

MINUTES OF MEETING HELD SEPTEMBER 13, 2004

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, September 13, 2004 at 7:00 p.m. with the following present: Mayor: J.P. Wiles, Council Members: Earl Owens, Pat Bourne, Jerry Burnett, Peggy Dugger, Joann Norfleet, Clarence Floyd, Jerry Wheeldon, Mark Beasley, Jerry Girdler, Charles New, Donna Hunley, and John Minton. City Clerk Pro-tem Janet Wilson. Absent: City Attorney Joe Travis.

A moment of silence in honor of Wilber Norfleet was observed.

Mr. Wheeldon moved to approve the minutes of the last regular meeting held on August 23, 2004 and the reports be approved as delivered. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.

Mr. Owens moved to approve all department bills. Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.

Mr. Floyd moved to set hours for Halloween from 6-8pm on Saturday October 30, 2004. Mr. Girdler seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.

First reading was given the following Ordinance:

ORDINANCE 04-12**APPLICATION FOR ZONING AMENDMENT/DEVELOPMENT PLAN APPROVAL TO THE SOMERSET PLANNING COMMISSION ZONE CHANGE I-1 TO B-2. INTERSECTION OF RAILROAD DRIVE AND MONTICELLO STREET.**

Mr. Wheeldon moved to approve the above Ordinance on its first reading. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.

Mr. New moved to approve the following proposal from the Somerset-Pulaski County Development Foundation Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton. Voting "Nay": Mrs. Dugger.

Somerset-Pulaski County

Development Foundation

209 E. Mount Vernon St.

P.O. Box 450

Somerset, Kentucky 42501

Phone (606) 678-1000

Fax (606) 678-0424

August 2, 2004

Mayor JP Wiles

City of Somerset

P.O. Box 989

Somerset, KY 42502

Re: Crane Plumbing Property

Dear Mayor Wiles,

We would like to make the following proposal, the Somerset - Pulaski County Development Foundation is interested that the City of Somerset will help our organization in obtaining the total acreage of 25.066 that surrounds the Crane Plumbing property and the Crane Fist property. We are asking the City of Somerset to forgive the debt that is owed to them in the amount of \$451,193.51 from Crane Plumbing. By forgiving the debt, Crane Plumbing has agreed to give the land to the Somerset - Pulaski County Development Foundation for the use of economic development purposes. If the City agreed to this proposal, the land will strictly be used for economic development, and if any property is sold or leased these funds will stay and will be used only for future economic development projects. Absolutely no money from the present proposal or any future proposals will be used to cover any administrative expenses.

I look forward to discussing this proposal with you. If you have any questions or concerns please give me a call at the office 678-5000 or on my cell phone 219-0558.

