com Nashville, Tennessee 37217

Memorandum

To: David Paige
From: Sam McIllwain
Subject: Water Transmission Mains and Water Storage Tanks
Date: September 18, 2008

Previous memos and discussions have addressed issues concerning additional water transmission and storage facilities needed to support growth in the Horse Cave / Cave City areas. Initial discussions began with a determination that the existing 12-inch transmission main connecting to the Horse Cave Water Storage Tank from GRVWD's water treatment facilities is not adequate to meet the existing and projected "near term" water demands. Water demands served by this transmission main are primarily due to water demands of water customers of Horse Cave and CEA.

As identified in these memos, this existing 12-inch water main beginning at the intersection of Jack McGuire Road and State Route 88 and ending inside Horse Cave; a distance of about 52,000 feet,

Consistent with the terms of the June 15, 1961 agreement, an estimate of probable construction cost was prepared based on the latest cost information for installation a parallel 12-inch water transmission main adjacent to the existing water transmission main. The purpose of this estimate is to established percent allocation based on a preliminary agreement that Horse Cave would contribute \$2.0 million and CEA would contribute \$1.0 million. A tabulation of the estimate and the resultant percentage allocation are as follows:

ALIGNMENT PARALLELING EXISTING 12-INCH WATER TRANSMISSION SYSTEM

Estimate of Probable Project Costs			
Project Description	Length (ft)	Cost/ft	Estimated Cost
Segment 1 - 12-inch Water Main	39,500	\$45.00	\$1,777,500
Segment 2 - 12-inch Water Main	8,800	\$49.00 *	\$431,200
Segment 3 - 12-inch Water Main	7,400	\$49.00 *	\$362,600
Segment 4 - 12-inch Water Main	8,000	\$45.00	\$360,000
Segment 5 - 12-inch Water Main	1,000	\$45.00	<u>\$45,000</u>
Subtotal			\$2,976,300
Other Project Costs @ 20 Percent			<u>\$595,260</u>
Total Project Cost of Transmission System			\$3,571,560
Segment 6 - Water Storage Tank	N/A	N/A	\$822,000
Other Project Costs @ 20 Percent			<u>\$164,400</u>
Total Project Cost of Storage Tank			\$986,400
Total Estimate of Probable Project Costs			\$4,557,960

* - \$4.00 above average cost due to more difficult construction condition

**Alignment Paralleling Existing 12-inch Water Transmission Main
Preliminary Allocation of Costs Between Entities**

Horse Cave Portion	CEA Portion	GRVWD Portion	KIA Grant	Total
Water Transmission Mains				
\$2,000,000	\$1,000,000	\$571,560		\$3,571,560
56.0%	28.0%	16.0%		100.0%
Water Storage Tank				
\$2,000,000	\$1,000,000	\$486,400	\$500,000	\$986,400
		\$1,057,960	\$500,000	\$4,557,960

Under the above allocation, the water storage tank is the sole responsibility of GRVWD. This findings is due to GRVWD utilization of Horse Cave's water storage tank, which has become too small for GRVWD's needs. Under this allocation, GRVWD share, less the KIA grant is \$1,057,960

While parallel the existing 12-inch transmission main may address certain issues of demands for Horse Cave, the more desired alignment and transmission main size is the extension of the existing 16-inch transmission from its termination point in Hardyville along Highway 31-E and Highway 685 to the proposed site of the 500,000 gallon water storage tank. This alignment is consistent with an approved long-range planning document prepared in the late 1990s.

Under this alignment, enhanced water supplies to a majority of GRVWD water customers would occur. Further, water supplied to Cave City / CEA would not be routed through Horse Cave; an important financial consideration.

16-inch Transmission System – Alignment Along Highway 31-E & Highway 685

Estimate of Probable Project Costs

Project Description	Length (ft)	Cost/ft	Estimated Cost
Segment 1 - 16-inch Water Main	36,500	\$52.00	\$1,898,000
Segment 2 - 16-inch Water Main	25,000	\$52.00	\$1,300,000
Segment 3 - 16-inch Water Main	3,000	\$52.00	\$156,000
Segment 4 - 16-inch Water Main	5,000	\$52.00	\$260,000
Segment 4 - 12-inch Water Main	1,000	\$45.00	\$45,000
Subtotal			\$3,659,000
Other Project Costs @ 20 Percent			<u>\$731,800</u>
Total Project Cost of Transmission System			\$4,390,800
Segment 6 - Water Storage Tank	N/A	N/A	\$822,000
Other Project Costs @ 20 Percent			<u>\$164,400</u>
Total Project Cost of Storage Tank			\$986,400
Total Estimate of Probable Project Costs			\$5,377,200

Maintaining the contribution amounts by Horse Cave and CEA at a combined \$3,000,000, the allocation percentages become as tabulated below. GRVWD participation increases from \$1,057,960 to \$1,877,200.

16-inch Transmission System – Alignment Along Highway 31-E & Highway 685

Preliminary Allocation of Costs Between Entities

Horse Cave Portion	CEA Portion	GRVWD Portion	KIA Grant	Total
Water Transmission Mains				
\$2,000,000	\$1,000,000	\$1,390,800		\$4,390,800
45.5%	22.8%	31.7%		100.0%
Water Storage Tank				
\$2,000,000	\$1,000,000	<u>\$486,400</u>	<u>\$500,000</u>	<u>\$986,400</u>
		\$1,877,200	\$500,000	\$5,377,200

The above are estimates of costs prepared without the benefit of detailed construction drawings. In consideration therefore, a prudent agreements with Horse Cave and CEA would allocate the final project costs based on the percentage listed above for each entity. Therefore, if the project costs were less than estimated then all parties would share in the savings and, in turn, if the project costs were more than estimated, the parties would share in funding the increased cost.

**Alignment Paralleling Existing 12-inch Water Transmission Main
Preliminary Allocation of Costs Between Entities**

Horse Cave Portion	CEA Portion	GRVWD Portion	KIA Grant	Total
Water Transmission Mains				
\$2,000,000	\$1,000,000	\$1,390,800		\$4,390,800
45.5%	22.8%	31.7%		100.0%
Water Storage Tank				
\$2,000,000	\$1,000,000	<u>\$486,400</u>	<u>\$500,000</u>	<u>\$986,400</u>
		\$1,877,200	\$500,000	\$5,377,200

The above are estimates of costs prepared without the benefit of detailed construction drawings. In consideration therefore, a prudent agreements with Horse Cave and CEA would allocate the final project costs based on the percentage listed above for each entity. Therefore, if the project costs were less than estimated then all parties would share in the savings and, in turn, if the project costs were more than estimated, the parties would share in funding the increased cost.

Location	Water Main Size (inch)	Length (Ft)	Cost / Ft.	Lump Sum Item(s)	EPA
Green County - EPA Funded					
Willie Rice Road	3	5,700	\$9.00	N/A	\$ 51,300
Dewey Kidd Road	3	4,500	\$9.00	N/A	\$ 40,500
Larue County - EPA Funded					
Polley Road	3	500	\$9.00	N/A	\$ 4,500
	4	6,000	\$10.50	N/A	\$ 63,000
Wheeler Road	3	2,400	\$9.00	N/A	\$ 21,600
Hart County - EPA Funded					
Polley Road	3	3,500	\$9.00	N/A	\$ 31,500
Well Road	3	2,800	\$9.00	N/A	\$ 25,200
Francis Gardner Road	3	3,300	\$9.00	N/A	\$ 29,700
Marshall Highbaugh Road	3	2,500	\$9.00	N/A	\$ 22,500
Priceville Road	3	6,300	\$9.00	N/A	\$ 56,700
Chestnut Grove Road - South	3 Pump Station	4,300	\$9.00	N/A	\$ 38,700
				\$50,000	\$ 50,000
Chestnut Grove Road - North	3	3,400	\$9.00	N/A	\$ 30,600
Buckner Hill Road - North	3 Pump Station	8,500	\$9.00	N/A	\$ 76,500
				\$50,000	\$ 50,000
Williams Road - East	3	1,600	\$9.00	N/A	\$ 14,400
Williams Road - West	3	7,200	\$9.00	N/A	\$ 64,800
W. Walters - Cris Stasel Rd	3	3,800	\$9.00	N/A	\$ 34,200
Hopewell Church Road	3	4,000	\$9.00	N/A	\$ 36,000
Subtotal		70,300			\$ 741,700

Estimate of 500,000 Gal Clearwell	\$ 1,560,350
Total	\$ 2,302,050
Estimate of 400,000 Gal Clearwell	\$ 1,281,280
Total	\$ 2,022,980
Estimate of 300,000 Gal Clearwell	\$ 1,002,210
Total	\$ 1,743,910

Location	Water Main Size (inch)	Length (Ft)	Cost / Ft.	Lump Sum Item(s)	KIA
Hart County - KIA Funded					
Maxey Knob Road	3	4,000	\$9.00	N/A	\$ 36,000
	Pump Station			\$ 50,000	\$ 50,000
Gas Storage Road	3	11,000	\$9.00	N/A	\$ 99,000
Jones School House Road	3	8,500	\$9.00	N/A	\$ 76,500
Poteet Road	3	3,800	\$9.00	N/A	\$ 34,200
Eudura Road	3	8,300	\$9.00	N/A	\$ 74,700
Subtotal		35,600			\$ 370,400

EPA GRANT \$1,000,000 - \$956,000 - MATCH \$782,181 - TOTAL PROJECT \$1,738,181 -

WATER LINES
Clearwell @ WTP 500,000 GAL \$741,700 -
\$1,560,350 -

\$2,302,050

GRVND MATCH \$782,181 - ★ KRWF
DIF. Clearwell 500,000 GAL \$563,869 - ★ KRWF
400,000 GAL \$284,799 -
300,000 GAL \$5,729 -

KIA GRANT \$300,000 -
ENG. EST. \$370,400 - \$70,400 - ★ KRWF

16" W/L & 1MGD STORAGE TANK
GRVND

\$1,877,200 - ★ KRWF

KIA GRANT TANK \$500,000 -

Barren Co. \$210,000 -

\$3,293,650 - KRWF

+ Horse Cave
\$2,000,000 - \$2,000,000 -

Meeting of October 9, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) New transmission line & storage tank ✓
 - (b) EPA Grant ✓
 - (c) KIA State Grant ✓
 - (d) CEA Contracts ✓
 - (e) River intake ✓
 - (f) Office Building up-date ✓
 - (g) Lagoons at water plant ✓
- V. New Business
 - (a) Audit report – Skip Campbell ✓
 - (b) Water rate & tariff revisions ✓
 - (c) Mitchell's illness
- VI. Manager's Report ✓
 - (a) Line Loss
- VII. Adjourn Meeting

October 9, 2008

The Board of the Commissioners of the Green River Valley Water District met on October 9, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald and Pat Tucker. Manager David Page, Assistant Manager Adrian Gossett, Skip Campbell, Auditor, and Attorney Pat Ross were also present.

