

JESSAMINE COUNTY WATER DISTRICT NO.1

**2225 Lexington Road
Nicholasville, Kentucky 40356
Phone (859)885-9314**

January 9, 2012

RECEIVED

JAN 11 2012

**PUBLIC SERVICE
COMMISSION**

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Re: Deviation to allow Disconnection of
water for Non-payment of Sewer bill

Dear Mr. Derouen:

Jessamine County Water District No.1 respectfully requests Public Service Commission approval of a deviation from 807 KAR 5:006 Section 14(1) to allow the water district to disconnect water service for non-payment of a sewer bill.

The water district and Jessamine-South Elkhorn Water District have entered into a inter-local agreement for disconnection for sewer utilities within the service territory of Jessamine County Water district No.1. Copies of this agreement and a proposed tariff page are included with this request.

This request is similar to Case No. 2009-00002 (Peaks Mill Water District) and Case No. 2010-00225 (Graves County Water Distirct).

The parties request your approval at your earliest convenient date.

Please address any questions to me at the above address or to Howard Downing, 109 South First Street, Nicholasville, KY 40356 (Phone: 859-885-4619).

Thanks for your efforts in this matter.

Yours truly,



Carl Waits, Chairman
Jessamine County Water District No. 1

A portion of Jessamine County, KY
FOR _____

PSC KY NO. _____

_____ SHEET NO. _____

Jessamine County Water District No. 1
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

**DISCONTINUATION OF WATER SERVICE IN TERRITORY OF JESSAMINE COUNTY
WATER DISTRICT NO. 1 FOR NON-PAYMENT OF SANITARY SEWER SERVICE
CHARGES OF JESSAMINE - SOUTH ELKHORN WATER DISTRICT**

The District may terminate water service to any customer for non-payment of sanitary sewer services due and owing Jessamine - South Elkhorn Water District and/or its successor. Water service may be disconnected by the District only after all proper notices have been given to the customer as required by the District's then current Tariff; Public Service Commission Rules; Regulations; Kentucky Revised Statutes and/or Kentucky Administrative Regulations. The District may charge the customer the District's then current and approved disconnect and/or reconnection charges set in the District's Tariff in the event water service is terminated. This termination provision shall constitute a supplement to the existing approve Tariff of the District.

An Interlocal Cooperation Agreement exists between Jessamine Water District No.1 (same as Jessamine County Water District No. 1) and Jessamine-South Elkhorn Water District with provision for discontinuance of water service for failure to pay sewer service charges to Jessamine-South Elkhorn Water District. The Interlocal Cooperation Agreement is on file with the Kentucky Public Service Commission and recorded in Deed Book 621, page 122 in office of the Jessamine County Clerk.

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012- _____ DATED _____

**INTERLOCAL COOPERATION AGREEMENT
JESSAMINE COUNTY WATER DISTRICT NO. 1, AND
JESSAMINE - SOUTH ELKHORN WATER DISTRICT**

THIS INTERLOCAL COOPERATION AGREEMENT (hereinafter "Agreement") by and between the JESSAMINE SOUTH ELKHORN WATER DISTRICT, a political subdivision of the State of Kentucky (hereinafter "JSEWD"), party of the first part and JESSAMINE WATER DISTRICT NO. 1, a political subdivision of the State of Kentucky (hereinafter "JCWD-1"), party of the second part;

WITNESSETH

WHEREAS, the parties are political subdivisions of the State of Kentucky, having been created by the Jessamine County Fiscal Court pursuant to KRS 74.010; and

WHEREAS, KRS 65.240 authorizes joint exercise between public agencies of any powers, privileges or authority exercised or capable of exercise by a public agency; and

WHEREAS, KRS 65.240(2) authorizes any two (2) or more public agencies to enter into agreements with one another for joint or cooperative action pursuant to the provisions of KRS 65.210 to KRS 65.300 (Kentucky "Interlocal Cooperation Action"); and

WHEREAS, JSEWD operates a sewage disposal system pursuant to KRS 74.407; and

WHEREAS, JCWD - 1 operates a water system in Jessamine County Kentucky pursuant to KRS 74.070; and

WHEREAS, JSEWD desires JCWD - 1 to discontinue water service to any of its customers who are delinquent users of sewage disposal service provided by JSEWD; and

WHEREAS, no statutory authority exists for discontinuance of water service by a water district (created under KRS chapter 74) as to delinquent customers of sewage disposal service provided by a separate water district, created under KRS chapter 74; and

