

## MINUTES } CITY OF PIKEVILLE

MINUTES - FEBRUARY 11, 1974

At a regular meeting of the Board of Commissioners of the City of Pikeville, held in City Hall on February 11, 1974, at 7:30 P.M., the following members were present:

COMMISSIONERS: Robert Amos, Jr.  
Kermit Sexton  
Thomas Howell  
Willie J. Meade  
MAYOR: W. C. Hambley

The meeting was called to order at 7:35 P.M., and began with the Assistant City Clerk reading minutes for the period from December 14, 1973 through February 4, 1974. The minutes for each meeting were approved as read without any additions or corrections with the following exception:

Mayor Hambley instructed the Assistant City Clerk that in the meeting of January 28, 1974 it was agreed to stay 20¢ under Columbia's rate and not 15¢ that was stated in the minutes.

Mayor Hambley directed City Attorney, Larry Webster to draw up a Resolution for the Renewal Option for Reynolds Body Company.

Oliver Blackburn came before the Commission to request permission to tear down an old store and house building that the City bought on the North Mayo Trail by the Industrial Site from Mrs. C. E. Steele. Mr. Blackburn asked permission to dispose of the buildings and still maintain a small area for the Post Office.

Commissioner Kermit Sexton made the motion to give Mr. Blackburn permission to tear down the buildings and maintain an area for the Post Office. Commissioner Robert Amos, Jr., seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

The next item was to approve or reject the proposal of Edward O'Rear II. To raise the Water Rates for the Big Sandy Water District, to have a study of the costs. Mayor Hambley stated that it was mutually agreed between the parties that Mr. O'Rear would do the work, for \$300.00 per day not to exceed four (4) days.

Mayor Hambley stated that the Big Sandy Water District would pay half of the costs.

Commissioner Kermit Sexton made the motion to accept the proposal. Commissioner Robert Amos, Jr., seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

Mayor Hambley directed City Manager, Ayers Shortt to notify Mr. O'Rear that his terms were accepted.

Mayor Hambley read the following Resolution:

R-74-06

RESOLUTION AUTHORIZING INTERIM FINANCING FOR WATER & GAS  
RELOCATION PROJECT SOUTH OF THE CITY OF PIKEVILLE

WHEREAS, the City of Pikeville has contracted for and is presently in the process of Relocating Water & Gas Lines South of the City, and

WHEREAS, Financing Arrangements are now being made. THEREFORE, and

WHEREAS, it is necessary; however, to acquire Interim Financing,



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NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk of the City of Pikeville, Kentucky be and they are hereby authorized to arrange for Interim Financing in connection with the Water & Gas Relocation Project of the City of Pikeville now underway in the amount of \$15,600.00 and they hereby are authorized to secure a loan in the amount thereof for a period not to exceed sixty (60) days and to execute any necessary assurances in connection therewith including the signing of a note or any other Pledges or Assurances necessary to secure the same.

An emergency is declared to exist in regard to this Resolution and the same shall be in full force and effect immediately upon subscription and approval by this Commission.

At Pikeville, Pike County, Kentucky, this 11th day of February, 1974.

Commissioner Robert Amos, Jr. moved the adoption of the foregoing Resolution and Commissioner Joe Meade seconded the motion.

Upon roll call the vote was as follows:

W. C. HAMBLEY, M. D., MAYOR	<u>YES</u>
KERMIT SEXTON, COMMISSIONER	<u>YES</u>
ROBERT AMOS, JR., COMMISSIONER	<u>YES</u>
THOMAS HOWELL, COMMISSIONER	<u>YES</u>
WILLIE JOE MEADE, COMMISSIONER	<u>YES</u>

The Mayor declared the Resolution adopted.

/s/ W. C. HAMBLEY, M.D.  
W. C. HAMBLEY, M.D., MAYOR

ATTEST:

/s/ CHARLES L. HUFFMAN, JR.  
CHARLES L. HUFFMAN, JR., CITY CLERK

Commissioner Robert Amos, Jr., made the motion to adopt the above Resolution for the amount of \$15,600.00. Commissioner Willie J. Meade seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

Estimate No.2 for Partial payment was submitted for Mays Construction Company in the amount of \$23,679.33.

Commissioner Robert Amos, Jr., made the motion to approve the above estimate. Commissioner Willie J. Meade, seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

*\*Estimate on file in City Clerk's Office.*

The next item was to approve or reject the agreement between W. W. Lindsey and Elliott Gas System.