Levus Pedigo and Robert Smith appeared before the Board to express the concern of Mr. Pedigo that a water meter had been placed on his property to provide water service to adjoining landowners by the name of Martin. Apparently, the Martins believing that they were on right-of-way contracted to have the water meter set and installed a line along what they believed to be the right-of-way to their property. Mr. Pedigo contended that both the water meter and waterline were on his property. After a discussion, Mr. Pedigo decided that he did not want the District to move the water meter until he investigated whether he could make the Martins move the water line. In the event Mr. Pedigo does decide that he wants the water meter moved, the District will move it off of Mr. Pedigo's property onto the State right-of-way with the understanding that water service will be provided to the Martins unless Mr. Pedigo obtains a Court Order to the contrary.

Motion was made by Commissioner Tucker, seconded by Commissioner McDonald, to approve the September 2008 Minutes. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to

approve the payment of the September bills in the amount of \$196,493.12. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Skip Campbell presented the audit for the prior fiscal year and the budget for the current year. After a discussion, Commissioner McDonald made a Motion, seconded by Commissioner Tucker, to approve the audit and budget as presented.

Karen Lee is in the process of gathering information needed for the approval of the water rate and tariff revisions of the District. Based upon the Bond coverage requirement for the new transmission line and storage tank project, it may be that the rate increases will have to be done in phases. Manager Paige will report back to the Board about this.

Sam McIlliwain with Water Management Services has prepared costs estimates of the new transmission line and water storage tank project for use in arriving at the prorata share of the costs of the project by Horse Cave, CEA, and the District, a copy of which is attached to these Minutes.

Manager Paige reported that the EPA Grant and KIA State Grant were proceeding satisfactorily. Manager Paige presented the Board with options for the construction of new water lines and the clear well in connection with the EPA Grant.

Sam McIlliwain has produced a set of plans using the Lee Bartlett design for the river intake. These plans have been submitted to the Corp of Engineers and the Division of Water for authorization.

Johnny Stumph of Square Deal will prepare a series of drawings for the new office building which will include new construction and renovation. Manager Paige will share these drawings with the Board as soon as they are available.

Manager Paige informed the Board that the excavation of the two lagoons resulted in an unexpected expense as to the old lagoon. Davis Brothers Contracting performed the work at the rate of \$5.49 per cubic yard. Davis Brothers removed 1,458 cubic yards from the new lagoon which came to \$8,004.42. The excavation of the old lagoon resulted in the removal of 5,550 cubic yards which came to \$30,469.50. The number of cubic yards that had to be removed from the old lagoon was unexpected and the cleanup had to be completed. Based upon this unexpected cost over run, the Manager had to declare a emergency, pursuant to KRS 424.260.

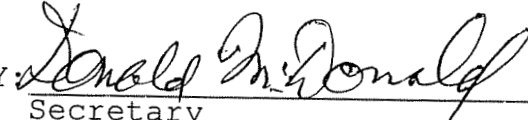
Manager Paige gave his Manager's Report. The District needs to have a identify theft prevention program in place by November 1, 2008. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner Branstetter, to adopt the identity theft prevention program compliance model as recommended by the Kentucky Rural Water Association as modified to suit the needs of the District, which was seconded by Commissioner Branstetter. The motion carried. The financial controls of the District require two signatures on all checks drawn on the District and the District needs an additional signatory in the event that Manager Paige and Assistant Manager Gossett are unavailable. Commissioner Branstetter made a motion, seconded by Commissioner McDonald, to

designate Commissioner Tucker as that additional signatory. The motion carried.

With no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Branstetter to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
JACK LONDON, Chairman

BY: 
Secretary

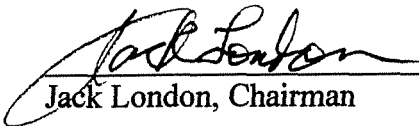
November 6, 2008


The Board of the Commissioners of the Green River Valley Water District met on November 6, 2008 at 12:00 noon at a special called meeting at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, and Attorney Nathaniel Crenshaw were also present. The purpose of the special called meeting was to consider development opportunities available for the District. David Paige explained that a parcel of land behind Rio Springs is under a contract for deed. The sale price is \$44,000.00. This is of concern because Rio Springs is a water source for the District. The District has also been informed that the buyer of the parcel intends to construct seven cabins on it, and connect them to a single septic system. The parcel of land is in a wellhead protection area. The proximity of the septic system to the water source may present problems in the future.

The Board discussed options including (1) offering the seller a higher price for the parcel of land, (2) making state officials aware of the concerns the Board has, and (3) eminent domain proceedings. David Paige agreed to make phone calls to further explore options (2) and (3), but no action was taken on these options. Pat Tucker moved that David Paige be given \$60,000 in negotiating authority for the purchase of the 22 acres of land. Donald McDonald seconded the motion, and it was carried unanimously.

With no further business to come before the Board, a motion was made by Commissioner Phillip Doyle and seconded by Commissioner Branstetter to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
Jack London, Chairman

BY: 
Secretary

NOVEMBER 13, 2008

The Board of the Commissioners of the Green River Valley Water District met on November 13, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, and Attorney Pat Ross were also present.

Motion was made by Commissioner Branstetter, seconded by Commissioner McDonald, to approve the October 2008 minutes. The motion carried.

Motion was made by Commissioner Branstetter, seconded by Commissioner Tucker to approve the November 6, 2008 minutes of the special meeting. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Tucker made a motion, seconded by Commissioner Doyle, to approve the payment of the October bills in the amount of \$178,197.48. The motion carried and a computer printout of the bills available as of the date of the meeting is attached hereto.

Manager Paige discussed the progress of the new transmission line and storage tank project. Sam McIllwain has completed the final preliminary engineering for the project. The Horse Cave Water Company has expressed concern about the proposed apportionment among the District, CEA and Horse Cave as to the cost of the project. Manager Paige will see that Sam McIllwain's preliminary engineering report dated November, 2008 is made available for members of the Horse Cave Water Company to review, and efforts will continue to work out an agreement. In the meantime, the District will move forward with the financing of the project.

In connection with the EPA grant, the District has to adopt a formal resolution to apply for that grant. After discussion, Commissioner McDonald made a motion, seconded by Commissioner Doyle, to adopt the resolution applying for the grant, a copy of which is attached hereto and incorporated herein by reference. The motion carried.

Manager Paige reported that funding of the KIA state grant still is not expected until July.

In connection with the water rate package, the District has to address tariff revisions to be presented with that package. The first of these revisions deals with the reporting requirements of volunteer fire departments who use water of the District in connection with their operations. These fire departments can use the water free of charge but they have to submit a report about the water used so that this can be factored in to the loss reports. After discussion, Commissioner Doyle made a motion, seconded by Commissioner Branstetter, to require an assessment of \$200 if any volunteer fire department failed to make the required report of its water usage. The motion carried. The next item dealt with deposits. After a discussion, Commissioner Tucker make a motion, seconded by Commissioner McDonald, to set the deposit 2/12ths of the average annual bill of customers in each class. Other aspects of the District's policy about deposits will remain the same. The motion carried. The third item in dealing with the tariff revisions is the District having a formal policy permitting payment by credit and debit cards. The District permits such payments, but it has not been adopted as part of the tariff. After discussion, Commissioner Doyle made a motion, seconded by Commissioner Tucker, to adopt the protocol as to credit and debit card use as more particularly attached hereto and made a part of these minutes. The motion carried. The fourth item in connection with the tariff revisions is the setting of fees for the

installation of meters. After discussion, Commissioner Branstetter made a motion, seconded by Commissioner McDonald, to establish the fee for setting meters as \$700 for a 3/4" meter and the actual cost for all others. The motion carried.

Chairman London and Attorney Pat Ross reported on the response to the letter dated October 7, 2008 from the Auditor of Public Accounts. Chairman London and Attorney Ross conducted an investigation into each of the allegations from concerned citizens as reported by the Auditor of Public Accounts in a manner that they believed likely to maintain the integrity of their findings as a consequence of that investigation. Each of the items were discussed with the Board and the response of the District to those items.

The Division of Water has approved the river intake design of Junior Lee Bartlett. The District is yet to receive an approval from the Corp of Engineers. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner Doyle, to accept the bid of J & B Enterprises in the amount of \$34,000 as the lowest and best bid for the river intake project, subject to the approval of the Corp of Engineers. The motion carried.

Manager Paige is waiting to receive the plans from Johnny Stumph on the new office building. As to the design which would renovate the existing office building, Manager Paige obtained a site inspection for asbestos. No asbestos was observed. Manager Paige also had an air quality test done, which indicated that while the air quality was acceptable, the ducts and the carpet should be thoroughly cleaned to avoid health problems.

Manager Paige reported that the insurance premium from Pedigo-Lessenberry for the upcoming year, effective November 1, was \$85,731. This was a moderate increase from the prior year.

Manager Paige gave his manager's report. The line loss for Horse Cave was 37%. The District found and repaired several leaks. Manager Paige suggested writing a letter to the Horse Cave Water Company which would explain the difficulties in leak detection in Horse Cave, and suggest that Horse Cave employ a third party to engage in leak detection. After a discussion, Attorney Ross and Manager Paige will work together on the contents of a suitable letter.

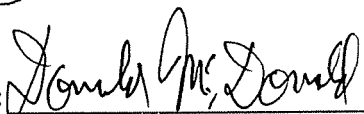
Manager Paige reported that the Division of Water in its sanitary service report had requested the District to put up a fence around each of its tanks. This would be an expensive proposition, and could be problematic, especially around the smaller tanks. Manager Paige indicated that he would respond to the Division of Water that the District would attempt to secure grants or other resources for such an endeavor.

Manager Paige also reported that he had made an offer to Simon Yoder to buy his property for the sum of \$60,000, provided that all parties were satisfied.

