

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF APPALACHIAN WASTE)	
CONTROL, INC.; KEITH FAIRCHILD)	
)	
_____)	CASE NO.
)	90-392
INVESTIGATION OF ALLEGED VIOLATION)	
OF KRS CHAPTER 278)	

O R D E R

Appalachian Waste Control, Inc. ("Appalachian") was incorporated in Kentucky in 1988 by Keith Fairchild and David Bowling, who became directors of the corporation. In Case No. 89-064,¹ the Commission approved the transfer to Appalachian of a sewage treatment plant serving Paradise Valley Subdivision in Johnson County, Kentucky. According to Commission records, Appalachian continues to own and operate the Paradise Valley treatment plant, although corporate records on file with the Kentucky Secretary of State indicate that the corporation was administratively dissolved effective November 10, 1989 for failure to file its annual report with the Secretary of State. According to information filed in Case No. 89-064, Keith Fairchild is the person primarily responsible for the daily operations of the sewage treatment plant.

¹ Case No. 89-064, The Application for Transfer of Paradise Valley Sewage Treatment Plant, Inc. to Appalachian Waste Control, Inc.

KRS 278.080 authorizes the Commission to prescribe rules for the performance of any service furnished or supplied by a utility. 807 KAR 5:071, Section 7, requires sewage treatment facilities to be constructed, installed, maintained, and operated in accordance with accepted good engineering practice.

On July 30, 1990, Commission Staff conducted an inspection of Appalachian's sewage treatment facilities for compliance with the above regulation. Staff subsequently submitted to the Commission a Utility Inspection Report, attached hereto as Exhibit A and incorporated herein by reference, which reported over 11 instances of plant maintenance and operations which were not in conformity with accepted good engineering practices. The Commission provided a copy of the Utility Inspection Report to Appalachian and Keith Fairchild by letter dated August 7, 1990. That letter instructed Mr. Fairchild to respond to the report no later than September 10, 1990, the response to include a schedule for correction of the deficiencies and the related cost of each improvement. Appalachian was also reminded that several of the deficiencies listed were repeat violations noted in the inspection report of 1989, and that failure to correct violations could be considered cause for the initiation of enforcement proceedings. Appalachian responded to the report by letter received at the Commission on September 14, 1990. The letter described the actions taken or planned to be taken by Appalachian to correct the deficiencies noted in the report.

A reinspection of Appalachian's facilities was conducted by Commission Staff on December 12, 1990 to determine if the deficiencies had been corrected. That reinspection report, attached hereto as Exhibit B and incorporated herein by reference, reveals that, although some deficiencies have been corrected, others continue to exist.

The Commission finds from Exhibits A and B that a prima facie showing has been made that Appalachian has violated 807 KAR 5:071, Section 7, by failing to maintain and operate the Paradise Valley sewage treatment facility in accordance with accepted good engineering practices. The Commission further finds that a prima facie showing has been made that Keith Fairchild, who is an owner, officer, agent, and employee of Appalachian and the person primarily responsible for the day-to-day operations of the facility, has violated 807 KAR 5:071, Section 7, by failing to maintain and operate the Paradise Valley plant in accordance with accepted good engineering practices.

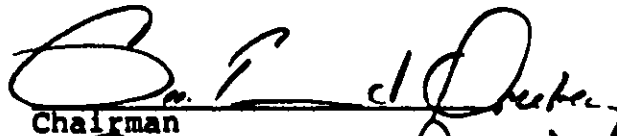
IT IS THEREFORE ORDERED that Keith Fairchild, individually and on behalf of Appalachian, shall, by written response to the allegations contained herein, show cause why Appalachian and Keith Fairchild should not be penalized pursuant to KRS 278.990(1) for failing to comply with 807 KAR 5:071, Section 7. Said written response shall be filed with the Commission no later than January 25, 1991.