City Attorney, Larry Webster presented a Resolution and Supplemental Contract concerning the W. W. Lindsey and Elliott Gas System.



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R-74-07

RESOLUTION W. W. LINDSEY NOW PROPOSES TO FURNISH GAS FROM FOUR ADDITIONAL WELLS ON FERGUSON CREEK AND LOWER CHLOE CREEK, AND TO TRANSFER THE LINES, METERS AND CUSTOMERS APPURTENANT THERETO IN EXCHANGE FOR A RATE RAISE FROM TWENTY-FIVE CENTS TO FIFTY CENTS PER ONE THOUSAND CUBIC FEET

WHEREAS, by Contracts dated September 12, 1951 and June 27, 1953, W. W. Lindsey agreed to sell to the City of Pikeville the natural gas from six wells in or near the City of Pikeville; and,

WHEREAS, W. W. Lindsey now proposes to furnish gas from four additional wells on Ferguson Creek, and Lower Chloe Creek, and to transfer the lines, meters and customers appurtenant thereto in exchange for a rate raise from twenty-five cents per one thousand cubic feet to fifty cents per one thousand cubic feet; and,

WHEREAS, a proposed Second Supplemental Agreement has been drawn by the City Attorney, which has been duly read by the City Commission; and,

WHEREAS, the City Commission now, by Motion duly made, seconded and carried, has approved the execution of said Second Supplemental Agreement,

NOW, THEREFORE, be it resolved that the Mayor of the City of Pikeville, Kentucky be, and he hereby is, authorized to amend and supplement the agreement of September 12, 1951 and the supplement of June 27, 1953 by entering into the Second Supplemental Agreement, and the Mayor is further authorized to bind the City to the terms thereof.

An emergency exists; therefore this Resolution shall be in full force and effect, immediately upon passage of same.

At Pikeville, Kentucky this 11th day of February 1974.

Commissioner Kermit Sexton moves the passage of the above Resolution.

Commissioner Willie Joe Meade seconded said Motion. Upon roll call the votes were as follows:

MAYOR W. C. HAMBLEY	<u>YES</u>
ROBERT AMOS	<u>YES</u>
THOMAS J. HOWELL	<u>YES</u>
KERMIT SEXTON	<u>YES</u>
WILLIE JOE MEADE	<u>YES</u>

The Mayor declared the foregoing Resolution adopted.

/s/ W. C. HAMBLEY, M.D.  
MAYOR

ATTEST:

/s/ CHARLES L. HUFFMAN, JR.  
CITY CLERK

## SECOND SUPPLEMENTAL AGREEMENT

This Second Supplemental Agreement made and entered into this 11th day of February, 1974, by and between W. W. Lindsey party of the first part, hereinafter called the Seller, and the City of Pikeville, a Municipal Corporation of the Fourth Class of the State of Kentucky, party of the second part, hereinafter called the Buyer.

WHEREAS, by contract and agreement dated September 12, 1951, and by a Supplemental Agreement dated June 27, 1953, the Seller and Buyer entered into a certain gas purchase agreement under the terms and conditions therein set out; and,

WHEREAS, the said parties hereto desire to change and modify said agreement as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledge, and in the further consideration of the premises, and the terms and conditions of the contract dated September 12, 1951, and the Supplemental Agreement of June 27, 1953, as modified herein, and in consideration of the mutual covenants contained herein, the Seller and the Buyer hereby mutually agree as follows:



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1. Seller agrees to sell, and Buyer agrees to buy, all the gas (except) gas consumed by Shurtleff's Laundry as hereinafter set forth) from four gas wells, to-wit, two (2) Huffman Wells on Chloe Creek, one (1) Blackburn Well on Chloe Creek, and one (1) Childers Well on Ferguson Creek, in addition to the three wells covered by the contract dated September 12, 1951 and the three wells covered by the Supplemental Agreement dated June 27, 1953, which wells are owned by Seller.

2. Seller agrees to transfer to Buyer the following described gas lines;

A two inch gas line which begins at the lower bridge in the City of Pikeville, Kentucky, and runs in a Southerly direction to the mouth of Ferguson Creek, thence up Ferguson Creek to a dead end near the head of Williams Hollow, being on the right hand side of Ferguson Creek, ascending including on said line an offshoot line up the Phoebe King Hollow, and an offshoot line up a small hollow on the right just below the Williams Hollow.

Also a gas line varying from one inch to three inches from one inch to three inches from the former Hagan Draughn property on Ratliff's Creek, thence up Ratliff's Creek to the property of Wells, et. al., including a two inch offshoot line running from Ratliff's Creek to Well No.2 up the Lawrence Edmonds Hollow.

