

Morehead, Ky

Minutes of a Meeting of the Board of Regents  
of Morehead State College Held at the  
College on December 2, 1950

The meeting was called to order by Vice Chairman E.R. Price and opened with prayer by President Baird. Present were Mr. Price, Mr. M. K. Eblen and Mr. J. T. Norris. Absent: Supt. B. B. Hodgkin and Mr. W. W. Ball.

The minutes of the meetings of Sept. 6, 1950 and Oct. 23, 1950 were read and approved.

This being the time and place fixed in the published notice for consideration of proposals for \$75,000. Revenue Bonds Series 1950, the Board proceeded accordingly. The results of the bids were incorporated in a resolution which was introduced and caused to be read in full by member M. K. Eblen, under the title, "Resolution providing for the sale and award of \$75,000. Revenue Bonds, Series 1950 and approving and authorizing the agreement of such sale and award.

Member J. T. Norris moved that all rules be suspended and that said resolution be adopted; this was seconded by member M. K. Eblen. The chairman put the question on the motion and the roll being called the following voted Aye: E. R. Price, M. K. Eblen, J. T. Norris. Nay: None.

Whereupon the chairman declared the motion duly carried and said resolution was duly adopted.

The resolution, bid, etc. are hereto attached and made a part of these minutes.

After a full discussion and explanation by President Baird, it was moved by Mr. Norris, and seconded by Mr. Eblen that the Board rescind its action of Sept. 6 in regard to entering into a contract with the Young Gas Company for the purchase of natural gas for the College, no such contract having been presented or signed. On roll call, the vote was Mr. Price aye, Mr. Eblen aye, and Mr. Norris aye.

Mr. Eblen then introduced the following resolution:

Resolved, that it is desirable, for the purpose of securing an adequate, dependable and reasonably-priced supply of natural gas for the College, to enter into a contract with the City Council of the City of Morehead for the furnishing of this fuel.

The proposed contract being submitted and fully discussed, Mr. Eblen moved that the resolution be adopted and that the vice chairman and secretary of the Board of Regents be authorized to sign the contract, a copy of which is hereto attached and made a part of these minutes. Mr. Norris seconded the motion.

On roll call, the vote was Mr. Price aye, Mr. Eblen aye and Mr. Norris aye.

President Baird recommended adoption of a policy by which the

College will give an examination to any student called into military service who has completed one-half or more of the course and upon successful completion of the examination, the student be given full credit for the term. After a discussion, it was moved by Mr. Norris, seconded by Mr. Eblen and unanimously carried that this policy be approved by the Board of Regents.

Dr. Marjorie J. Palmquist was recommended by President Baird as dean of students and professor of education, at \$4200. a year, with services to begin on January 1, 1951. The recommendation was approved on motion of Mr. Eblen, seconded by Mr. Norris.

The question of the payment of the full salary of Dr. Baird during the period of his recent illness was brought up by him. He expressed the opinion that he should not be paid. After discussion, a resolution was introduced by Mr. Eblen that in recognition of Dr. Baird's long and excellent services, his full salary be paid for the period of his illness and that the sum of \$200. be paid to Dean Lappin for the extra services performed by him during this period.

Mr. Eblen moved the adoption of the resolution, Mr. Norris seconded the motion. On roll call the vote was Price aye, Eblen aye, and Norris aye.

On motion, the meeting was declared adjourned.

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Chairman

*J. T. Norris*  
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Secretary

A G R E E M E N T

THIS AGREEMENT Made and entered into at Morehead, Rowan County, Kentucky, on the 27<sup>th</sup> day of December 1950, by and between the City of Morehead, a municipal corporation of the fourth class, acting by and through its Mayor and City Clerk, party of the first part, and Morehead State College, an Educational Institution, created and existing by virtue of the laws of the Commonwealth of Kentucky, party of the second part.

