

URBAN COUNTY COUNCIL
PLANNING COMMITTEE SUMMARY

SEPTEMBER 18, 2007

Ms. Gorton chaired the meeting, calling it to order at 1:00 pm. All committee members were present except Vice Mayor Gray.

I. I-64 Louisville Water Pipeline

Ed Wetzel, Executive Vice President and Michael Lane, Senior Financial Analyst with consulting firm R W Beck made a presentation to the committee of their findings in comparing the Louisville Pipeline and Kentucky American Water Company's Pool 3 Option. (PowerPoint presentation attached). Greg Heitzman, President, Vince Guenther, Government Affairs Manager, and Jim Smith, Infrastructure Planning Manager from Louisville were present.

CM Stinnett asked what are the historical fluctuations of the wholesale water rates.

Mr. Heitzman stated in Louisville they review their retail and wholesale rates annually. He stated last years increase was 6.5%. He stated both retail and wholesale rates were raised approximately the same amount in 2007.

CM Beard asked about water quality. He asked if the Pool 3 Option would put out better water quality than is presently being put out.

Mr. Heitzman stated that both Louisville and KAWC are required to meet the USEP under the safe drinking act.

CM McChord asked as to the I-64 corridor what discussions have taken place with the Federal Highway Administration and the state.

Mr. Heitzman stated they have a meeting schedule for October 15th with the state highway to explore the option of using permits, or portion or the whole route.

Mr. McChord asked Nick Rowe, President of KAWC, if when someone such as Louisville water wants to come into a municipality doesn't there need to be a willing partner to tie in with.

Mr. Rowe stated that Mr. McChord is right. He stated it also may be a misunderstanding of the Public Service Commission process.

Mr. McChord stated now it is in the hands of the PSC to look at the numbers on all sides. He asked when is the official hearing date on this issue.

Mr. Rowe stated it has been moved to November 26, 2007.

CM Gorton asked about the Kentucky River withdrawal fee and why it was built into Louisville Water's proposal.

Mr. Wetzel stated the fee is very small. He stated it was put in at the request of Louisville Water Co. who did not want this proposal to negatively impact the Kentucky River Authority. Mr. Wetzel stated a question will be who will own this pipeline. He stated the assumption is the pipeline will be publicly owned it could be the Bluegrass Water Supply Commission or someone like the Kentucky River Authority. He stated the Pool 3 Option is owned 80% Kentucky American and 20% by the Bluegrass community if they choose to go down to 25 mgd option.

CM Gorton stated it is possible for the Bluegrass Water Supply Commission to own part of the Louisville Water pipeline coming this way.

Mr. Wetzel stated they could own part or all of it.

CM Gorton asked if 42" is the biggest pipeline.

Mr. Wetzel stated it is not the biggest pipeline. It is the pipeline that is used in the Pool 3 Option that is currently out for bid.

CM Gorton asked if using a bigger pipeline in the beginning shouldn't be considered.

Mr. Wetzel stated possibly but there has to be enough customers early on to justify the bigger pipeline.

CM Gorton stated the 1999 resolution states they preferred the Kentucky River as their first source but it also says they prefer the most cost effective to the citizens.

Mr. Heitzman passed out a summary of the last few meetings.

Kentucky American Water Co. made presentation (PowerPoint presentation attached). This presentation was done by Linda Bridwell, Project Delivery & Developer Services Manager – Southeast Region. Ms. Bridwell stated she had not seen any of the numbers from Louisville Water until this afternoon. She stated Louisville has made four different proposals to the BWC their engineers and Kentucky American engineers all evaluated the proposals and come up with that it is not the cheapest. Then Louisville Water hires a firm to evaluate it and says it is cheaper.

CM Gorton asked what the rate increases will be. She also requested history of KAWC water rate increases over the last several years.

Ms. Bridwell stated she does not have that information with her but will email it to Mr. Schoninger this afternoon.

Mr. Rowe addressed the committee regarding financing. He stated all these issues will come out during the hearing with PSC.

Mr. Heitzman stated a study they did confirmed they had 240 mgd of total capacity yielding 35 million gallons of reserve capacity.

The committee heard from citizens Sandy Broughman, Bill Greer, Jim McWilliams, Tom Marshall, Foster Ockerman, and Don Pratt.

II. Loudon Ave. Phase I

Mr. Leigh Karr, Division of Engineering, stated they have closed on 87 properties out of the 93. He stated there are 2 additional closing within the next week. He stated he has a couple he is working with on partial mortgage releases and hopes to have it worked out by next Friday.

III. Liberty Rd. Update

Mr. Leigh Karr, Division of Engineering, stated this is Section 1B which is from Todds Rd/Liberty Rd corridor out towards Forest Hills Dr. He stated they have 8 out of 16 agreements that have been signed and 6 have been closed on. He stated they are currently working on the other 8 property owners but have heavy opposition with them.

CM Stinnett thanked Mr. Karr for his hard work on moving all this forward. He asked who will take Mr. Karr's spot when he retires.

Mr. Bayert stated he will be the point of contact at this time. He stated presently Mary Bennett is the other person who does some of the reviews.

CM Stinnett asked what is the status of the sanitary sewer line relocation.

Mr. Bayert stated the sanitary sewer line construction is basically done. He stated they have the connections to do on the 24" line. They have been filling it with water preparing to do the pressure test and should know end of the week the results of the test.

IV. Newtown Pike Status

Andrew Grunwald, Division of Engineering, gave the committee project schedules for Phases I & IV that he did not get to pass out last month. He also gave the committee a project schedule of the entire project through 2014 along with the

financial plan. He stated they have 2 outstanding issues with the Record of Decision. One being the Financial Plan which is a draft until the Record of Decision is finalized. The Transportation Cabinet asked them to look at inflation so that adjusted the numbers at 4% with a baseline year of 2007 the year the Environmental Impact Statement will be approved. He stated it does affect the bottom line. He stated it takes the total cost of the project to approximately 87M. He stated the bottom line in additional funding they need in the next 6 year Transportation Plan is approximately 40M. Mr. Grunwald stated if money is not available the schedule will slip and will move back as the money becomes available. He stated the Financial Plan is not final. It is still under review by the Transportation Cabinet and the Federal Highway Administration. He stated for Phase I they are going to recommend Woodall Construction for the construction of the temporary area. He stated Phase IV they have not totally ruled out the idea of a Design Build project but at this point they are proceeding with the project in their traditional manner.

CM Beard asked if for funding reasons we have stalled then costs will go up in all probability.

Mr. Grunwald stated yes in all probability.

CM James stated she would like to have a list of right a ways that will be purchased for Section II.

Mr. Grunwald stated the total right a way purchase for this project will encompass approximately 50 acres.

V. Items Referred to Committee

The committee agreed to hear the issues of Liberty Rd Project status and Newtown Pk status every other month.

Planning Committee meeting adjourned at 2:55 pm.