IT IS FURTHER ORDERED that an informal conference be and it hereby is scheduled for January 31, 1991 at 1:30 p.m., Eastern

Standard Time, in Conference Room 1 of the Commission's offices at
730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 2nd day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 7, 1990

Mr. Keith Fairchild
Appalachian Waste Control
Paradise Valley Wastewater
Treatment Plant
HC 77, Box 1110
Hager Hill, KY 41222

Dear Mr. Fairchild:

On July 30, 1990, Appalachian Waste Control sewage facilities serving the Paradise Valley Subdivision were inspected for compliance with KRS 278 and Commission regulations. A report on this inspection has been prepared, and a copy is enclosed for your review. The recommended improvements included in this report are necessary to bring your facilities into compliance with Commission regulations.

Please respond to this Report by September 10, 1990, outlining a correction schedule and the related cost of each improvement. If you require any clarification on the recommended improvements, please contact Larry N. Updike at (502) 564-7590 on this matter.

Sincerely,

A handwritten signature in black ink that reads "Eddie B. Smith".

Eddie B. Smith, Manager
Water & Sewer Branch
Division of Utility Engineering
& Services

EBS:LNU:aem
Enclosure

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Appalachian Waste Control
Paradise Valley Subdivision
Johnson County, Kentucky

Utility operations, utility maintenance, utility management and their impact on utility services and operating costs are a primary concern of the Commission and this Division. Our ongoing inspection program is to determine if the utility is in compliance with Kentucky Revised Statutes (KRS Chapter 278), Public Service Commission (PSC) Regulations (807 KAR) and that adequate, efficient and reasonable service is being provided.

Daily maintenance, daily operations and good operating records are essential in the operation of an efficient utility. Our inspections are intended to determine if the utility is in compliance with PSC regulations in these areas.

On July 30, 1990, Appalachian Waste Control sewage treatment system serving the Paradise Valley Subdivision was inspected for compliance with KRS Chapter 278 and PSC regulations (807 KAR). This utility consists of a wastewater treatment plant and a collection system. This system is located in Johnson County and has approximately 16 customers. No representative of the utility was present during the inspection.

The improvements or corrections necessary to bring this facility into compliance with KRS Chapter 278 and PSC regulations (807 KAR) are as follows:

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)
2. The aeration basin is septic. (807 KAR 5:071, Section 7, 1)
3. The chlorine contact basin needs to be cleaned of sludge. (807 KAR 5:071, Section 7, 1)
4. The clarifier is septic. The clarifier needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
5. The sludge deposits in the stream need to be removed. (807 KAR 5:071, Section 7, 1)
6. The blower/motor unit controls need to be inspected and repaired if necessary. (807 KAR 5:071, Section 7, 1)
7. The one existing blower/motor unit needs to be repaired and put in service. (807 KAR 5:071, Section 7, 1)
8. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)
9. The HTH chlorine tablets are not being properly installed in the chlorination unit. They are not releasing properly in the tube to chlorinate the effluent. (807 KAR 5:071, Section 7, 1)
10. All electrical wiring needs to be protected. (807 KAR 5:071, Section 7, 1)
11. The plant is currently being operated without a comminutor. As long as the plant can be operated satisfactorily and produce an acceptable effluent the Commission may not require the use of a comminutor. However, the utility must monitor plant operations and immediately install a functioning comminutor should conditions warrant. (807 KAR 5:071, Section 7, 1)

Items 1-6 listed above are repeat violations. These violations were noted in the inspection report of June 14, 1989. The Commission staff feels that an appropriate amount of time has been allowed to correct this deficiency. We are concerned about the utility's failure to make all corrections necessary to bring the facility into compliance with KRS 278 and PSC regulations (807 Chapter KAR). The failure to correct any violations may be considered cause for enforcement proceedings to be initiated. If such action becomes necessary, penalties may be imposed against the utility pursuant to KRS 278.990.

Recommendations

The repair or correction of the deficiencies listed above is necessary in order to restore this facility to an acceptable operating condition. The pertinent section of the Kentucky Administrative Regulations has been listed by each deficiency for your convenience. A written response should be prepared and forwarded to the Commission by September 10, 1990, outlining a correction schedule stating what has been completed or what will be done to correct each deficiency and the related cost of each correction. A starting date and a completion date should be given for corrections that are to be completed after the date this response is mailed.