WITNESSETH, That whereas, the second part owns and maintains a high pressure gas line, regulators, low pressure distribution system and low pressure meters independently of the system owned by first part, and will, in the future, provide any required distribution or reinforcing mains for its own needs, and

WHEREAS, the said second part receives no service in connection with the said system from the first part, other than it has purchased all of its gas from the first part, and

WHEREAS, none of the distribution system or the appurtenances thereto, are located on any city property, streets or public ways, and

WHEREAS, the Board of City Council of the City of Morehead, by Ordinance duly adopted, approved and published as required by law, and the Board of Regents of the Morehead State College by its Resolution duly passed and entered on its official minutes, each stating that it is desirable to enter into a contract, one with the other, concerning the supply of natural gas and declaring such action to be in the best interest of the public as well as each of the

contracting parties, it is

I.

THEREFORE, agreed that the first part will furnish the second part with such quantities of natural gas as it may require for heat and for power, in consideration of the terms, rates and conditions hereinafter set out. It is further agreed that the second part will purchase no gas from any other source during the term of this contract unless the first part is unable to perform the conditions hereof.

II.

It is understood that the first part has a contract with L. C. Young to supply it with natural gas at a rate of 30¢ per M.C.F. for the first 2,000,000 cubic feet and 25¢ per M.C.F. for all gas over said volume, delivered in any calendar month. It is agreed that in the event the first part is required to pay a higher price for purchased gas, that is the main source or firm contract source, the second part agrees that the rate hereinafter set out may be increased at the option of the first part, in proportion to the increase in cost to first part, based on the above figures of 25¢ and 30¢ per M.C.F.

III.

The point of delivery for all gas purchased under this contract shall be at a point on first part's high pressure line, near Wilson Avenue, in the City of Morehead, which location has been agreed upon. The second part agrees

to make the necessary construction or changes in its lines to move from the present point of delivery, namely, the metering station of L. C. Young, to the new point of delivery, and to keep and maintain all its lines, pipes, regulators and equipment in good condition, subject to inspection and/or testing by first part when requested at reasonable intervals. Second part agrees to construct and pay for cost of any new or additional lines or facilities in expanding or changing its distribution system or lines.

The first part agrees to deliver said gas to second part at said point, at a rate of 30¢ per M.C.F. The first part will install, maintain and operate at its own expense, at or near the point of delivery, a measuring station properly equipped with meter or meters, and other necessary measuring equipment by which the volume of gas delivered under this contract shall be measured. Either party may request the other to test meters or measuring equipment at intervals of not less than six months.

The second part may install, maintain and operate, at its own expense, such measuring equipment as desired for checking purposes.

#### IV.

The first and second part shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas under this contract. The records from such measuring equipment shall remain the property of

the owner of same, but upon request, each party will submit to the other its records and charts, together with the calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof. If the second part uses low pressure meters, located at various points, as a check measure it is agreed that any variation in the billing amounting to more than 10 per cent of the total volume billed for any thirty (30) day period shall be subject to adjustment, as hereinafter provided. Reading of the master meter and low pressure meter shall be made at the same time.

V.

In the event of a discrepancy in the billing as set out in paragraph 4 herein, it is agreed that an immediate investigation and recheck will be made. If such should require the testing of line or equipment of either part, the cost of the investigation shall be born equally by both parties, however, if and when any defect is located in any line or equipment the cost of repairing or replacing shall be paid by the party owning the defective line or equipment. In the event it is determined that first part has overcharged due to error or faulty equipment, it owns or maintains, the amount of such overcharge shall be deducted from the bill next succeeding the erroneous billing. If the fault is found to be in the equipment or lines maintained by the second part, it will pay the bill as rendered and bear the loss.

VI.

The first part shall render bills on or before the 5th day of each month for all the gas delivered during the preceding calendar month. All meter readings shall be made at 12:00 noon on the last day of each month.

VII.

The second part shall pay first part, at its Utility Plant Board Office, on or before the 20th day of each month, for the gas purchased during the preceding month and billed by first part in a statement for such month according to the measurements, computations and rates provided in this contract. If any monthly statement is not paid by the 20th of the following month the second part shall pay a penalty of 10% of said delinquent statement, and if any monthly statement shall remain unpaid for a period of ninety (90) days from its due date, the first part reserves the right to discontinue service to said second part.