With there being no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Doyle to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
JACK LONDON, Chairman

BY: 
Secretary

RESOLUTION OF THE GREEN RIVER VALLEY WATER DISTRICT AUTHORIZING THE FILING OF A U.S. ENVIRONMENTAL PROTECTION AGENCY GRANT APPLICATION

WHEREAS, it is necessary and in the public interest that the Green River Valley Water District avail itself of the financial assistance provided by the U.S. Environmental Protection Agency, and

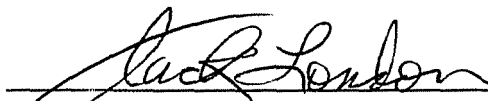
WHEREAS, it is recognized that the Federal/State contract for such financial assistance pursuant to said U.S. Environmental Protection Agency regulations will impose certain obligations and responsibilities upon the Green River Valley Water District and will require among other things;

- (1) approval of a satisfactory application transmitted to the Kentucky Division of Water;**
- (2) certification by the Green River Valley Water District relating to activities such as civil rights, citizen participation, relocation payments, acquisition of properties, national environmental policies, and accounting practices; and,**
- (3) other local obligations and responsibilities in connection with the undertaking and carrying out of the U.S. Environmental Protection Agency Grant Program; and,**

WHEREAS, in those areas where acquisition and clearance is proposed, the objectives of the program cannot be achieved through more extensive rehabilitation and a displacement strategy has been formulated;

NOW, THEREFORE, be it RESOLVED by the Green River Valley Water District;

- (1) that the United States of America and the Commonwealth of Kentucky be, and hereby are, assured of full compliance by the Green River Valley Water District with certification relating to all regulations and administration of Civil Rights Act, citizen participation, relocation payments, acquisition processes, accounting procedures, the Hatch Act, minimum wage and minimum hour provisions of the Fair Labor Standards Act, and all requirements of the National Environmental Policy Act of 1968.**
- (2) that the Green River Valley Water District is authorized and directed to prepare such certification and to assure full compliance with all certifications as outlined in (1) above, and all other pertinent regulations.**
- (3) that an application on behalf of the Green River Valley Water District for a grant up to \$956,000.00 of said U.S. Environmental Protection Agency grant funds is hereby approved and that the Green River Valley Water District Chairman is authorized to execute and file such application with the U.S. Environmental Protection Agency, to provide such additional information and to furnish such documentation as may be required, and to act as the authorized correspondent of the Green River Valley Water District relating to the U.S. Environmental Protection Agency Grant Program.**



CHAIRMAN
GREEN RIVER VALLEY WATER DISTRICT



ATTEST

11.13.08

DATE

*Bumper stand
water from 600 feet
Account of
pressure*

*District of Detroit -
- Fed law -
- Can't purchase water from
Colapine -*

Meeting of December 11, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) New transmission line & storage tank ✓
 - (b) EPA Grant ✓
 - (c) KIA State Grant ✓
 - (d) Water Rate & Tariff Revisions
 - (e) CEA Contracts ✓
 - (f) River intake ✓
 - (g) Office Building up-date ✓
- V. New Business ✓
 - (a) Hire cleaning personnel for office ✓
 - (b) Elroy's contract ✓
 - (c) 22 acres (Simon Yoder property) ✓
 - (d) Christmas Bonus - employees ✓
- VI. Manager's Report
 - (a) Line Loss
 - (b) Christmas dinner @ Mammoth Cave - 6:30 p.m.
- VII. Adjourn Meeting

December 11, 2008

The Board of the Commissioners of the Green River Valley Water District met on December 11, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Pat Tucker and Phillip Doyle. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, Engineer Sam McIlliwain and Attorney Pat Ross were also present.

Mr. McIlliwain appeared before the Board to provide information about the importance of the new transmission line and storage tank project. There is a need for the project because during the water usage, the system is overloaded. The tank in Horse Cave is approaching obsolescence. It appears likely that there will be some type of stimulus package which presents the potential of substantial Federal funding. Mr. McIlliwain recommended that the project continue in its current design, even though CEA and Horse Cave may be doing an independent investigation of the necessity of the project.

Motion was made by Commissioner Tucker, seconded by Commission Branstetter, to approve the November 2008 Minutes. Motion carried.

The monthly bills were reviewed and discussed. Commissioner Doyle, seconded by Commission Tucker, made a motion to approve the payment of the November bills in the amount of \$260,588.36. Motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige reported that the EPA Grant is progressing through the appropriate channels. He received a letter from the

Division of Water stating that the appropriate information had been sent to the EPA Office in Atlanta for its review.

The Board has to adopt a resolution to request the KIA State Grant. After a discussion, Commission Branstetter made a motion, seconded by Commission Tucker, to pass the resolution attached hereto and incorporated herein by reference to accept the KIA Grant subject to the stipulations of that Grant. The motion carried. In the absence of Secretary Donald McDonald, Commissioner Doyle made a motion, seconded by Commission Tucker, to authorize Commission Branstetter to sign the attached Resolution as the Acting Secretary. The motion carried.

The Corp of Engineers has approved the Jr. Bartlett design of the river intake and Mr. Bartlett is ready to proceed as soon as the weather permits.

Johnny Stumph has not yet finished the plans for the office building, but Manager Paige expects he will be providing those to him within the near future.

Manager Paige has a prospect he is talking to about cleaning the office building and plans to employ someone in this capacity by January 1, 2009.

Consultant Elroy Larimore's contract for the current year ends December 31, 2008. After a discussion, Commissioner Doyle made a motion, seconded by Commission Tucker, to employ Mr. Larimore for one final year on the same terms. Motion carried.

Manager Paige advised the Board the prior buyers of the 22 acres from Simon Yoder had signed a Release of the Sales Contract, and the District is now in a position to purchase these 22 acres

for the sum of \$60,000 upon receipt of the title opinion from Jon Goodman.

The one time pay increase to the District's employees at Christmas was discussed. Commissioner Branstetter made a motion, seconded by Commissioner Doyle, to authorize the one time employee pay increase at Christmas of the same amounts as last year. The motion carried.

Manager Paige gave his Manager's report. Horse Cave has not paid the line loss for three months. Manger Paige expressed his concern that the District is devoting substantial resources to leak detection which is beyond what is required by the contract for maintenance and which is causing a financial loss to the district. Some resolution of this matter will need to be worked out with Horse Cave.

The next regular meeting of the District will take place on January 15, 2009.


With no further business to come before the Board, a motion was made by Commissioner Tucker and seconded by Commissioner Branstetter to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
Chairman

BY: 
Secretary

Meeting of January 15, 2009

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills
- IV. Old Business
 - (a) New transmission line & storage tank
 - (b) EPA Grant
 - (c) KIA State Grant
 - (d) Water Rate & Tariff Revisions
 - (e) River intake
 - (f) Office Building up-date 
- V. New Business
 - (a) Hired cleaning personnel for office
- VI. Manager's Report
 - (a) Line Loss
 - (b) 22 acres (Simon Yoder property)
- VII. Adjourn Meeting

January 15, 2009

The Board of the Commissioners of the Green River Valley Water District met on January 15, 2009 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Pat Tucker, and Phillip Doyle. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore and Attorney Pat Ross were also present.

Motion was made by Commissioner Branstetter, seconded by Commissioner Tucker, to approve the December 2008 Minutes. The Motion carried.

The monthly bills were reviewed and discussed. Commissioner Tucker made a Motion, seconded by Commissioner Doyle, to approve the payment of the December bills in the amount of \$207,805.55. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige reported that he does not have any new information to report about the transmission line and storage tank project. CEA has hired an independent engineer to review the project and the Horse Cave Water Company has employed Damon Talley to review the project as well. CEA's engineer and Mr. Talley have asked for certain information which they have been provided and Manager Paige is waiting on their response.

As to the EPA Grant, Manager Paige has been informed that an application will have to be made to the corp of Engineers for approval of the project. The application is being prepared.

As to the KIA Grant, on the portion applicable to Barren County, Manager Paige is submitting the budget. As to the

remaining portion of the Grant, Manager Paige will consult with the Hart County Judge Executive and Senator Carroll Gibson to monitor the progress of the Grant.

Karen Lee is continuing her efforts to assist the District in obtaining a certificate of convenience and necessity with the Public Service Commission as to the water rate and tariff provisions.

Jr. Lee Bartlett has nearly completed the modifications to the river intake and weather permitting should be finished by the next Board meeting.

Johnny Stumph has completed the drawings for the office building and these plans will be available for the building committee's review.

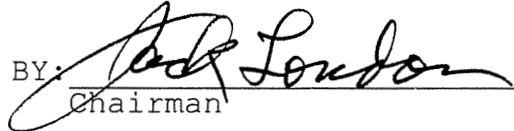
Manager Paige presented the Board with an analysis of the expense to the District of the maintenance of the Horse Cave Water System. A copy of this analysis is attached hereto and incorporated in these Minutes. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Doyle, to present the Horse Cave Water Company with the analysis of the District's expenses and to increase the maintenance fee to the sum of \$13.52 per customer in Horse Cave, with an effective date of March 1, 2009. The motion carried.

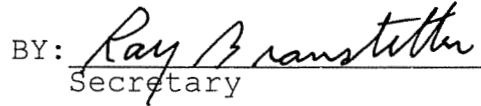
Manager Paige employed Gail Coates to clean the District's office for the sum of \$100 per week.

Manager Paige gave his Manager's Report. The District has purchased the 22 acres from Simon Yoder and the Deed has been recorded.

With no further business to come before the Board, Motion was made by Commissioner Doyle and seconded by Commissioner Tucker to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
Chairman

BY: 
Secretary

/1

Horse Labor (July – December, 2008)

6 mos.

Date	Mike	Bradley	Lynn	Bowbie	JR	Steven	Jason	Roddy	Tony	Adrian	Total
7-9-08		4		4	6		42.5	6	5	2	69.5
7-23-08	16	10	18	25.5	22.5	4.5	17	12	28	5	158.5
8-6-08	6	19.5	7	11	18		10	17.5	27.5		116.5
8-20-08		1.5	3		3	1.5	33.5	28.5	5	4	80
9-3-08							44	5			49
9-17-08			5				10.5		10	4	29.5
10-1-08							25.5		5	3	33.5
10-15-08	3	2	2	3	2	3	11		8	2	36
10-29-08	10	16	30	10	14	10	25.5	13	15	2	145.5
11-12-08	8	12	6	8	6	8		12	11	5	76
11-26-08	12.5	3	2.5	10	5	12.5	32	4.5	7.5	4	93.5
12-10-08	6	2	10		2	5	3		11	2	41
12-24-08							17			2	19
12-31-08		4		4	4		1	3		4	20
Totals	61.5	74	83.5	75.5	82.5	44.5	272.5	101.5	133	39	967.5

LABOR 967.5 HRS. @ \$25 = 24,187.50
 EQUIPMENT 967.5 HRS. @ 12.50 = 12,093.75
 MATERIALS FOR MAINTENANCE = 1,671.83
 OFFICE EMPLOYEE 1040 HRS. @ \$25 = 26,000.00
 MGR. DAVID PAIGE 130 HRS. @ \$50 = 6,500.00
 BILLS (POSTAGE INCLUDED) .75¢ X 950 X 6 MONTHS = 4,275.00
 CCR REPORT 2,500 6 MONTHS = 1,250.00
 M^c COY & M^c COY (SAMPLING) = \$1,360 -
 (INCLUDES STAGE II SAMPLING) = \$756 - 6 MONTHS = 1,058.00

 \$77,036.08
 ÷ 6 MONTHS

 12,839.35
 ÷ 950 CUSTOMERS

 \$13.52 NO PROFIT ADDED

Meeting of February 12, 2009

- I. Call to order
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) New transmission line & storage tank ✓
 - (b) EPA Grant ✓
 - (c) KIA State Grant ✓
 - (d) Water Rate & Tariff Revisions ✓
- V. New Business
 - (a) Disaster from ice storm ✓
 - (b) Mowing contract ✓
- VI. Manager's Report ✓
 - (a) Line Loss
- VII. Adjourn Meeting

February 12, 2008

The Board of the Commissioners of the Green River Valley Water District met on February 12, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Pat Tucker and Phillip Doyle. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore and Attorney Pat Ross were also present.

Commissioner Donald McDonald tendered his resignation effective as of February 21, 2009. County Judge Executive Terry Martin appeared and expressed his appreciation for Commissioner McDonald's 50 years of service. Chairman London presented Commissioner McDonald with a plaque commemorating his 50 years of service and Manager Paige and the Board as a whole expressed their thanks.

