

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF SANITATION DISTRICT)
NO. 1 OF CAMPBELL AND KENTON COUNTIES)
FOR AUTHORITY TO CONSTRUCT \$23,200,000)
OF FACILITIES; TO ISSUE REVENUE BONDS) CASE NO. 9310
IN THE APPROXIMATE AMOUNT OF \$15,475,000;)
AND TO DEFEASE ALL NOW OUTSTANDING)
REVENUE BONDS AMOUNTING TO \$20,620,000)

INTERIM ORDER

The Sanitation District No. 1 of Campbell and Kenton Counties ("Sanitation District") filed an application on March 27, 1985, for authorization to construct \$23,200,000 of facilities over 5 years and approval of the financing for this project. An informal conference on this matter was held April 16, 1985, at the Commission offices in Frankfort, Kentucky. On April 19, 1985, the Sanitation District filed a motion to exclude the 1987-1990 construction from certification, to allow a certificate request in a subsequent proceeding for certain items and thus, only requested a certificate in this proceeding for project D-1, an office building. Drawings and specifications for the proposed office building as prepared by William C. Hub, P.S.C. of Covington, Kentucky, ("Architect") have been filed with the Commission.

A hearing was held in the offices of the Public Service Commission, Frankfort, Kentucky, on June 7, 1985. There were no

intervenors and no protests were entered. At the onset of the hearing, counsel for the Sanitation District stated that the request was being further revised to simply seek general approval of the \$23 million capital improvements program without requesting a certificate. In the alternative, counsel stated that the Sanitation District's position was the same as that set forth in the April 19, 1985, motion. Should the Commission not view that alternative favorably, counsel stated that the Sanitation District was relying upon its original application and sought whatever relief to which the Commission found it was entitled. The Sanitation District still sought in addition to any certificate required for construction, authority to issue \$16 million in additional debt and to defease its outstanding bond issues. This Interim Order will only address the construction of the proposed office building, since bids will expire July 9, 1985. A subsequent Order will address all other issues, including requests for authority to issue new and defease its old bonds.

The Public Service Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. The Sanitation District is required to obtain a certificate of public convenience and necessity to construct the new \$954,754 office building.
2. Public convenience and necessity require the construction of the new office building and that a certificate of public convenience and necessity be granted.

3. The construction consists of a 14,000 square foot office building on Eaton Drive, Ft. Wright, Kentucky. The low bid received for the proposed work totaled \$843,354 which will require about \$954,754 after allowances are made for fees, contingencies and other indirect costs.

4. Any deviations from the approved construction should be subject to prior approval of the Commission.

5. Sanitation District should furnish duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (architectural, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

6. Sanitation District's contract with its Architect should require the provision of construction inspection under the general supervision of a registered architect with a Kentucky registration. This supervision and inspection should insure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Sanitation District should require the Architect to furnish a copy of the record drawings and a signed statement that the construction has been satisfactorily completed in accordance with the contract drawings and specifications within 60 days of the date of substantial completion of this construction.

8. Nothing contained in this Order shall be construed to make any determination with respect to any other issue aside from

the request to construct the new office building and in particular, no determination is made herein regarding the financing proposals.

IT IS THEREFORE ORDERED that Sanitation District be and it hereby is granted a certificate of public convenience and necessity to proceed with the office building project set forth in the drawings and specifications of record herein.

IT IS FURTHER ORDERED that any deviations from the approved construction shall be subject to the prior approval of this Commission.

IT IS FURTHER ORDERED that Sanitation District shall file with the Commission duly verified documentation which shows the total costs of construction herein certificated including all capitalized costs (architectural, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

IT IS FURTHER ORDERED that the contract between Sanitation District and its Architect shall require the provision of construction inspection under the general supervision of a registered architect with a Kentucky registration. This supervision and inspection shall insure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

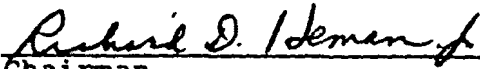
IT IS FURTHER ORDERED that Sanitation District shall require the Architect to furnish to the Commission a copy of the record drawings and a signed statement that the construction has been

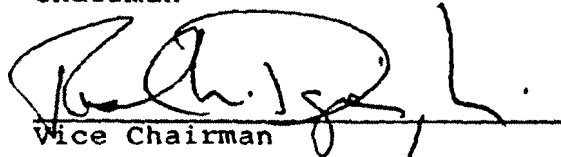
satisfactorily completed and done in accordance with the contract drawings and specifications within 60 days of the date of substantial completion of the proposed construction.


IT IS FURTHER ORDERED that nothing contained in this Order shall be construed to make any determination with respect to any other issue aside from the request to construct the new office building and, in particular, no determination is made herein regarding the financing proposals.

Done at Frankfort, Kentucky, this 5th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary