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Charles R. Borders
Commissioner

October 3, 2011

Ms. Lana Pace
Cawood Water District
P. O. Box 429
Cawood, Kentucky 40815

Re: Case No. 2011-00358
Cawood Water District

Dear Ms. Pace:

The enclosed memorandum has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to Gerald Wuetcher, Executive Advisor, at (502) 564-3940, Extension 259.

Sincerely,

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

Jeff Derouen
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2011-00358

FROM: Gerald Wuetcher **GEW**
Executive Advisor

DATE: October 3, 2011

RE: Telephone Conversation of September 27, 2011

On September 27, 2011, I spoke by telephone with Ms. Lana Pace, an official of Cawood Water District. Ms. Pace advised that Cawood Water District's Board of Commissioners held a special meeting on August 12, 2011 to consider the increase in Pineville Utility Commission's wholesale water rate. At that meeting, the members of the Board of Commissioners voted to increase the rates assessed to Pathfork Area customers commensurate with the increase in the Pineville Utility Commission's wholesale water rate. A copy of the minutes of this meeting, which Ms. Pace subsequently provided by facsimile, is attached.

Attachment

**CAWOOD WATER DISTRICT
MINUTES SPECIAL CALLED MEETING
AUGUST 12, 2011**

**PRESENT: WALTER BURKHART, JAMES GREEN, GEORGE HENSLEY, TIM ENGLE, HAROLD SELLERS
LANA PACE**

MEETING CALLED TO ORDER BY WALTER BURKHART. QUORUM PRESENT.

MS. PACE ADDRESSED THE BOARD AND EXPLAINED THAT PINEVILLE UTILITY COMMISSION HAD FILED FOR A RATE INCREASE FOR OUR WATER PURCHASES EFFECTIVE 9-1-2011. SHE HAD BEEN CONTACTED BY PSC TO DISCUSS OUR FILING A PASS THROUGH RATE ADJUSTMENT CASE FOR THE PATHFORK AREA. DISCUSSION HELD REGARDING AMOUNT INCREASING AND CURRENT OPERATIONS CASH FLOW INCOME STATEMENTS REVIEWED. AFTER A LENGTHY DISCUSSION MOTION WAS MADE BY GEORGE HENSLEY, SECONDED BY HAROLD SELLERS, TO APPROVE LANA PACE OR WALTER BURKHART TO FILE A NEW PASS THROUGH RATE INCREASE FOLLOWING PSC'S REGULATIONS. VOTE: JAMES GREEN – YEA; TIM ENGLE – YEA; WALTER BURKHART – YEA.

THERE BEING NO FURTHER BUSINESS MOTION MADE BY GEORGE HENSLEY, SECONDED BY HAROLD SELLERS, TO ADJOURN. VOTE: TIM ENGLE – YEA; JAMES GREEN – YEA; WALTER BURKHART – YEA.

Harold Sellers

Tim Engle

George Hensley

W. Burkhart