Submitted,
August 7, 1990


Larry N. Updike

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Commonwealth of Kentucky
Public Service Commission

UTILITY REINSPECTION REPORT

Appalachian Waste Control Sewage System

On December 12, 1990, a reinspection of Appalachian Waste Control Sewage System serving the Paradise Valley Subdivision was conducted. The purpose of the inspection was to see what progress, if any, had been made to date on the improvements or corrections needed to bring this facility into compliance with Public Service Commission regulation 807 KAR 5:071, Section 6(1) and KRS 278. During the inspection it was found that the improvements or corrections necessary to bring this facility into compliance as stated in the August 7, 1990 inspection report and its current status are as follows:

1. The diffusers need to be inspected and repaired or replaced as necessary.

Current Status: Diffusers have been repaired and replaced where needed.

2. The aeration basin is septic.

Current Status: Septic condition has been alleviated.

3. The chlorine contact basin needs to be cleaned of sludge.

Current Status: The chlorine contact basin still needs to be cleaned of sludge deposits (see attachment A).

4. The clarifier is septic. The clarifier needs to be cleaned out.

Current Status: The septic condition of the clarifier has been alleviated.

5. The sludge deposits in the stream need to be removed.

Current Status: Sludge deposits in the stream have been alleviated.

6. The blower/motor unit controls need to be inspected and repaired if necessary.

Current Status: Blower/motor unit controls still need to be repaired (see attachment A).

7. The one existing blower/motor unit needs to be repaired and placed in service.

Current Status: The blower/motor is in service (see attachment A).

8. A backup blower and motor unit or immediate access to one is needed in case of an emergency.

Current Status: Utility has access to a spare blower/motor unit.

9. The HTH chlorine tablets are not being properly installed in the chlorination unit. They are not releasing properly in the tube to chlorinate the effluent.

Current Status: These tablets are now being installed properly (see attachment B).

10. All electrical wiring needs to be protected.

Current Status: Still needs to be protected.

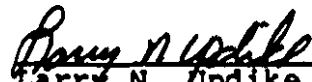
11. The plant is currently being operated without a comminutor. As long as the plant can be operated satisfactorily and produce an acceptable effluent the Commission may not require the use of a comminutor. However, the utility must monitor plant operations and immediately install a functioning comminutor should conditions warrant.

Current Status: No change.

Report - Appalachian Waste Control
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In addition this inspection also found the bar screen was caked with sludge deposits (see attachment A). The existing conditions for Items 3, 6, and 10 still violate the Public Service Commission's regulation 807 KAR 5:071, Section 7(1).