WHEREAS, statutory authority exists for discontinuance of water service to delinquent customers of sewage disposal service provided by cities (KRS 96.932 et seq.), metropolitan sewer districts (KRS 76.090), sewer construction districts (KRS 76.368), wastewater collection projects (KRS

76.460) and sanitation districts (KRS 220.510); and

WHEREAS, the attorney general states that a sewer district created pursuant to KRS 67.715(2) has powers similar to sanitation districts under KRS 220, if the orders of the County Judge Executive and fiscal court are carefully worded (See Kentucky OAG 83-391); and

WHEREAS, the interest of the public health, safety and general welfare of citizens has been recognized in the above statutes for the enforcement of collection of lawful rates and charges for the use of sewer facilities by requiring that water service be discontinued until payment is made or some satisfactory arrangement is reached; and

WHEREAS, the parties hereto desire to cooperate and implement a contract to benefit the health, safety and general welfare of citizens;

NOW THEREFORE, the parties mutually agree and bind themselves as follows:

1. Second party agrees to discontinue water service to premises connected to any sewer disposal facilities provided by first party in the event of failure on the part of any sewer user to pay when due the bill for sewer service charges. First party shall give written notice identifying the delinquent sewer user in such manner as reasonable to enable second party to identify the water service connection which is to be cut off pursuant thereto. The written notice shall be signed by an authorized person delegated such responsibility by official action of first party and filed with second party. The notice shall request discontinuance of water service until notified otherwise by first party.
2. Second party shall charge a reasonable fee or charge for disconnecting and reconnecting water service connections as shown by attached schedule, which said fee or charge must be paid before reconnection. Second party will require that an authorized agent of the first party accompany the agent or employee to second party when disconnection is undertaken pursuant to any order to discontinue service by the first party. Second party shall not discontinue water services until the presence of an authorized agent of first party is procured. First party shall be solely liable in all respects for any discontinuance ordered under this contract and shall hold second party harmless and indemnify second party for any loss of any kind (including cost and attorney fees) which result from any discontinuance of service.
3. If second party is directed to discontinue service, after sending an agent to perform such duty, it shall be entitled to receive the proper fee as if the discontinuance had been made.

4. Second party agrees to permit first party and its agents to read water meters of consumers who receive sewer service from first party for the sole purpose of providing information to calculate its sewer bills. Any such information received by first party shall be confidential and the use by first party of such information shall be solely for purpose of billing sewer customers only and may not be released to or used by any one for any purpose except to calculate and bill for sewer service. Any such water usage information permitted by second party is not guaranteed or warranted as to accuracy or in any manner and the use of such information shall be at the sole risk and responsibility of first party.

5. All written notices from first party to second party shall be by personal delivery to the designated agent of second party who is Linda Blakeman, or her duly authorized employees at 2225 Lexington Road, Nicholasville, Kentucky 40356 (during regular business hours) or any such successor designated by second party or at such other address of the office of second party. Second party shall give first party a dated written receipt for the written notice for discontinuance.

6. The duration of this agreement shall be perpetual but either party may terminate this agreement by delivery of written notice 90 days prior to termination. [KRS 65.250(1)(a)].

7. No financing is required except the fees and charges as set forth herein. [KRS 65.250(1)(d)].

8. No separate legal or administrative entity will be created under this interlocal cooperation agreement. [KRS 65.250(1)(6)].

9. This agreement may be terminated by either party with 90 days notice in writing. [KRS 65.250(1)(e)].

10. The joint board responsible for administering the agreement shall be the members of the board of Commissioners of both parties. [KRS 65.250(2)(b)].

11. No real or personal property will be acquired, held or disposed of as a result of this agreement. [KRS 65.250(2)(b)].

12. Both parties shall be subject at all times to the authority and direction of the Kentucky Public Service Commission and all provisions of this contract shall be subject to the rules, orders and regulations by such body.

This Interlocal Cooperation Agreement has been authorized by official action of the (1) Jessamine County Water District No. 1 on April 2, 2009 and (2) Jessamine South Elkhorn Water District on _____, 2009.

Dated: April 2, 2009.

JESSAMINE COUNTY WATER
DISTRICT NO. 1

By: Carl Waits
CARL WAITS, CHAIRMAN
Jessamine County Water District No. 1

JESSAMINE - SOUTH ELKHORN
WATER DISTRICT

By: L. Nicholas Strong
L. NICHOLAS STRONG, CHAIRMAN
Jessamine - South Elkhorn Water District

STATE OF KENTUCKY
COUNTY OF JESSAMINE

The above Interlocal Cooperative Agreement was acknowledged before me by Carl Waits as Chairman of Jessamine County Water District No. 1 on behalf of said water district this 2nd day of April, 2009.