3. Seller likewise agrees to transfer to the Buyer, in addition to these lines, the meters and other appurtenances connected thereto, including the exclusive right to sell gas to retail customers in and on said lines.

4. Seller assigns and transfers to the Buyer such easements for right of way, maintenance, ingress and agrees, and other purposes lawfully connected with the operation of said gas lines, as the Seller may have obtained by lease or otherwise, to the Buyer. Seller retains such interests in these leases as may be necessary to effectuate Seller's duties thereunder. It is stipulated that gas from wells under lease by the Seller shall flow through and be transferred through the lines hereby assigned to the Buyer.

5. Seller agrees to make every reasonable effort to cause the wells which are the subject of this agreement to produce at their maximum capacity.

6. Buyer shall pay to the Seller for any and all gas produced from the wells mentioned in the agreement of September 12, 1951, the wells mentioned in the agreement of June 27, 1953, and the four additional wells mentioned herein, the sum of 50 cents per one thousand cubic feet, to be billed in accordance with the agreement of September 12, 1951.

7. The above mentioned purchase price for gas shall be subject to re-negotiation at the end of each five year period following the effective date of this agreement. Seller agrees that the maximum renegotiated price at the end of each five year period shall not be nearer than 20 cents per one thousand cubic feet to the price charged at said time by the Columbia Gas Transmission Co., or its successors, to the Buyer.

8. Buyer agrees to transport gas to Shurtleff's Laundry, or its successors, from the lines herein transferred, or from other lines operated by the buyer. Seller shall deduct total cubic footage delivered to said Shurtleff's Laundry, or its successors, from the cubic footage for which the Buyer is to be billed in a given month.

9. The Seller will install, operate, maintain, and read meters between the gas wells operated by the Buyer and the lines hereby transferred to the Buyer. The Buyer shall have the right to inspect said meters for accuracy and the right to confirm readings of same.

10. The Seller will install regulator stations and drip tanks at every point of supply from the facilities or Buyer to the lines hereby transferred. The Buyer shall have the responsibility of maintaining said regulators, but the Seller shall maintain said drip tanks.

11. The Seller warrants that it has the right to assign, transfer, and set over unto the Buyer such rights, equipment, and easements, as may have been transferred herein.

12. It is expressly understood by and between each of the parties hereto that the within agreement is subject to sellers obtaining permission from United Fuel Gas Co., to release the seller from an existing obligation to supply excess gas not sold to retail customers to said United Fuel Gas Co., from the Wells on Ferguson Creek and Lower Chloe Creek hereinabove set forth.



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13. The agreement of September 12, 1951 and June 27, 1953 shall remain in full force and effect, except as modified herein.

14. This agreement shall take effect upon written notorized notification by Buyer to the Seller to the effect that the above mentioned release from United Fuel Gas Co., has been obtained, and that the preliminary mechanical and operational alterations in the system have been effected, said notice shall contain the date at which this agreement will become effective.

In testimony whereof witness the signatures of the parties hereto, the signature of the City of Pikeville being pursuant to a resolution duly passed by the City Council of the City of Pikeville, a copy of which is hereto attached and made a part hereof. Fully executed copies of the within shall have the same force of effect as the original of same.

This 11th day of February, 1974.

/s/ W. W. LINDSEY  
W. W. LINDSEY, PARTY OF THE FIRST PART,  
SELLER

CITY OF PIKEVILLE, A MUNICIPAL CORPORATION

BY: /s/ W. C. HAMBLEY, M.D.  
MAYOR

ATTEST:

/s/ CHARLES L. HUFFMAN, JR.  
CITY CLERK

STATE OF KENTUCKY

COUNTY OF PIKE

I, /s/ Patricia Ann Coleman, a Notary Public within and for the State and County aforesaid, do hereby certify that the foregoing Second Supplemental Agreement was this day produced to me in my said State and County by W. W. Lindsey, and that the same was duly subscribed and acknowledged to before me by him to be his solemn act and deed.

This 11th day of February, 1974.

My Commission expires April 5, 1976.

/s/ PATRICIA ANN COLEMAN  
NOTARY PUBLIC

STATE OF KENTUCKY

COUNTY OF PIKE

I, /s/ LAWRENCE R. WEBSTER, a Notary Public within and for the State and County aforesaid do hereby certify that on this date the foregoing Second Supplemental Agreement was produced to me in my said State and County and acknowledged to before me by William C. Hambley, M.D., Mayor of the City of Pikeville, a municipal corporation, a party thereto, to be the act and deed of said municipal corporation as affixed to said instrument was attested and proven before me by Charles L. Huffman, Jr., as its Clerk.