VIII.

It is agreed that the term of this contract shall be for a period of five (5) years from and after the date first written herein.

IX.

It is agreed that neither the first or second part shall be liable in damages to the other for any act, omission or circumstances occasioned by or in any consequence of any acts of God, strikes, storms, floods, breakage or

accident to machinery, lines of pipe, temporary failure of gas supply, the binding order of any court or governmental authority, and any other cause, whether caused or occasioned by or happening on account of the omission of one of the parties to this contract or some person or concern not a party hereto, not within the control of the party and which by the exercise of due diligence such party is unable to prevent or overcome.

IN WITNESS WHEREOF, each party has caused its signature and seal to be affixed hereto, on the day and date hereinbefore set out.

City of Morehead, Ky.  
By: William H. Layne Mayor  
Mrs. J. C. Blair City Clerk  
FIRST PART

Morehead State College  
[Signature] Vice Chairman  
J. T. Norris Secy.  
SECOND PART Board of Regents



RESOLUTION providing for the sale and award of \$75,000 Revenue Bonds, Series 1950, and approving and authorizing the agreement of such sale and award.

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WHEREAS notice of sale of \$75,000 Revenue Bonds, Series 1950, of the Board of Regents of Morehead State College has heretofore been given in strict compliance with the orders of this Board, thus enabling everyone interested in said bonds to present a proposal in connection therewith; and

WHEREAS all bids have been received and duly considered, the substance of the best bid being as follows: Bonds maturing 1956 to 1960<sup>incl</sup> to bear interest at  $2\frac{3}{4}\%$  and bonds maturing 1961 to 1967<sup>incl</sup> to bear interest at 3%;

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Regents of Morehead State College, as follows:


Section 1. That upon being advised in the premises, it is hereby determined that the bid of Charles A. Henschel & Co Inc for the purchase of \$75,000 Revenue Bonds, Series 1950, as advertised and as prescribed by the resolution heretofore adopted on July 21, 1950, upon terms of \$5.00<sup>9</sup> plus a premium of 1.00 for bonds bearing interest at the coupon rate of  $2\frac{3}{4}\%$  for bonds maturing 1956 to 1960<sup>incl</sup> and 3% for bonds maturing 1961 to 1967<sup>incl</sup> is the highest and best bid received, and that said bonds be and are hereby awarded to said Charles A. Henschel & Co Inc as being the best terms for the interests of said Board. The coupon interest rate for the respective bonds aforesaid is hereby fixed.

Section 2. That the form of agreement of sale of said bonds to Charles A. Henschel & Co Inc be and the same is hereby approved, and the Chairman and Secretary are hereby authorized to execute said agreement for and on behalf of said Board of Regents, and to affix the corporate seal of said Board thereto.

Section 3. That the balance of said authorized issue of bonds shall be sold as may be hereafter determined and ordered by said Board.

Section 4. That all resolutions or parts thereof in so far as same may be in conflict herewith, be and the same are hereby repealed.

Passed and approved, Nov 2, 1950.

  
H. H. Price  
Chairman, Board of Regents

Attest:

  
Secretary

CHARLES A. HINSCH & COMPANY, INC.  
1001 Union Trust Building  
Cincinnati 2, Ohio

November 28, 1950

Board of Regents  
Morehead State College  
Morehead, Kentucky

Gentlemen:

For your \$75,000 Morehead State College Revenue Bonds, Series 1950, as described in the notice of sale which is attached hereto and made a part hereof, we will pay you the par value thereof, that is \$75,000.00 plus a premium of \$100, totaling \$75001<sup>00</sup>, plus accrued interest from the date of the bonds to date of delivery to us, for bonds bearing interest at the following rates: Bonds maturing 1956 to 1960 to bear interest at the rate of 7 3/4%; Bonds maturing 1961 to 1967 to bear interest at the rate of 3%. *Final*

As evidence of our good faith we enclose herewith our certified check for \$1,500 which is to be returned to us immediately if the terms hereunder are not satisfactory to you; but if this proposal is accepted the check is to be held by you uncashed pending performance in accordance with the terms of this proposal and to be applied in part payment for said bonds when delivered to and paid for by us; otherwise to be cashed and retained by you as full and final liquidated damages upon failure on our part to take up and pay for the bonds in accordance with the terms of this proposal.