Sincerely,

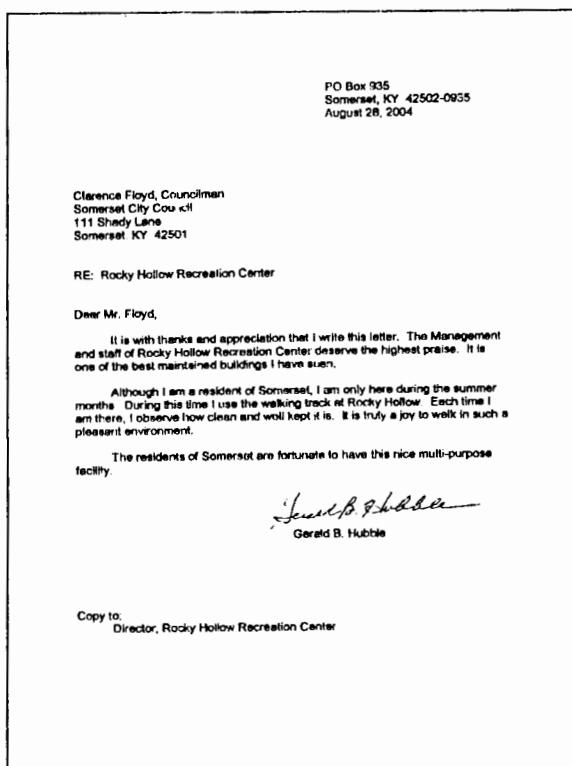
Carol Estes
Executive Director

CE/cpr

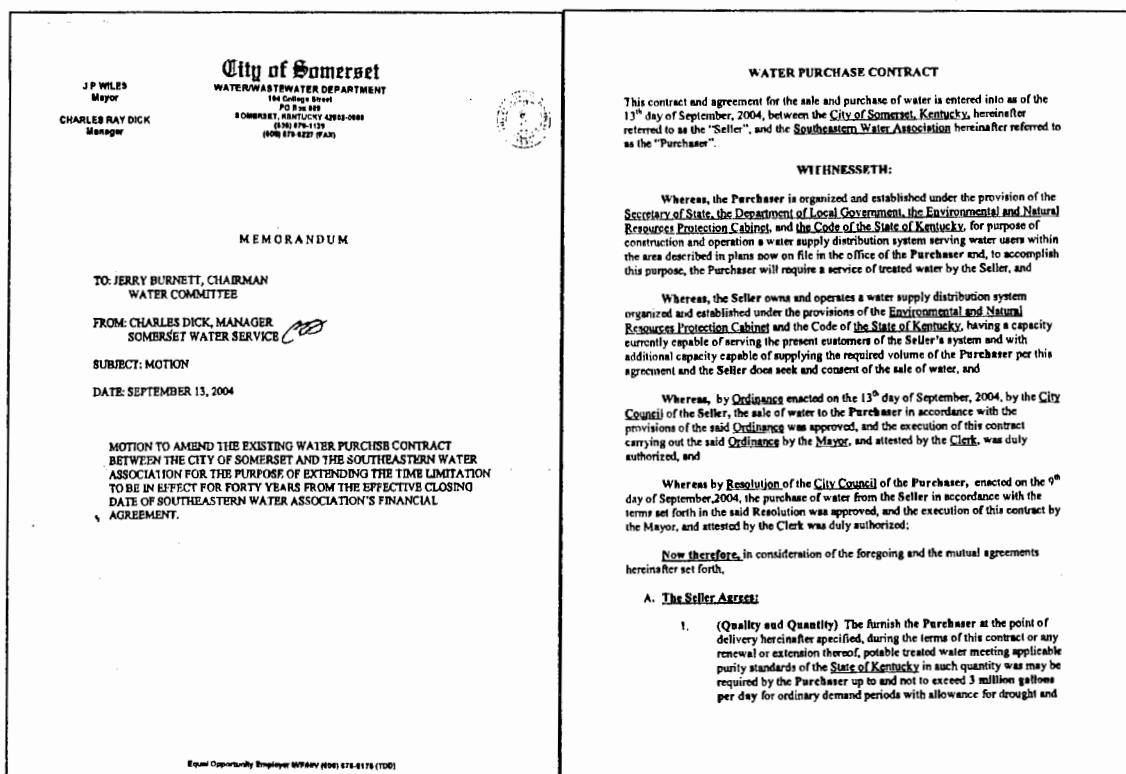
Mr. Floyd moved to refund the following amount paid on 2003 taxes: James Morris, 87 Linwood Drive, Somerset, KY, in the amount of \$58.21 for a Homestead Exemption. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.

City of Somerset

Mrs. Dugger moved to include in the minutes the following letter received by Clarence Floyd regarding the Rocky Hollow Recreation Center. Mrs. Norfleet seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.



Mr. Burnett moved to amend the existing water purchase contract. Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley, and Mr. Minton.