This 11th day of February, 1974.

My Commission expires 8-4-74.

/s/ LAWRENCE R. WEBSTER  
NOTARY PUBLIC



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Commissioner Robert Amos, Jr., asked Bill Elliott if they would agree to fix the leaks in the gas lines if they accept the contract. Bill Elliott stated that they would agree to fix the leaks in the gas lines.

Commissioner Kermit Sexton made the motion to adopt the above Resolution. Commissioner Willie J. Meade seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

The next item of discussion was to approve the contracts from Mays Construction Company. Mayor Hambley stated that the contracts were not complete without the pictures.

City Manager, Ayers Shortt presented a Punch List. Mayor Hambley stated that they would wait until they receive the pictures with the contract to check to see if all the corrections have been made.

Robert Amos, Jr., stated that he personally went around and got the people to sign the Easement Agreement and that the people looked to him for their satisfaction.

Commissioner Kermit Sexton made the suggestion to go and review the situation to see what was actually involved.

Mayor Hambley directed City Manager, Ayers Shortt and the Commissioners to go and review the situation that is involved, Tuesday, February 12, 1974.

The next item was to approve the bill from Pikeville Ice Company, to increase the rent from \$100.00 per month to \$150.00 per month.

Commissioner Robert Amos, Jr., made the motion to approve the bill. Commissioner Willie J. Meade seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

Model City Bills were presented in the amount of \$508.01.

Petty Cash	Replenishment of Fund	\$18.79
Pikeville Clean Towel	Jan. Service	7.35
Orking Exterminating	Jan. Service	8.00
City Utilities	Jan. Service	52.69
KY Power	Jan. Service	50.03
Ed Hellier	Rent to 3/15/74	300.00
United School Supply	Office Supplies	58.97
C and R Office Supply	Invoice #4285	12.18
	TOTAL	\$ 508.01

Commissioner Kermit Sexton made the motion to pay the above invoices. Commissioner Robert Amos, Jr., seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

The Motion Carried

Mayor Hambley read the following letter from the Department of Transportation.



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January 29, 1974

Mr. William Hambley, Mayor  
City of Pikeville  
Pikeville, Kentucky 41501

Dear Mayor Hambley:

Your City has been allocated approximately \$18,838.69 through the Municipal Aid Program for the 1974-75 fiscal year. As you know this program is funded by tax on gasoline and the exact amount your city will receive cannot be determined until all revenue is collected. The above allotment should be added to any portion of the 1973-74 fiscal year Municipal Aid allotment you did not use.

Please make a list of the projects you want in your Municipal Aid contract and mark them on the enclosed map. Send the list and map to:

Bureau of Highways  
P.O. Box 2468  
Pikeville, KY 41501

If you choose not to spend your allocation this fiscal year, please notify the Bureau of Highways at the above address.

In order to assure money for your project is available July 1, 1974, we should have the above information by March 1, 1974.

Very truly yours,

/s/ Don Mayo

DON MAYO  
ASST. PLANNING ENGR.

FOR: G.B. Mullins  
DISTRICT ENGINEER

DM/phs

Mayor Hambley stated that they would have to inform the Department of Highways how they wish to spend the allocation money this fiscal year, by March 1, 1974.

Thadeus Scott came before the Commission to ask for a raise from 45¢ for the City Park Well and from 55¢ for the Yost Well, to combine the two (2) for 50¢. Mayor Hambley stated that he would have to draw up a contract stating the same as W. W. Lindsey and Elliott Contract.

Mayor Hambley directed City Attorney, Larry Webster to write a letter to Pikeville High Schools Industrial Art Class, thanking them for the Name Plates they had received.

Commissioner Willie J. Meade made the motion to continue the meeting until Friday, February 15, 1974, at 7:30 P.M., Commissioner Kermit Sexton seconded the motion. Upon roll call the vote was as follows:

COMMISSIONERS:	Robert Amos, Jr.	Yes
	Kermit Sexton	Yes
	Thomas Howell	Yes
	Willie J. Meade	Yes
MAYOR:	W. C. Hambley	Yes

MEETING CONTINUED UNTIL FRIDAY, FEBRUARY 15, 1974.

APPROVED:

W. C. HAMBLEY, M.D., MAYOR

ATTEST:

CHARLES L. HUFFMAN, JR., CITY CLERK