

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

October 7, 2014

PARTIES OF RECORD

Re: Case No. 2014-00163
Bullitt Utilities, Inc.

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Ann Ramser, Staff Attorney, at (502) 782-2585.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".


Jeff Derouen
Executive Director

AR/ch
Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00163

FROM: Ann Ramser, Staff Attorney 

DATE: October 7, 2014

RE: Informal Conference of October 1, 2014

Pursuant to Commission Staff's October 2, 2014 Notice, an informal conference was held in this matter on October 1, 2014. Attached is a copy of the attendance roster.

The purpose of the meeting was to discuss the current status of negotiations between Bullitt County Sanitation District ("BCSD") and Bullitt Utilities, Inc. ("Bullitt Utilities") for the short-term and long-term provision of wastewater treatment to serve the customers of Bullitt Utilities. Bullitt Utilities' approximately 700 customers reside in the cities of Hillview and Hunters Hollow.

Robert Moore provided an update of the situation. Bullitt Utilities has expended \$400,000 as a result of the tank failure. Veolia, one of the providers of the temporary wastewater treatment plants, sent a letter to Bullitt Utilities on September 30, 2014. The letter indicated a possible lawsuit for non-payment and an indication that Veolia would be removing the temporary wastewater treatment plant, but did not indicate when the removal would occur. Veolia requests that an agreement for a solution regarding the provision of waste-water treatment without the use of the temporary facilities be signed within one week.

Mr. Moore confirmed that Bullitt Utilities will not be building a new wastewater treatment plant. Bullitt Utilities could not continue to pay for the temporary wastewater treatment plants during the time that it would take to construct a new plant. Bullitt Utilities does intend to seek from the PSC authorization for a surcharge to recover the emergency funds expended as a result of the tank failure.

Bullitt Utilities has filed an application with the PSC to build a wastewater treatment plant and for a surcharge. Bullitt Utilities is waiting to resolve the short term issues before curing deficiencies in the application and amending the application to eliminate the request for authorization to build a new plant.

In response to Ms. Hans' questions, Mr. Moore indicated that Bullitt Utilities' insurance providers are on notice. At least one insurance provider has denied coverage.

William Mooney is handling potential litigation on behalf of Bullitt Utilities including litigation with Veolia. Bullitt Utilities is considering bankruptcy and possible actions against BCSD based on BCSD's failure to follow through with representations.

Jerry Kennedy indicated that verbal offers from Bullitt Utilities were not the same as what Bullitt Utilities put in writing.

Bruce Scott mentioned the current enforcement actions against Bullitt Utilities and BCSD. Mr. Moore wants a release from the Division of Water for any penalties as part of any agreement with BCSD.

Brian Bingham indicated that the Louisville and Jefferson County Metropolitan Sewer District ("MSD") continues to be willing to provide help with a long term solution. An interlocal agreement between MSD and a governmental agency would be required. MSD is in favor of regionalization and will be a partner if invited to the table, but MSD will not seek to be a partner. Mr. Bingham confirmed that MSD has not looked at any short term solutions regarding Bullitt Utilities.

Mr. Kennedy acknowledged that BCSD cannot treat Bullitt Utilities' flow when it rains. BCSD is willing to work for a multi-party solution but does not want to be responsible for Bullitt Utilities' problems.

Mr. Scott suggested that BCSD and Bullitt Utilities entertain a long term agreement to be in a certain place by a certain date without specifying what the long term agreement would contain.

BCSD and Bullitt Utilities agreed to remain after the conclusion of the informal conference to discuss an agreement that could be reduced to writing.

The informal conference then ended.

Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF EXISTING AND FUTURE) CASE NO.
SERVICE OF BULLITT UTILITIES, INC.) 2014-163

Please sign in:

NAME

REPRESENTING

Mayor Jim Kadens

City of Hillview

Mayor Lynda Parker

City of Hunters Hollow

Jim Bohannon

City of Hillview Public Works

JENNIFER BLACK HAWK

OAG

ROBERT MOOTE

BULLITT UTILITIES

William Mooney

Bullitt Util. Files

BRUCE JENKINS

KY DEP

SCOTT PORTER

Louisville MSD

Brian Bingham

" "

STUBB EMLEY

" "

VMU STOCKUM

ATTORNEY

DANIEL CLEVELAND

EEL OGC

MICHAEL KRUEGER

EEL DEP DEF

MARK CLELAND

" " "

DIANE FLEMING

EEL OGC

Keith Griffee

Lynn Spencer

Dave Derick

Scott Smith

JERRY KENNEDY

President

Muller

Jeff Brown

CHRIS COGAR By Ron

Stephanie Bell

Andrew Melnykovich

David Spooner

Caron Greenwell

RICHARD RAFF

Ann Ramser

Mark Tolson

Bullitt Co CFO

BCSD Commissioner

Derick Engineering - BCSD

Bullitt Co Atty. Office

BCD

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BCP

PSC

BULLITT UTILITIES

PSC

REC

PSC

PSC

PSC - LEGAL

PSC - Legal

City of Hillview Hunter Nelson