Motion was made by Commissioner Branstetter, seconded by Commissioner Tucker, to approve the January 2009 Minutes. The Motion carried.

The monthly bills were reviewed and discussed. Commissioner McDonald made a Motion, seconded by Commissioner Doyle, to approve the payment of the January bills in the amount of \$141,729.59. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige reported that the transmission line and storage tank project was moving forward and the plans can be adapted to take into account the decisions of Horse Cave and CEA concerning

the project. The Deed for the storage tank has been prepared and attorney Ross is in the process of completing the title exam.

As to the EPA Grant, Manager Paige met with Sam McIlliwain, Tim Graves, Nick Cook and Gene Becker to discuss the project. Some minor changes were made to the maps and environmental requirements were addressed. The application is at the EPA Office for approval. The status of the KIA Grant is unchanged. The District will be required to enter into a Contract with an engineer for all five bids encompassing the projects. The standard agreement as recognized by Rural Development setting forth the fee structure and the responsibility of the engineers was presented to the Board. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Doyle, to authorize Manager Paige to enter into this Contract on behalf of the District with Water Management pursuant to the terms and conditions of the Contract, with an estimated total costs coming to \$926,000 for the engineering services. The motion carried.

The project will require obtaining some easements from private landowners, although most of the line will be on the state right-of-way. Manager Paige requested that the Board authorize a sum certain for him to use in negotiations with the property owners in obtaining the easements. After discussion, Commissioner Doyle made a motion seconded by Commissioner McDonald to authorize Manager Paige to inform property owners that \$2 per foot would be the standard price of an easement. The motion carried. Karen Lee is continuing her efforts to obtaining PSC approval for the

increase water rates and tariff revisions that will be required for the project.

Manager Paige reported on the ice storm disaster. Manager Paige commended all of the employees of the District for their hard work and dedication in coping with the ice storm. Chairman London, on behalf of the Board, gave the Board's thanks for the hard work of Manager Paige and the District employees. The cost to the District for the generator and other aspects of the ice storm will be in excess of \$100,000. Manager Paige said that he expected FEMA and the State would reimburse the District for 87% of the costs. Also, Manager Paige reported that the District may be able to apply for a 406 Mitigation Grant which would pay 75% of the costs to purchase generators which would be able to operate the water plant in the event of another loss of power. The estimated costs of these generators are \$673,000.

Brian Meadows, who has been mowing the District's sites, has submitted a proposal to continue mowing these sites at the same rate of \$11 per site. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Tucker, to enter into another Contract with Brian Meadows for the mowing needs of the District at the same rate as last year. The motion carried.

Manager Paige gave his Manager's Report. The 685 tank is currently out of service and the tank will be removed from the tank maintenance service contract. Pride Engineering is working on the survey of the Rio Springs area. Manager Paige also provided the Board with some additional thoughts about the maintenance fee to be charged to Horse Cave. The \$13.52 per customer adopted by the

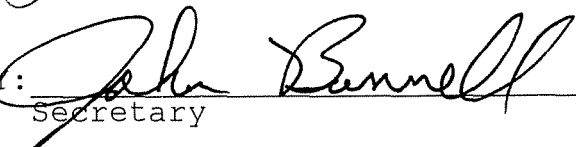
Board to take effect on March 1, 2009 represented an average of actual expenses over a 6 month period. Another way to set the maintenance fee and accomplish the same purpose would be to charge \$7.25 per customer, plus the actual costs associated with the maintenance. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner McDonald, to present Horse Cave with an option to either pay \$13.52 per customer or to pay \$7.25 per customer, plus the actual costs of labor, equipment, materials, maintenance and leak detection to take effect March 1, 2009. The motion carried.

Commissioner Branstetter made a motion to accept the resignation of Commissioner McDonald with regrets, which was seconded by Commissioner Tucker. The motion carried.

With no further business to come before the Board, a motion was made by Commissioner McDonald and seconded by Commissioner Tucker to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
Chairman Jack London

BY: 
Secretary

Hardyville Ky
Feb 9. 2009

To whom it may concern

Due to my health and age I hereby
resign from the Green River Valley ^{Water} District
effective Feb 21 - 2009.

I was put on the Green River Valley Water
District about 1941 or 1942. I love everybody
and I know Christ.

Over, Out, and under, see see

104

Sincerely yours,
Donald McDonald

February 10, 2009

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

Re: Reporting loss of service

Dear Mr. Derouen,

On January 28, 2009 @ 5:00 a.m. the Green River Valley Water District lost power to the water treatment plant facilities located at 4665 N. Jackson Hwy, 2.5 miles north of Canmer, Kentucky. The power company that supplies electricity to the water treatment plant is Kentucky Utilities (K. U.). They were contacted, but could not give us an approximate time when power could be restored. We then began to search for a generator large enough to power the high service pumps and the treatment facilities at the water treatment plant. We located a 60kw generator that would take care of the treatment process and lift pumps for treating Rio Spring water. Through many sources we were able to locate an 800kw generator in Tennessee @ approximately 3:00 p.m. cst, January 28, 2009. By the time the generator was delivered at the water treatment plant and all connections were made it was about 6:00 a.m. cst January 29, 2009.

With loss of power at the water treatment plant and pressures in a big part of the system the Green River Valley Water District issued a boil water advisory on January 28, 2009. By Friday, January 30, 2009 most of our customers in our service area had some water. On Saturday, January 31, 2009, the Green River Valley Water District had restored tank levels and pressures. We then took 30 samples and delivered to Western Kentucky University Lab Saturday evening. On Sunday, February 1, 2009, the lab at Western Kentucky University notified us that all samples were good. We notified the Division of Water and were able to lift the boil water advisory on Sunday afternoon.

Kentucky Utilities restored power Sunday early in the morning hours. The Green River Valley Water District remained on auxiliary power until Monday, February 2, 2009. The Green River Valley Water District is back to normal operations with the exception of some radio telemetry problems and one small pump station on generator power.

This has been a difficult and trying time for all water systems across our great state, but we are very grateful for all the hard work and dedication of so many professionals and volunteers.

If you need more information, please contact me at (270) 773-2135.

Sincerely, 

David Paige, General Manager
Green River Valley Water District

DP/js

Meeting of February 14, 2008

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills
- IV. Old Business
 - (a) Bids for Hiseville pump station
 - (b) Bids for used trucks
 - (c) Metcalfe County project
 - (d) Hiseville water main extension & pump station
 - (e) Future projects - *went for*
- V. New Business
 - (a) Water rate study (Sam McIlwain – Water Management)
- VI. Manager's Report
 - (a) Line Loss
 - (b) Horse Cave meter change out
 - (c) Old Monroe tank site
- VII. Adjourn Meeting

FEBRUARY 14, 2008

The Board of the Commissioners of the Green River Valley Water District met on February 14, 2008 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Donald McDonald, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, and Attorney Pat Ross were also present.

Motion was made by Commissioner Doyle, seconded by Commissioner Tucker, to approve the January 2008 minutes. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Branstetter made a motion, seconded by Commissioner McDonald, to approve the payment of the January bills in the amount of \$131,642.86. The motion carried and a computer printout of the bills available as of the date of the meeting is attached hereto.

Manager Paige opened the sealed bids on the Hiseville pump station project which were as follows:

Straefffer Pump & Supply, Inc.....	\$55,323.00
S & K Equipment Company, Inc.....	\$74,179.00

Jan Gogel with Straefffer Pump & Supply was present in person. No one from S & K Equipment Company attended.

Commissioner Tucker made a motion, which was seconded by Commissioner Branstetter, to accept the low bid of Straefffer Pump & Supply, Inc., subject to the verification by the District's engineer, Sam McIllwain, that the bid met the specifications.

Manager Paige opened the bids on the surplus trucks which were as follows:

Bob Hiser on 1999 Chevy S-10.....	\$ 875.02
Andrew Houk on the surplus vehicle which was confirmed by telephone to be the 1999 Chevy S-10.....	\$ 850.00

David Matthews on 1999 Chevy S-10.....\$ 250.00

Kenny Massey & Derrick Childress on all
of the vehicles consisting of:

1996 Chevy S-10.....	\$ 199.99
1999 Chevy S-10.....	\$ 995.95
2003 Chevy S-10.....	\$1399.99

After a discussion, Commissioner Tucker made a motion, seconded by Commissioner McDonald, to accept the high bid on the 1996 Chevy S-10 by Kenny Massey and Derrick Childress in the amount of \$199.99 and the high bid by Kenny Massey and Derrick Childress on the 1999 Chevy S-10 in the amount of \$995.95, and to reject all other bids, giving Manager Paige discretion to sell the remaining vehicles on the best terms possible. The motion carried.

Manager Paige discussed the current projects of the District. The Metcalfe County project is finished other than the clean-up work, and easements are being obtained on the Hiseville water main extension and pump station.

A general discussion occurred about the best way to deal with the anticipated increase in the water usage caused by the Horse Cave industrial development. Several options were discussed, but Sam McIllwain will need to analyze the options in terms of effectiveness in the present and future, impact on water rates, and costs. Manager Paige will discuss with Mr. McIllwain the options considered by the Board and ask for his input. No action was taken.

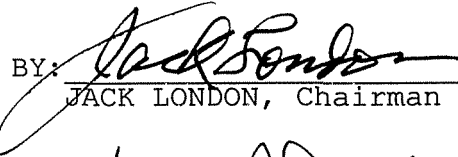
Attorney Ross reported to the Board that William Jewell and his wife, Elizabeth Ann Jewell, had conveyed the obsolete tank site by deed. Commissioner McDonald made a motion, seconded by Commissioner Doyle, to convey the property back to Mr. and Mrs. Jewell without consideration, on the payment of the normal closing costs, with the District paying for the Deed preparation and Mr. and Mrs. Jewell paying the remainder of any costs. The motion carried.

Manager Paige gave his manager's report. The District will need to arrange for expert training of an employee of the District as to imputing data from the field into the GPS system. The training would take three or four days at a cost of approximately \$600 per day.

Maintenance will need to be performed at the river intake. Manager Paige and Joe Bailey will examine the site whenever the water goes down to determine the best way to proceed. Also, they will consider whether a steel top might minimize some of the maintenance requirements.

With there being no further business to come before the Board, a motion was made by Commissioner Doyle and seconded by Commissioner McDonald to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
JACK LONDON, Chairman

BY: 
Secretary

Meeting of March 12, 2009

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills
- IV. Old Business
 - (a) New transmission line & storage tank
 - (b) EPA Grant
 - (c) KIA State Grant
 - (d) Water Rate & Tariff Revisions
 - (e) Horse Cave Maintenance agreement
 - (f) Disaster from ice storm (FEMA)
 - (g) Mowing contract for 2009
- V. New Business
 - (a) Welcome new Board Member
- VI. Manager's Report
 - (a) Line Loss
- VII. Adjourn Meeting

*Send
assurances
for order
maintenance*

March 12, 2009

The Board of the Commissioners of the Green River Valley Water District met on March 12, 2009 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Pat Tucker, Phillip Doyle and John Bunnell. Manager David Paige, Consultant Elroy Larimore, and Attorney Pat Ross were also present.