It is mutually understood and agreed that your acceptance of this proposal by resolution shall constitute a contract for the purchase and sale of the bonds above described.

Respectfully submitted,

CHARLES A. HINSCH & COMPANY, INC.  
AND ASSOCIATES

By *Robert R. Meyer*  
Robert R. Meyer - Agent

The above proposal is hereby accepted in its entirety for and on behalf of the Morehead State College, Kentucky, by resolution passed this \_\_\_\_\_ day of \_\_\_\_\_, 1950, and the receipt of the above mentioned check for \$1,500.00 is acknowledged by the undersigned qualified officials.

*[Signature]*  
Chairman of the Board

*J. T. Norris*  
Secretary

*Vic*

**NOTICE OF ISSUANCE AND SALE OF BONDS  
MORRHEAD STATE COLLEGE  
MORRHEAD, KENTUCKY**

PUBLIC NOTICE is hereby given that on July 21, 1950, the Board of Regents of Morehead State College at Morehead, Kentucky, adopted a resolution providing for the issuance of Revenue Bonds, Series 1950, for the account of said College to the principal amount of \$200,000, to be dated July 1, 1950, bearing interest payable semi-annually at a rate or rates not exceeding 3 1/4% per annum and maturing serially on January 1 of each of the years 1956 to 1970, inclusive, and responsive thereto public notice is hereby further given that at 10:00 o'clock A.M., C.S.T., on November 28, 1950, said Board of Regents will meet in the Administration Building of said College in the City of Morehead, Kentucky, and will then and there receive and consider bids and proposals for the purchase of said bonds to the amount of \$75,000 maturing in installments in the respective years, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1956	\$6,000	1960	\$6,000	1964	\$7,000
1957	5,000	1961	6,000	1965	7,000
1958	5,000	1962	7,000	1966	8,000
1959	6,000	1963	7,000	1967	5,000

The bonds of said authorized issue from time to time outstanding will be redeemable prior to maturity in whole or in part in the inverse order of their maturity (less than all of a single maturity to be selected by lot) on any interest payment date on or after July 1, 1955, at 103 if called for redemption on or prior to July 1, 1960, 102 thereafter to and including July 1, 1965, and 101 thereafter. Said bonds will be payable from and secured as to both principal and interest by the income and revenues to be derived from the operation of the utilities services consisting of a steam heating and electric plant and waterworks system appurtenant to the buildings used for educational purposes on the campus of said College, subject, however, to the vested rights and priority of payment in favor of \$50,000 principal amount of 4% Revenue Bonds of 1935, as may be from time to time outstanding.

Said bonds will be registrable as to principal only, and both principal and interest will be payable at The Kentucky Trust Company in the city of Louisville, Kentucky. Bidders may specify and bid for the bonds with a coupon rate or rates less than the maximum aforesaid, but same must be a multiple of 1/4 of 1%, with all bonds of the same maturity bearing the same interest rate, and no bid for less than par and accrued interest will be favorably considered. The Board of Regents will furnish the prepared bonds and the approving opinion of Messrs. Chapman and Cutler of Chicago, Illinois, and all bids may be so conditioned. A certified check on a state or national bank for \$1,500 as guarantee of good faith must be furnished by each bidder, this amount to be forfeited by the successful bidder for failure to take up and pay for the bonds when ready. In the event that prior to the delivery of said bonds the income therefrom to an individual becomes taxable under any federal income tax law the successful bidder, will, upon request, be relieved of the obligation to accept delivery and make payment for the bonds, in which event the good faith deposit will be returned. The right is reserved to reject any or all bids.

J. T. MORRIS - Secretary