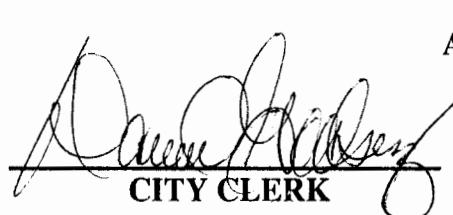


<p>short-term high demands up to 3.5 million gallons per day if the water is available.</p> <p>2. (Point of Delivery and Pressure) That said water is to be delivered to the Purchaser's existing connection points and master meters at the following locations: Hwy 39 at Pulaski County High School, Tateville, Hwy 80 and Ross Street, 192 and 914, Barnaburg, and Babe's Lane and 461. The delivery pressure will be nominally within 10 PSI of the Seller's full tank static pressure but shall be maintained to be at least 40 PSI to avoid pump cavitation due to low suction pressure. Emergency failures of supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the seller from this provision for such reasonable period of time as may be necessary to restore service (see "Failure to Deliver" below).</p> <p>3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at the points of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type of properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the 6 months previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on a <u>regular monthly basis</u>. An appropriate official of the Purchaser shall have access to the meter at all reasonable time for the purpose of verifying its readings.</p> <p>4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of water acquired on behalf of the Purchaser during the preceding month, including details of wholesale water acquisition rates.</p> <p>B. The Purchaser Agrees:</p> <p>1. (Rates and Payment Date) To pay the Seller, not later than the 10th day of each month, for water acquired on the Purchaser's behalf, in accordance with the following schedule of rates:</p>	<p>A) \$2.00 per 1000 gallons or portion thereof rounded to the nearest cent.</p> <p>2. (Connection Fee) That there is no connection fee in this contract but, should a new meter connection be required, the ordinary fee is the actual cost of the metering equipment vault, and tie-in.</p> <p>3. (Source of Water) That the Seller shall be the exclusive source of water.</p> <p>C. It is further mutually agreed between the Seller and the Purchaser as follows:</p> <p>1. (Term of Contract) That this contract shall extend for a term of <u>forty</u> (40) years from the date of the close of the Purchaser's loan with Rural Development for the year 2003 water system improvements project. Thereafter, this contract may be renewed or extended for such term, or terms, as may be mutually agreed upon by the Seller and Purchaser.</p> <p>2. (Delivery of Water) That 10 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, additions to the system, or the Purchaser's need for water, the Purchaser will notify the Seller in writing the date for the initial delivery of water.</p> <p>3. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner, will make all practical effort to provide continuous service at a reasonably constant pressure and flow, and will take such action as may be necessary to acquire on behalf of the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In event of a prolonged water shortage of any kind (acts of God, water quality problems, maintenance shut-downs, etc) the Seller shall assure that all customers, including the Seller and the Purchaser, will share in such shortages equally on a pro-rated basis, i.e., the supply of water to the Purchaser's meter shall be reduced or diminished in the same ratio or proportion as the supply to the Seller's consumers is reduced or diminished.</p> <p>4. (Modification of Contract) The provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall only be based on a demonstrable increase or decrease in the costs of performance hereunder and the Seller shall notify the Purchaser of decreases as well as increases, but such costs shall not include increased capitalization of the Seller's</p>
--	---

<p>system, unless such capital improvements and additional costs are jointly used to provide water to the Purchaser. The Seller shall demonstrate such necessary costs and joint usage. Should any such capitalization be determined to be required to meet minimum standards of service to all customers, the equivalent 40-year financing cost (or the lesser amount of the seller's actual cost) for such facilities shall be proportionately allocated according to joint use and may be included in the Purchaser's rate. All other provisions of this contract may be modified or altered only by mutual agreement and amendment.</p> <p>5. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.</p> <p>6. (Miscellaneous) That the construction of the Purchaser's water supply system by the Purchaser is being financed directly, indirectly, and/or in part by a loan made or insured by, and/or a grant from, the United States of America, acting through the Rural Development Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.</p> <p>7. (Successor to the Purchase) That in the event of any occurrence rendering the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.</p> <p>8. (Sole Agreement) That this document is the sole agreement in force between the Parties and that it replaces any and all prior contracts, agreements, and/or prior contracts, agreements, and/or amendments for this purpose.</p> <p>9. (Severability) That the invalidation of any provision of this contract under law does not invalidate the remaining provisions.</p> <p>In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 4 counterparts, each of which shall constitute an original.</p>	<p>Seller: <u>City of Somers</u> By: <u>J. Wilcox</u> Title: <u>Mayor</u></p> <p>Purchaser: <u>Southeastern Water Association</u> By: <u>J. Schenck</u> Title: <u>7/13/04</u></p> <p>Attest: <u>Clerk</u> This contract is approved on behalf of Rural Development this _____ day of _____, 20_____. By: _____ Title: _____</p>
--	--

There being no further business the meeting was adjourned.

ATTEST:


APPROVED 
MAYOR

CITY CLERK