John Bunnell was welcomed as a new Board member.

Motion was made by Commissioner Doyle, seconded by Commissioner Tucker, to approve the February 2009 Minutes. The Motion carried.

The monthly bills were reviewed and discussed. Commissioner Branstetter made a Motion, seconded by Commissioner Tucker, to approve the payment of the February bills in the amount of \$207,763.21. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige reported on the progress of putting the easements in place for the transmission line and storage tank project. The Department of Transportation has given its approval for encroachment on its right-of-way for the sixteen inch line. A representative of the Department of Transportation will be taking another look at the distance of the site for the storage tank. A general discussion occurred about the potential of the condemnation as to a couple of locations where the easement will have to cross private property. No action was taken.

As to the EPA Grant, the environmental assessment has been completed and is at EPA'S main office for approval. As to the KIA Grant, the bonds will not be sold until July.

The water rate and tariff revision plans are at the Division of Water for its approval.

The Horse Cave Water Company, through its attorney, Damon Talley, notified Manager Paige that it is accepting the increase of the maintenance charge to \$7.25 per customer, plus the actual costs of those items that do not fall into routine maintenance. But, the Horse Cave Water Company has requested an extension of the effective date to June 1, 2009 so that the Horse Cave City Council can amend the ordinance to pass the increase on to Horse Cave's customers. After a discussion, Commission Branstetter made a motion, seconded by Commissioner Tucker, to extend the effective date of the increase to June 1, 2009 in accordance with Horse Cave's request. The motion carried.

Manager Paige gave an update of the effects of the ice storm disaster. It does appear that the estimated costs to the District will be around the \$100,000 mark. The initial application process has begun with FEMA and the State to obtain the maximum reimbursement of 87%. Manager Paige will be attending a workshop at BRADD to learn additional information about disaster relief.

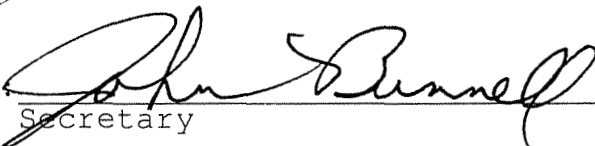
Manager Paige gave his Manager's Report. With the retirement of Commissioner McDonald, the office of Secretary/Treasurer of the District has been vacated. After a discussion, Commissioner Doyle made a motion to appoint Commissioner Bunnell to assume this

office, which was seconded by Commissioner Branstetter. The motion carried.

With no further business to come before the Board, a motion was made by Commissioner Tucker and seconded by Commissioner Doyle to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 
Chairman Jack London

BY: 
Secretary

March 4, 2009

Mr. David Paige, General Manager
Green River Valley Water District
P O Box 399
Cave City, KY 42127

Dear Mr. Paige:

Green River Valley Water District's (GRVWD) recent decision to increase the Horse Cave monthly operating and maintenance (O & M) fee from \$5.10 to \$7.25 per customer was thoroughly discussed by the Commissioners of the Horse Cave Water Company (Horse Cave) at the March 3, 2009 Board of Commissioners meeting.

While the Commissioners of Horse Cave desire to reach an amicable resolution to this matter, they disagree with some of the allocation percentages that were used to compute the \$7.25 monthly O & M fee. For example, Horse Cave does not understand why you have allocated the equivalent of one (1) full time office employee to Horse Cave. Horse Cave has approximately 950 customers. GRVWD has approximately 6,650 customers. The combined number of customers is approximately 7,600. Horse Cave's customers represent 1/8 of the combined number.

Nevertheless, to avoid the expense of filing an action with the Kentucky Public Service Commission (PSC) and requiring GRVWD to demonstrate that the \$7.25 per customer charge is a fair and reasonable charge for operating the Horse Cave system, **Horse Cave is willing to pay the increased amount if the implementation date can be postponed until June 1, 2009.**

This additional time is needed to enable the Horse Cave City Council to enact a rate increase ordinance to pass along the monthly increase to Horse Cave's customers. As you probably know, a City Council must have a first reading and a second reading (at separate meetings) of a proposed ordinance and then publish a summary of the ordinance in the local newspaper before it becomes final. Hence, the need for the 90 day delay.

May 8, 2009

The Board of the Commissioners of the Green River Valley Water District met on May 8, 2009 at 8:30 a.m. in a special called meeting at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Phillip Doyle and Pat Tucker. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, Sam McIlliwain, Steve Jones and Attorney Pat Ross were also present.

The purpose of the meeting was to discuss the contents of the letter dated May 4,, 2009 from David Peterson, a copy of which is attached hereto which indicates an unwillingness on behalf of CEA and the City of Horse Cave to participate financially in the new transmission line and storage tank project. Mr. Peterson also submitted an engineering report from Cannon & Cannon, Inc. which challenged the design of the project as prepared by Water Management. The premise of Cannon & Cannon's report was that the water needs in the area did not match the assumption of Water Management. Mr. McIlliwain and Mr. Jones assured the Board that the project as originally contemplated was the right project to meet the water demand. Mr. McIlliwain emphasized that the project design was based upon the actual numbers and not projections. Mr. McIlliwain's report is attached hereto and incorporated herein by reference.

A general discussion occurred concerning the contents of the letter and the fact that the project had already been advertised for bids. The Board will invite Mr. Peterson and Cannon & Cannon to appear at the next regular meeting.

With no further business to come before the Board, a Motion was made by Commissioner Doyle, and seconded by Commissioner Tucker, to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary

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**Caveland
Environmental
Authority, Inc.**
www.ceawater.com

P.O. Box 426
508 S. Dixie Hwy
Cave City, KY 42127
(270) 773-2887 (p)
(270) 773-2287 (f)

**Mr. Jack London, Chairman
Green River Valley Water
226 Oak Ridge Road
Cave City, KY 42127**

**RE: Caveland Environmental Authority and the City of Horse Cave Water Supply Options
Evaluation**

May 4, 2009

Dear Mr. London,

I have received a copy of the proposal as submitted by Water Management Services with respect to the 16 inch water main and tank to be located on Old Glasgow Munfordville Road. I must say, in consideration of our professional relationship, I was disappointed to have received this report from Horse Cave Water rather than Green River Valley.

After careful review of the afore mentioned report concerning the water flow requirements for Caveland Environmental Authority and the City of Horse Cave, I found there to be discrepancies when compared to the current wastewater flow information maintained by our organization. It is for this reason, the Caveland Environmental Authority Board of Directors and I determined that it was in our best interest to conduct further studies regarding this matter by soliciting the services of Cannon and Cannon Engineering Firm.

Representatives of Cannon and Cannon as well as myself, met with both managerial and engineering representatives from all three major industries as related to this proposal being Dart Container Corporation, T Marzetti, Inc. and Sister Shubert that we might gain some additional insight with regards to their forecasted water requirements over the next ten years. You might find it interesting to know, however that the above mentioned individuals had not met with representatives of either Green River Valley Water or Water Management Services.

Please find enclosed copies of the report submitted by Cannon and Cannon for review by you and each of the Green River Valley Water Board Members. Following is a brief summation of each option as contained in their proposal:

Alternative #1

- **Installation of tank by GRVW, lines by CEA (utilizing our own construction crew), and materials furnished by Horse Cave Water.**

Alternative #2

- **Caveland agrees with this option being that CEA performs the construction at a total cost of \$200,000.00 while Horse Cave Water provides the materials at a total cost of \$275,000.00.**

Alternative #3

- **This option specifically involves Glasgow Water and is not considered viable for CEA. We are currently able to receive 100 gallons per minute from Glasgow Water Company and wish to continue this connection for emergency situations such as was the case with the most recent ice storm.**

Please allow me to further say how unfortunate it is that communications regarding this matter have not been substantially clear from the beginning, thus generating such rumors as Green River Valley Water's intent to take legal action against Caveland Environmental Authority and Horse Cave Water should all involved parties be unable to arrive at a consensus. It is my hope that statements of this nature are untrue as I feel very strongly such action to be a poor use of rate payers' dollars. As you are aware, all three local utilities strive to provide the best possible service for our rate payers, and as David Paige and I serve at the pleasure of our Boards, while the Boards serve at the pleasure of the City Mayors and County Judges to the communities represented, all three utilities have a fiduciary responsibility to act solely in consideration of that which best serves our consumers.

It is for this reason that at this time, Caveland Environmental Authority cannot participate in the project currently being proposed by Green River Valley Water District with regards to the 16 inch line, tank and other options intended to meet the needs of all three local water utilities. I wish to respectfully request that Jon Dix of Cannon and Cannon be given the opportunity to present his proposal to you and your fellow board members at your earliest convenience. I also request that you consider allowing him to do so without the presence of Water Management Services Representatives in hopes of avoiding any further unnecessary tension. Please feel free to contact me with any questions or concerns you or any member of your organization may have. I look forward to hearing from you again in the near future.

Respectfully,



David Peterson, CEO

DP:af

Enclosures

May 14, 2009

The Board of the Commissioners of the Green River Valley Water District met on May 14, 2009 at 11:00 a.m. at its regular monthly meeting at the office of the District.

Those present were Chairman Jack London, Commissioners Ray Branstetter, Phillip Doyle, John Bunnell, and Pat Tucker. Manager David Paige, Consultant Elroy Larimore, Attorney Nathaniel Crenshaw, Attorney Damon Talley (on behalf of the Horse Cave Water Company), Jackie Buckingham (on behalf of Dart Container Corporation), John Dix (on behalf of Cannon & Cannon, Inc.), and Joe Gardner and David Peterson (both on behalf of Caveland Environmental Authority) were also present.

Motion was made by Commissioner Bunnell and seconded by Commissioner Branstetter to approve the Minutes of the regular meeting on April 9, 2009. The motion carried.

Chairman London gave the floor to John Dix, who discussed the findings contained in Cannon & Cannon's evaluation of water supply options. He explained at the outset that the current peak flow requirements on both his company's report and the report from Water Management agree with each other. He went on to say that Horse Cave city water demands will be reduced due to Dart Container shifting their production from facilities that are on the Horse Cave water system to those that are on the Green River Valley Water District system. He also explained that both systems had high water loss figures, and suggested that a serious effort to reduce water loss would provide for growth. He also explained that the gross projections for future water growth used in his report were provided by the University of Louisville and were geographically specific. He also stated that Munfordville was not included in his report in order to provide an

element of financial conservatism in favor of Green River Valley Water District, with respect to the recommended contributions of Green River Valley Water District, Caveland Environmental Authority, and the Horse Cave Water Company to a project which would benefit the three entities. He then asked whether anyone had any questions.

Commissioner Bunnell explained that he had met with the other Board members, and that they had consolidated their questions and concerns. He asked where the Horse Cave water loss figure used in Cannon & Cannon's report came from. Mr. Dix explained that Cannon & Cannon had recalculated the water loss figure and that the figure they used did not incorporate the 10% allowance, nor did it use discounts. Commissioner Bunnell inquired as to why Dart's Building #10, as well as their truck washing facility, were omitted from the report. Jackie Buckingham explained that the truck wash facility was not currently operational, and was not projected to become operational. The water use for Building #10 is approximately 100,000 gallons per month, and represents a small proportion of Dart's total water usage.