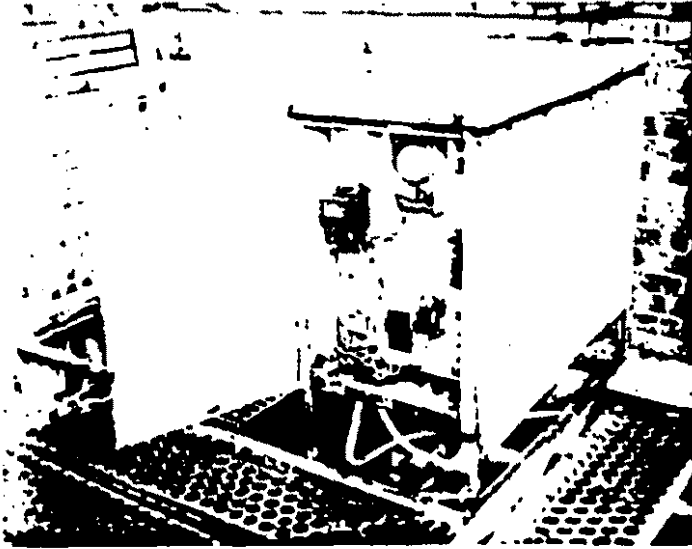
Submitted,
December 17, 1990



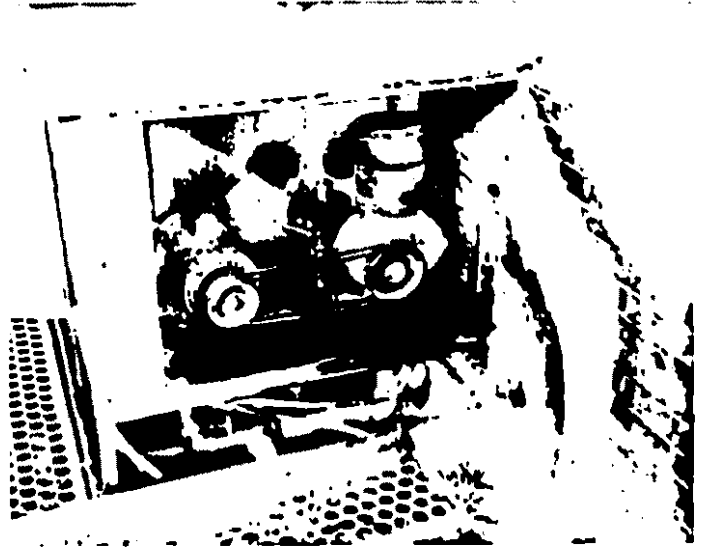
Larry N. Updike
Utility Investigator

LNU:aem

AMENDMENT "A"



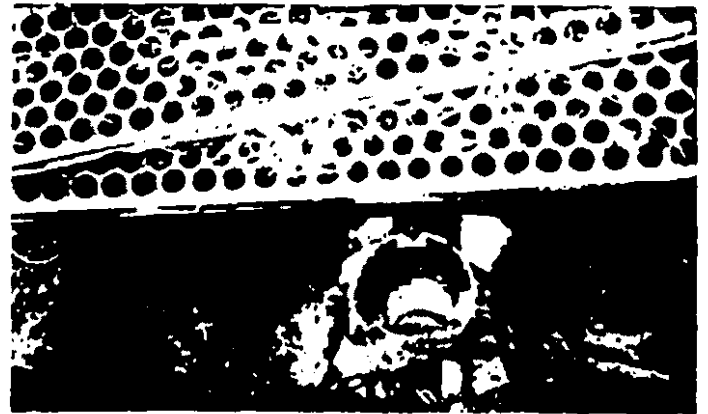
12-12-90
Paradise Valley Subdivision
Appalachian Waste Control
Blower/Motor Unit Controls



12-12-90
Appalachian Waste Control
Paradise Valley Subdivision
Blower/Motor Unit

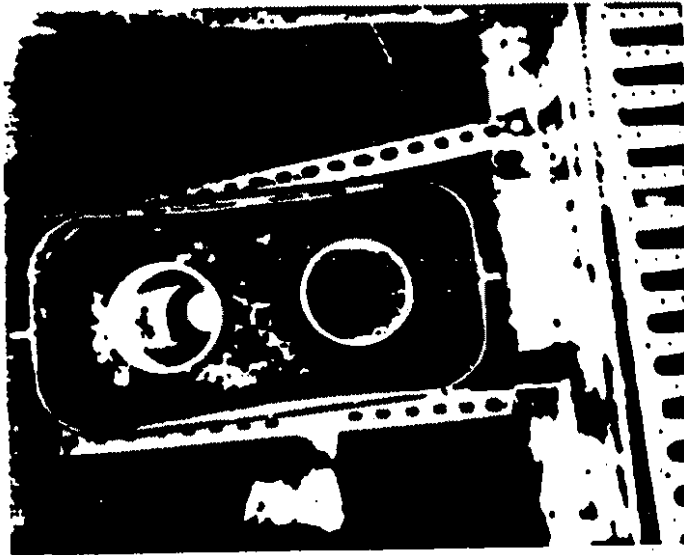


12-12-90
Appalachian Waste Control
Paradise Valley Subdivision
Chlorine Contact Basin full of sludge



12-12-90
Appalachian Waste Control
Paradise Valley Subdivision
Bar Screen full of sludge deposits

AMENDMENT "B"



12-12-90
Appalachian Waste Control
Paradise Valley Subdivision
Chloination Unit