Howard Downing
NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: April 1, 2013.

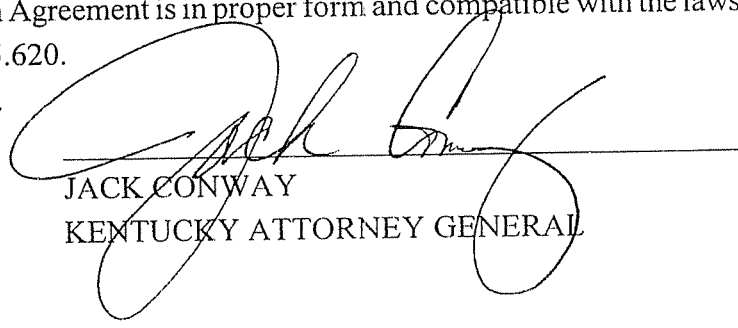
STATE OF KENTUCKY
COUNTY OF JESSAMINE

The Interlocal Cooperation Agreement was acknowledged before me by L. Nicholas Strong as Chairman of Jessamine - South Elkhorn Water District on behalf of said water district this 6 day of May, 2009.

Michael Smith
NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: 12-21, 2010.

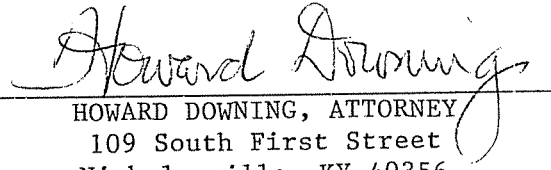
The above Interlocal Cooperation Agreement is in proper form and compatible with the laws of Kentucky in accordance with KRS 65.620.

Dated: March 9, 2009.



JACK CONWAY
KENTUCKY ATTORNEY GENERAL

THIS INSTRUMENT PREPARED BY:



HOWARD DOWNING, ATTORNEY
109 South First Street
Nicholasville, KY 40356
(859)885-4619 fax (859)885-1127

**WRITTEN NOTICE FOR
DISCONTINUANCE OF WATER SERVICE
TO DELINQUENT SEWER USER**

The undersigned, as an authorized person on behalf of Jessamine - South Elkhorn Water District,

**DOES HEREBY REQUEST DISCONTINUANCE OF WATER SERVICE BY
JESSAMINE COUNTY WATER DISTRICT NO.1 UNTIL NOTIFIED OTHERWISE BY
JESSAMINE - SOUTH ELKHORN WATER DISTRICT OF THE FOLLOWING WATER
SERVICE:**

Name of Water Customer who is delinquent sewer user	Address of Water Meter	Water Meter Number
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Date: _____, 20____.

JESSAMINE - SOUTH ELKHORN WATER DISTRICT

BY: _____
Authorized Agent Designated
By Jessamine - South Elkhorn Water District
and filed with Jessamine County Water District No. 1

RECEIPT

The above "Written Notice for Discontinuance of Water Service to Delinquent Sewer User"
was received by Jessamine County Water District No.1 on _____, 20____.

JESSAMINE COUNTY WATER DISTRICT NO. 1

BY: _____

SCHEDULE OF FEES
FOR DISCONTINUANCE OF
WATER SERVICE TO
DELINQUENT SEWER USER

_____	\$ _____
_____	\$ _____
_____	\$ _____

NOTICE OF AGENTS
OF
JESSAMINE - SOUTH ELKHORN WATER DISTRICT

This is to Notify Jessamine County Water District No. 1 (Jessamine No.1) that the following persons have been duly authorized by Jessamine - South Elkhorn Water District (S. Elkhorn) as its agents to (1) read water meters of customers of Jessamine No. 1 solely for billing sewer customers of S. Elkhorn or to accompany the agents or employees of Jessamine No. 1 when disconnection of water is undertaken for a delinquent sewer user as set forth in the "Interlocal Agreement" between S. Elkhorn and Jessamine No.1:

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE</u>
<u>Tom Smith</u>	<u>1135 Watts Mill Road</u>	<u>229-6656</u>
<u>Ray Rice</u>	<u>107 Carolyn Lane</u>	<u>227-9405</u>
<u> </u>	<u> </u>	<u> </u>

Dated: May 6, 2009

JESSAMINE - SOUTH ELKHORN WATER DISTRICT

BY: X 