Manager Paige explained that the demand on the south system of the Green River Valley Water District would determine which project the District would choose, and that the project must provide for the needs of the residents and industry within the District. Manager Paige also explained that the peak figures and "worst case" scenario were important.

Attorney Damon Talley explained that Dart uses 1/3 of the water provided by the Horse Cave Water Company, and that Dart's Building #1 used 98% of the total water used by Dart. He agreed that the amount of water used by Dart's Building #10 was inconsequential.

Jackie Buckingham explained that Dart does not foresee as much growth in Dart's water usage as was projected in the Water Management report. He explained that presently, Dart does not have sufficient floor space to use as much water as they are projected to use in ten years. He also explained that most new manufacturing equipment operates on a closed-loop system and would not require as much fresh water as the existing equipment.

Commissioner Bunnell asked about the true water loss figures on Page 7 of Cannon & Cannon's report. Mr. Dix replied that the true water loss figure was 19.8% per his scale. He said that there was a discrepancy between his report and the historical data because his report was based on other reports that Cannon & Cannon was given.

Mr. Dix was asked about the peak daily flow versus the peak hourly flow figures. He suggested that tank capacity should be designed for an average day, but pumping capacity should be designed for a peak day. When asked for a rule of thumb, he said that tanks should not drop below 1/2 to 2/3 full during normal operation. Manager David Paige pointed out that the Horse Cave tank drops to 35% on a regular basis and provided statistical data indicating that the District's south system is very close to its maximum capacity. Manager Paige noted that studies undertaken ten years ago had indicated that an additional tank would eventually be required to adequately provide for the south system.

Mr. Dix suggested that the District needed parallel lines or larger lines in order to increase capacity. He also noted that his report was prepared as a suggestion of project cost allocation between the District, Caveland Environmental Authority, and the Horse Cave Water Company. He said that the report was not a recommendation of which

project to undertake. Manager Paige commented that Cannon & Cannon would need to see the hydraulic model for the entire District in order to provide a reliable recommendation of which project or projects were needed.

Mr. Dix went on to say that the contribution recommendations contained in Cannon & Cannon's report were dollar caps—the contributions of the Horse Cave Water Company and Caveland Environmental Authority should not exceed those figures, regardless of the size of the project. Manager David Paige indicated that, although the initial cost projection in the Water Management report was \$5.7 million, this projection was prepared at a time of skyrocketing raw material and fuel prices, and he believes that the cost of the project may now be significantly lower.

Commissioner Bunnell asked about the peak demand figures in the Cannon & Cannon report. Mr. Dix recommended a capacity of 1200 average gallons per minute for a 24-hour period for both Horse Cave and Cave City, and cautioned against overbuilding a system based upon anticipated industrial growth.

Commissioner Bunnell asked whether the decrease in Dart's usage on Cannon & Cannon's Table 2.2(a) was accurate. Jackie Buckingham indicated that he would double-check the figures and get back to the Board.

Chairman London noted that Horse Cave's line loss has historically been high. David Paige noted that the District's line losses in the south system were 318 gallons per minute.

Mr. Dix discussed the pros and cons of adding a second storage tank in the Horse Cave area. Cannon & Cannon suggested installing intermediate pumping and storage

stations to eliminate a situation where a water tank might be placed at the edge of the system.

The floor was given to Attorney Damon Talley, who stated that most of his concerns had been addressed during the meeting, and he stressed the need for cooperation and openness between the three entities (Green River Valley Water District, Caveland Environmental Authority, and the Horse Cave Water Company).

The floor was given to Joe Gardner of Caveland Environmental Authority, who discussed the contribution of their customers to the project. David Peterson requested that Manager David Paige and Sam McIlwain attend the next meeting of the Caveland Environmental Authority's Board of Directors on May 21.

The Board broke for lunch and then resumed their meeting.

Commissioner Bunnell briefly discussed the financial statements, but wanted to obtain and review some additional reports before discussing them in depth.

The monthly bills were reviewed and discussed. A motion was made by Commissioner Doyle and seconded by Commissioner Tucker to approve the payment of the April bills in the amount of \$109,871.75. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Manager Paige announced that advertisements for bids on the transmission line and storage tank are out. He emphasized that he believes that this is the correct project for the District to undertake. He noted that, as of today, the District can comfortably pump 3.5 million gallons per day into the south system. He also believes that the District should place a new tank in close proximity to the large water consumers. Chairman London noted that Campbell Wallace had always encouraged looping lines. Manager

Paige remarked that the proposed project still resulted in a loop, as it would allow water backflow. He also suggested a liaison between the respective Boards of the District, the Horse Cave Water Company, and Caveland Environmental Authority.

Commissioner Doyle inquired as to why the wholesale water rates for the Horse Cave Water Company and Caveland Environmental Authority differed. Manager Paige explained that the demand factors differ, and that higher rates may only be passed to those who benefit from a project. He suggested that the District will probably have to pay 1/2 of the proposed project, with Caveland and Horse Cave each paying 1/4. He also noted that the improved storage capacity may enable the District to use off-peak electric rates to pump water.

Chairman London reported that the Hiseville pump station grant has come in. He also reported that the KIA and EPA grant money for tanks has been delayed. Commissioner Doyle inquired whether a new tank could cost under one million dollars, and Manager Paige replied that it might be in the range of \$920,000.

The minutes from the special called meeting on May 8, 2009 were read. A motion was made by Commissioner Tucker, and seconded by Commissioner Branstetter, to approve the minutes of the May 8, 2009 special called meeting. The motion carried.

Manager Paige explained that the Public Service Commission needed to issue a convenience and necessity certificate for the proposed project. He also noted that the project bid opening will occur on May 28th, and requested that the Board be present on that date. He also explained that the District has tested the water meters at the T. Marzetti and Sister Schubert plants, and found problems with both meters, but the


problems were unlikely to have a major effect on the line loss statistics. The Board directed Manager Paige to sign the FEMA reimbursement forms related to the ice storm.

The annual audit commitment letter was discussed. It was mentioned that the audit should probably be re-bid, as the current firm, Campbell Myers & Rutledge, had performed the audit for several consecutive years. Commissioner Bunnell explained that the first year with a different accounting firm would likely come at a higher cost, but this is not necessarily a bad thing, as the District would get the benefit of a second perspective on its financial condition. Motion was made by Commissioner Bunnell, and seconded by Commissioner Doyle, that the annual audit be put up for bids in early 2010. The motion carried. Manager Paige was directed to sign the audit commitment letter for the current year.


A motion was made by Commissioner Tucker, and seconded by Commissioner Branstetter, to authorize Manager Paige to institute condemnation proceedings on a water line project, should the proceedings become necessary. The motion carried.

With no further business to come before the Board, a motion was made by Commissioner Tucker and seconded by Commissioner Branstetter to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: 

Jack London, Chairman

BY: 

Secretary

Meeting of June 11, 2009

- I. Call to order
- II. Reading of Minutes from Previous Meeting
- III. Review of Monthly Bills
- IV. Old Business
 - (a) New transmission line & storage tank
 - (b) EPA Grant
 - (c) KIA State Grant
 - (d) Water Rate & Tariff Revisions
- V. New Business
- VI. Manager's Report
 - (a) Line Loss
- VII. Adjourn Meeting

June 11, 2009

The Board of the Commissioners of the Green River Valley Water District met on June 11, 2009 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Phillip Doyle, Pat Tucker and John Bunnell. Manager David Paige, Assistant Manager Adrian Gossett and Consultant Elroy Larimore were also present. Attorney Pat Ross was absent.

Motion was made by Commissioner Bunnell and seconded by Commissioner Branstetter to approve the Minutes of the regular meeting on May 14, 2009. Motion carried.

Motion was made by Commissioner Bunnell, seconded by Commissioner Tucker, to approve the Minutes of the special Meeting on May 8, 2009. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Tucker a motion, seconded by Commissioner Doyle, to approve the payment of the May bills in the amount of \$121,904.73. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

A motion was made by Commissioner Branstetter, seconded by Commissioner Doyle, that the letter from the State Auditor of Public Accounts be attached and made a part of the Minutes.

Manager Paige reported that the EPA Grant should be finalized soon.

Water Management by letters dated June 1, 2009, has completed its tabulation of the bids for the water transmission main and water storage tank, copies of which are attached to these minutes.

After a discussion, Commissioner Bunnell made a motion, seconded by Commissioner Doyle, to award the water transmission main contract to the low bidder, Horsley Construction, Inc., in the amount of \$2,534,304.90, and the contract for the water storage tank to the low bidder, The Crom Corporation, in the amount of \$890,000. The motion carried.

General discussion took place concerning the inability to locate the owner of the "Sears" easement at Bearwallow.

Some of the Board will meet next week with the CEA Board to discuss the construction of Green River Valley and come up with a solution to the construction costs.

Manager Paige reported that he anticipated that the funds for the KIA grant will be available in July.

Water rates and Tariff revisions were discussed. Manager Paige is working with Karen Lee to get all the necessary paperwork prepared.

Manager Paige gave his Manager's Report. The line loss for Horse Cave was a little better. A lot of the leaks have been fixed in the District.

Motion was made by Commissioner Branstetter and seconded by Commissioner Doyle to authorize Chairman London to send a letter advising CEA about the availability of information concerning the Cave City Water Company, a copy of which is attached to these minutes. The motion carried.

With there being no further business to come before the Board, a motion was made by Commissioner Tucker and seconded by Commissioner Bunnell to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

May 19, 2009

Jack London, Chairman
Green River Valley Water District Board
226 Oak Ridge Road
Cave City, Kentucky 42127

RE: Findings and Recommendations

Dear Mr. London:

As you are aware, this office received concerns regarding certain financial activity of the Green River Valley Water District (District). We have completed our examination of this matter and our findings are presented below.

In order to address the complainants' concerns we notified the District through written correspondence of the concerns and requested a written response to address the matter. In addition to requesting and reviewing a written response from the District, an examiner from our office performed a site visit to examine bank statements for all District accounts, along with checks written from those accounts for the period July 1, 2006 through December 9, 2008.

A number of the concerns expressed by the complainants involve the use of District personnel and equipment to perform work on private properties and for personal use. While the District explained and documented that a couple of property owners were charged for services on their property, the District also acknowledged that there are instances when the District has allowed this practice without charging the customer, noting that in some cases the District considers the use of personnel and/or equipment as a matter of public relations. Based on the District's response we understand that this practice may be allowed by the District in consideration of future easements or in some instances, as stated in one district response, as a "quid pro quo." We also understand that such considerations and "quid pro quo" in the instances we inquired about were not documented.

We believe the District's practice of using District personnel and equipment to be used for private purposes, even in consideration of future easements or as a means of "quid pro quo," is a questionable practice, which exposes the District to an unacceptable risk for discriminatory practices and misuse of personnel and equipment. We recommend the District prohibit the use of District personnel and equipment on private property for personal benefit to the property owner.




Mr. London
May 19, 2009
Page 2

In regards to the remaining concerns expressed by the complainants, we are unable to substantiate the complainant's concerns and as such find no further issues which this office should address at this time.

If you have any questions regarding this matter, please contact me at (502) 573-0050. Thank you for your attention and aiding our efforts to best protect taxpayer interests.

Sincerely,

A handwritten signature in cursive script that reads "Brian Lykins".

Brian Lykins, Executive Director
Office of Technology and Special Audits

BL:TW:kct



SUITE 401
2 INTERNATIONAL PLAZA
NASHVILLE, TENNESSEE 37217

TELEPHONE: 615/366-6088
FAX: 615/366-6203

Water Management Services, LLC

ENGINEERING • PLANNING • OPERATIONS • RATE STUDIES

June 1, 2009

Mr. David Paige, Manager
Green River Valley Water District
PO Box 399
Cave City, Kentucky 42127

RE: Highway 31-E / Highway 685 Water
Transmission Main
(WMS No. 08193)

Dear Mr. Paige:

We have completed our tabulation of the bids received at 10:00 a.m. on May 28, 2009 for the Highway 31-E / Highway 685 Water Transmission Main project. Our review of the bids found the bids correct as read with the exception of minor arithmetic errors on two of the bids. This did not change the ranking of the bidders..

A copy of the bid tabulation is attached for your review. A ranking of the bidders is as follows:

1.	Horsley Construction, Inc.	\$2,534,304.90
2.	Cleary Construction, Inc.	\$2,577,065.00
3.	Team Contracting, LLC.	\$2,674,100.00
4.	Stotts Construction Company, Inc.	\$2,742,116.00
5.	Garrison Construction Company, Inc.	\$2,824,885.00
6.	Gary W. Clifford, Inc.	\$2,938,750.07
7.	Hall Contracting of Kentucky, Inc.	\$3,081,906.00
8.	Southern Backhoe, Inc.	\$3,092,130.00
9.	W.H.F., Inc.	\$3,237,790.00
10.	Schroeder Construction, Inc.	\$3,365,365.00
11.	Reynolds, Inc.	\$3,374,931.25
12.	Scott & Ritter, Inc.	\$3,389,215.25
13.	Charles Deweese Construction, Inc.	\$3,733,898.80
14.	Norris Brothers Excavating, LLC	\$3,995,430.00
15.	Salmon Construction, Inc.	\$4,376,998.75
16.	Smith Contractors, Inc.	\$4,456,025.00

The bid of Summit Civil Services, LLC was rejected for not including the required Bid Bond.

Mr. David Paige
June 1, 2009
Page 2

As indicated by the above ranking, Horsley Construction, Inc. was found to be the lowest bidder for the Highway 31-E / Highway 685 Water Transmission Main project. Based on our review of references provided and our knowledge of past performance of this firm, we find that Horsley Construction, Inc. has a satisfactory "track record" of completed work on projects similar to the Highway 31-E / Highway 685 Water Transmission Main project.

Accordingly, subject to approval of the Green River Valley Water District, we recommend award of the Highway 31-E / Highway 685 Water Transmission Main project to Horsley Construction, Inc. in the amount of \$2,534,304.90.

Subject to the approval of this recommendation, a Contract can be entered into between the Green River Valley Water District and Horsley Construction, Inc. provided they can obtain the required bonds and insurance.

If you should have any questions regarding the above, please contact us.

Respectfully submitted,



Sam L. McIlwain

Enclosure





SUITE 401
2 INTERNATIONAL PLAZA
NASHVILLE, TENNESSEE 37217

TELEPHONE: 615/366-6088
FAX: 615/366-6203

Water Management Services, LLC

ENGINEERING • PLANNING • OPERATIONS • RATE STUDIES

June 1, 2009

Mr. David Paige, Manager
Green River Valley Water District
PO Box 399
Cave City, Kentucky 42127

RE: State Route 1846 1.0 MG Water Storage Reservoir
(WMS No. 08194)

Dear Mr. Paige:

We have completed our tabulation of the bids received at 10:00 a.m. on May 28, 2009 for the State Route 1846 1.0 MG Water Storage Reservoir project. Our review of the bids found the bids correct as read.

A copy of the bid tabulation is attached for your review. A ranking of the bidders is as follows:

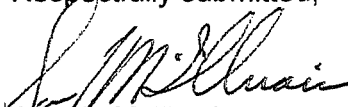
- | | | |
|----|----------------------|--------------|
| 1. | The Crom Corporation | \$898,000.00 |
| 2. | Precon Corporation | \$936,800.00 |

As indicated by the above ranking, The Crom Corporation was found to be the lowest bidder for the State Route 1846 1.0 MG Water Storage Reservoir project. Based on our review of references provided and our knowledge of past performance of this firm, we find that The Crom Corporation has a satisfactory "track record" of completed work on projects similar to the State Route 1846 1.0 MG Water Storage Reservoir project.

Accordingly, subject to approval of the Green River Valley Water District, we recommend award of the State Route 1846 1.0 MG Water Storage Reservoir project to The Crom Corporation. in the amount of \$898,000.00.

Subject to the approval of this recommendation, a Contract can be entered into between the Green River Valley Water District and The Crom Corporation provided they can obtain the required bonds and insurance.

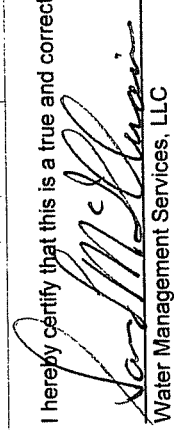
If you should have any questions regarding the above, please contact us.

Respectfully submitted,

Sam L. McIlwain

Enclosure

GREEN RIVER VALLEY WATER DISTRICT, CAVE CITY, KENTUCKY STATE ROUTE 1846 1.0 MG WATER STORAGE RESERVOIR BID DATE: MAY 28, 2009 WMS NO. 08194		The Crom Corporation 250 SW 36 Terrace Gainesville, FL 32607	Precon Corporation 115 SW 140 Terrace Newberry, FL 32669
ITEM	DESCRIPTION	UNIT PRICE	TOTAL
A.	<u>Lump Sum Construction Items for Water Facilities</u>		
1	1.0 MG Wire Wound Circular Prestressed Concrete water storage tank and all appurtenances		\$787,815.00
B.	<u>Unit Price Construction Items for Water Facilities</u>		
2	16" Class 50 DIP or AWWA C-905; DR-18; Class 235 PVC water main under and/or outside roadway with 3" detection tape and trace wire	\$64.10	\$44,870.00
3	6" resilient seat gate valve (restrained) including valve box	\$1,680.00	\$1,680.00
4	Miscellaneous D.I.P. fittings (restrained)	\$4.00	\$3,000.00
5	Fire hydrant assembly	\$4,455.00	\$4,455.00
6	Asphalt access roadway entrance including 8" compacted stone base and 2" C.W. asphalt binder	\$37.00	\$3,700.00
7	Crushed stone access roadway with 10" compacted stone base, 15 feet wide	\$14.42	\$21,630.00
8	Topsoil and seeding of trenches	\$1.00	\$1,400.00
9	Class C concrete (2,000 psi) for thrust blocking	\$200.00	\$2,000.00
C.	<u>Supplemental Unit Price Items Ordered by the Engineer</u>		
10	Supplemental rock excavation	\$50.00	\$10,000.00
11	Stone refill material	\$26.00	\$5,200.00
12	Supplemental dirt excavation	\$5.00	\$1,000.00
13	Class C concrete refill material	\$100.00	\$7,500.00
14	Test drilling	\$50.00	\$3,750.00
Total of All Unit Price and Lump Sum Construction Items 1 - 14			\$898,000.00
			\$936,800.00

I hereby certify that this is a true and correct bid tab.


Water Management Services, LLC

5/29/09
Date

Meeting of June 14, 2007

- I. Call to order ✓
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business ✓
 - (a) Frenchman's Knob Road Project ✓
 - (b) Metcalfe Co Project ✓
 - (c) State Hwy Re-location project 31-E & Hwy #70 Griderville ✓
 - (d) Tap Fee & Maintenance contract fee increase ✓
 - (e) Water Line Extension Policy, PSC ✓
- V. New Business
 - (a) Retaining Mitchell Owens – part time
 - (b) CCR Reports
- VI. Manager's Report
 - (a) Line Loss
 - (b) River pumps @ WTP
 - (c) Budget
- VII. Adjourn Meeting

June 24, 2009

The Board of the Commissioners of the Green River Valley Water District met on June 24, 2009 at 10:00 a.m. at the office of the District in a special called meeting for the purpose of discussing the financing of the new water line and storage tank project and the appropriate allocation of costs. Those present were Chairman Jack London, Commissioners Ray Branstetter, Phillip Doyle, Pat Tucker and John Bunnell. Manager David Paige, Assistant Manager Adrian Gossett and Consultant Elroy Larimore and Attorney Pat Ross were also present.

A general discussion occurred concerning how best to proceed with the financing of the new water line and storage tank project, and how to address the participation of CEA and Horse Cave with that project. Both Horse Cave and CEA have moved to intervene in the rate case pending before the Public Service Commission. CEA has asked for a hearing. The Board of CEA and the Horse Cave Water Commission heard from the District's engineer, Sam McIlliwain, concerning the necessity of the project. The bid for the transmission line and water storage tank came in below estimate and the cost of the project will probably not be as economical in the future. Manager Paige reported that the attorney for the Horse Cave Water Commission had requested the District to make a proposal to avoid litigation before the Public Service Commission. Manager Paige presented the Board with information concerning the water usage of the District, CEA and Horse Cave and an allocation based upon water usage.

Commissioner Bunnell made a motion, seconded by Commissioner Doyle, to offer Horse Cave and CEA a division of the costs of the water transmission line in the amount of \$3,013,767, 60% to the District, 23% to Horse Cave Water Company, and 16% to CEA, with the request that acceptance of the percentages and information about financing be returned within 10 days. The motion carried.

With no further business to come before the Board, a motion was made by Commissioner Tucker, seconded by Commission Doyle to adjourn the meeting. Motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary

July 9, 2009

The Board of the Commissioners of the Green River Valley Water District met on July 9, 2009 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Pat Tucker and John Bunnell. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, and Attorney Pat Ross were also present.

Motion was made by Commissioner Bunnell and seconded by Commissioner Branstetter to approve the Minutes of the regular meeting on June 11, 2009. Motion carried. Motion was made by Commissioner Tucker, seconded by Commissioner Branstetter, to approve the Minutes of the special meeting on June 24, 2009. Motion carried.

The monthly bills were reviewed and discussed. Commissioner Branstetter made a motion, seconded by Commissioner Bunnell, to approve the payment of the June bills in the amount of \$105,755.74. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

Attorney Ross reported on the response he received to the letter dated June 25, 2009 outlining the District's proposal for the allocation of costs of the new water line and storage tank project. Attorney Damon Talley, on behalf of the Horse Cave Water Company, responded that the Horse Cave Water Company was in agreement with the proposal provided its costs were capped at \$700,000 and contingent on approval by the Horse Cave City Council. The Horse Cave Water Company plans to finance its portion with Rural Development. Attorney Murry Raines responded that CEA would

be meeting in regular session on July 16, 2009 and he would communicate the Board's decision thereafter. Manager Paige gave an update on the status of easements for the project.

The funds from the KIA Grant are still not in the possession of the District following the refusal of Citizens First in Bowling Green to deposit the funds. Manager Paige estimated that it would be at least until August 10 until the District could recover the funds.

As to the EPA Grant, Manager Paige reported that the final authorization from EPA was not in place. Manager Paige will make another call on July 20 to see if the official in charge had given his recommendation. This official indicated that once he made his recommendation, the authorization would likely be forthcoming, and if it was not by the time the bids were received that the District would have to reject all bids. After a discussion, Commissioner Bunnell made a motion, seconded by Commission Tucker, to authorize Manager Paige to advertise for bids if he was in receipt of the verbal approval prior to the next regular meeting of the Board.

Manager Paige informed the Board that he was providing information to Karen Lee so as to obtain approval of the new water rate and tariff provisions.

Manager Paige announced that the Kentucky Rural Water Association's Annual Conference is scheduled on August 24-26. The District needs to designate a voting representative and an alternate. Commissioner Bunnell made a motion, seconded by Commissioner Branstetter, to designate Chairman London as the

District's voting delegate and to designate Consultant Larimore as the alternate. The motion carried.

Manager Paige gave his Manager's Report.

With there being no further business to come before the Board, Motion was made by Commissioner Tucker, seconded by Commission Branstetter, to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary

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August 3, 2009

The Board of the Commissioners of the Green River Valley Water District met on August 3, 2009 at 10:00 a.m. in a special called meeting at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Phillip Doyle, Pat Tucker and John Bunnell. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore and Attorney Pat Ross were also present.

The purpose of the special called meeting was to discuss the response of CEA and the Horse Cave Water Company to the District's proposal as to paying for the new transmission line and storage tank project. The Horse Cave Water Company voted to accept the District's proposal for the allocation of costs accepting 23% of the project, not to exceed \$700,000. The District had proposed that CEA accept 16% of the costs and CEA responded with an offer of 10% of the costs conditioned on a number of other proposals. After receiving CEA's response, a meeting was scheduled at the office of counsel for CEA on July 28, 2009. Those attending the meeting were Chairman London, Manager Paige and Attorney Pat Ross on behalf of Green River; Joe Gardner, David Peterson and Attorney Murry Raines on behalf of CEA; and Attorney Damon Tally on behalf of the Horse Cave Water company. Attorney Pat Ross reported on the discussions which took place at the meeting in regard to the conditions that CEA placed on withdrawing its intervention in the Public Service Commission in connection with the Certificate of Necessity. After a discussion, Commissioner Tucker made a motion, seconded by

Commissioner Bunnell, to authorize Attorney Ross to communicate the Board's willingness to enter into an agreement with CEA as follows:

1. CEA, Horse Cave Water Company and Green River would each contribute to the 16 inch water transmission main, 64% to be paid by Green River Valley Water District, 23% to be paid by Horse Cave Water Company, not to exceed \$700,000 and 13% to be paid by CEA, not to exceed \$391,780.71. The contributions of CEA and Horse Cave Water Company would be considered as a one time tap fee and no part of the contributions would be included in a rate increase, which would mean that CEA and the Horse Cave Water Company would not pay any more or any less than the District's other wholesale water customers. CEA, Horse Cave Water Company and Green River would take the necessary steps with all deliberate speed to obtain the Certificate of Necessity from the Public Service Commission so that the bids for the entire project would not be lost. If the bids are lost because of delay for whatever reason, so that the project had to be rebid, none of the agreements expressed herein would be of any further force or effect.

2. In consideration of the parties agreement about the allocation of costs and agreeing to an expedited proceeding through the Public Service commission so as to maintain the validity of the bids for the project, Green River and CEA will sign a letter of intent which will have as its core principle replacing any and all prior agreements so that the only contractual relationship between CEA and Green River Valley Water District will be as contained in the new agreement. The new agreement would provide that Green

River Valley Water District would furnish at least twenty million gallons per month to CEA, if needed, and that Green River Valley Water District would be CEA's exclusive provider of a minimum of thirteen million gallons of water per month. This letter of intent would obligate the parties to negotiate in good faith so as to enter into a binding agreement which would contain the above minimum and maximum water purchase agreement. Part of the obligation to negotiate in good faith will recognize Green River Valley Water District's obligations on outstanding bond issues and loans and the capacity to furnish the maximum water amount without upgrading the facility. The new agreement will be subject to operation of all applicable laws and the rules and regulations of the Public Service Commission. So long as Green River Valley District's outstanding bond and loan obligations would not be impaired, the time period of the new agreement would be 20 years unless the bond issues and outstanding loans required a longer period.

The motion carried. Commissioner London expressed his opinion that Green River should not enter into any agreement which would replace the current agreement binding Green River, Cave City and Horse Cave and that the Public Service Commission should decide what is fair among the parties.

With no further business to come before the Board, Motion was made by Commissioner Tucker, seconded by Commission Branstetter, to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary

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Meeting of August 9, 2007

- I. Call to order ✓
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business ✓
 - (a) Frenchman's Knob Road Project ✓
 - (b) Metcalfe Co Project ✓
 - (c) State Hwy Re-location project 31-E & Hwy #70 Griderville ✓
 - (d) Tap Fee & Maintenance contract fee increase ✓
 - (e) Water Line Extension Policy, PSC ✓
 - (f) Horse Cave Water System-GRVWD change out meters ✓
- V. New Business ✓
 - (a) Two new trucks ✓
 - (b) KRWA Annual Conference – August 27-29, 2007 ✓
 - (c) Employee raises – September 2007
- VI. Manager's Report
 - (a) Line Loss
 - (b) Budget
 - (c) Mitchell – Carolyn insurance (quote \$468.33/ actual \$390.05)
- VII. Adjourn Meeting

FRI. 31ST 10:00 A.M.

RAISE COMMITTEE MEET - AUG. 21-24
FIRST PAY PERIOD 6TH AUG. 30, 31,
BOARD MEETING 13TH SEPT. 4

Meeting of August 13, 2009

- I. Call to order
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) New transmission line & storage tank ✓
 - (b) EPA Grant ✓
 - (c) KIA State Grant ✓
 - (d) Water Rate & Tariff Revisions ✓
- V. New Business
 - (a) Property Insurance Bid Specs ✓
 - (b) Salary Revisions ✓
- VI. Manager's Report *B/T*
 - (a) Line Loss
 - (b) KRWA Annual Conference August 24-26, 2009
- VII. Adjourn Meeting

AUGUST 13, 2009

The Board of the Commissioners of the Green River Valley Water District met on August 13, 2009 at 11:00 a.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Phillip Doyle, Pat Tucker and John Bunnell. Manager David Paige, Assistant Manager Adrian Gossett, Consultant Elroy Larimore, and Attorney Pat Ross were also present.

Motion was made by Commissioner Bunnell and seconded by Commissioner Tucker to approve the minutes of the regular meeting on July 9, 2009. The motion carried.

Motion was made by Commissioner Branstetter and seconded by Commissioner Doyle to approve the minutes of the special meeting on August 3, 2009. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Bunnell made a motion, seconded by Commissioner Tucker, to approve the payment of the July bills in the amount of \$180,640.44. The motion carried and a computer printout of the bills available as of the date of the meeting is attached hereto.

Manager Paige gave a report on the status of the new transmission line and storage tank project. The agreement between Green River, Horse Cave Water Company, and CEA as to supporting the project so the Certificate of Necessity can be issued, and the Memorandum of Understanding between Green River and CEA as to a new agreement for the purchase of wholesale water has been signed.

As to the two condemnation actions, the Commissioners appraised the Middleton easement at \$10 per foot for a total of \$5,000, and appraised the Richardson easement at \$5 per foot for a total of \$7,100. Rodney Richardson, since being served with summons, has talked to Commissioner Bunnell about settlement. He would like to change the

location of the easement on his property. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Bunnell, to authorize Manager Paige and Commissioner Bunnell to offer to settle with the Middletons for the sum of \$5,000, and to offer to settle with Mr. Richardson for the sum of \$7,100, along with the reconfiguration of the easement, prepared by Water Management. The motion carried.

Kentucky Rural Water Financial Association has submitted documentation concerning the loan for the project. After a discussion, Commissioner Bunnell made a motion, seconded by Commissioner Tucker, to adopt the resolution authorizing the District to borrow the sum of \$5,105,000 from Kentucky Rural Water Financial Association. A copy of this resolution is attached to these minutes. The motion carried.

As to the EPA grant project, advertisement for bids was made. The bids will be open at the office of the District on August 27, 2009 at 10:00 a.m. The KIA grant funds which had been returned by Citizens First Bank in the amount of \$210,000 were recovered on July 10, 2009. Manager Paige informed the Board that all grant funds are now available. Manager Paige also informed the Board that he was putting together the necessary documentation for the water rate and tariff revisions before the Public Service Commission.

Manager Paige requested guidance from the Board as to submitting bids for the insurance needs of the District on a regular basis. After a discussion, Commissioner Bunnell made a motion, seconded by Commissioner Doyle, to request bids for all of the District's insurance needs on a three year cycle. The motion carried.

The Board had a general discussion about salary revisions. Commissioner Bunnell expressed concern that the District's health insurance costs were high when compared to other businesses. In this regard, he suggested it would make sense to obtain other health insurance

quotes to consider in conjunction with salary revisions. Commissioner Bunnell made a motion, seconded by Commissioner Tucker, to advertise for bids on the health insurance needs of the District if the current contract can be cancelled upon thirty days notice. The motion carried.

The Board also considered changing the time of the regular meeting from the second Thursday of each month to the third Thursday of each month at 10:00 so that the financial data of the District could be made available sooner. After a discussion, Commissioner Bunnell made a motion, seconded by Commissioner Branstetter, to change the regular meeting date to the third Thursday of each month at 10:00 a.m., beginning on September 17th. The motion carried.

Manager Paige gave his manager's report.

With there being no further business to come before the Board, a motion was made by Commissioner Branstetter and seconded by Commissioner Doyle to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary

Meeting of September 13, 2007

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20000
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- I. Call to order ✓
- II. Reading of Minutes from Previous Meeting ✓
- III. Review of Monthly Bills ✓
- IV. Old Business
 - (a) Frenchman's Knob Road Project
(change order for Walker-Stewart Rd & LD O'Bannion Rd) ✓
 - (b) Metcalfe Co Project ✓
 - (c) Two new trucks ✓
- V. New Business ✓
 - (a) Employees raises ✓
 - (b) clearwell maintenance @ water treatment plant ✓
- VI. Manager's Report ✓
 - (a) Line Loss ✓
 - (b) State Hwy re-location project @ Hwy 31-E & Hwy 70 (Griderville) ✓
 - (c) Tap fee and maintenance contract fees ✓
 - ✓(d) Horse Cave meter change out ✓
 - ✓(e) Budget
 - ✓(f) Water line issue @ Fisher Ridge Road resolved
- V. Meeting adjourned