

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TODD COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2014-00086
CONSTRUCT AN OFFICE BUILDING AND)	
WAREHOUSE FACILITY)	

ORDER

Todd County Water District ("Todd District") has applied for a Certificate of Public Convenience and Necessity ("CPCN") for the construction of an office and shop building complex in Elkton, Kentucky. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Todd District, a water district organized pursuant to KRS Chapter 74, owns and operates facilities that distribute water to approximately 3,390 customers in Logan, Muhlenberg, and Todd counties, Kentucky.¹ It purchases its total water requirements from Logan Todd Regional Water Commission.²

2. Todd District's initial application, which was received on February 6, 2014, was supplemented and accepted as filed with the Commission on May 2, 2014. No person has sought intervention in this matter. Todd District has not requested a hearing in this matter, and the Commission finds the record complete.

¹ *Annual Report of Todd County Water District to the Public Service Commission of Kentucky for the Year Ending December 31, 2013* at 5 and 27.

² *Id.* at 29.

3. The proposed project consists of the construction of an administrative office facility and a garage/maintenance facility on 3.25 acres of real property purchased by Todd District and located in Elkton.

4. The proposed administrative office facility is a 2,600-square-foot one-story building with a brick façade, and is energy efficient and accessible to the public. Plans call for a customer parking lot and drive-through window, including a night-depository drop box.

5. The proposed garage/maintenance facility is a detached 4,800-square-foot³ pre-engineered metal building.

6. Todd District currently has six full-time employees, two of whom are field employees.

7. For its current administrative office facility needs, Todd District leases from the city of Elkton an existing office building located at 617 West Main Street in Elkton. Todd District states that it has a verbal month-to-month rental agreement in the amount of \$1,000 with the city of Elkton until the occupancy terminates.⁴ Todd District further states that prior to this verbal arrangement, the written monthly lease amount was \$500.⁵ Todd District asserts that the existing office building does not have a customer drive-through area and that extensive lot-grading work would be needed to allow the installation of one. According to Todd District, the existing building has a long sidewalk leading to its office with two sets of five steps to climb in

³ Supplement to the Application for Certificate of Convenience and Necessity, item 6.

⁴ Response to Commission Staff's First Request for Information, Exhibit 2, filed June 13, 2014.

⁵ *Id.*

order to enter the building. Although there is a handicap-accessible entrance, it is located in the rear of the building and customers do not utilize it, which has led to customer falls and minor injuries.⁶ Todd District further states that the building, which was constructed in the 1970s, has mold and moisture problems, and is energy inefficient with costly utility bills.⁷

8. For its current maintenance facility needs, Todd District has utilized its inactive water treatment plant building as a maintenance facility since 2003.⁸ Todd District states that this building is inadequate for its daily operations as it does not have a shop or garage area. Todd further states that this building is not handicap accessible and is energy inefficient, with large unusable space that gets heated and cooled, leading to high utility bills.⁹ Todd District asserts that this building is located ten miles north of Elkton, increasing travel costs and service response time.¹⁰

9. Todd District estimates its annual cost to operate the proposed office and shop building complex to be approximately \$18,967, while the existing office and maintenance facilities' cost to operate annually is approximately \$40,327.¹¹

⁶ *Id.*

⁷ *Id.*, Exhibit 2.

⁸ *Id.*, Item 4.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*, Item 13.c.

10. The space in the proposed office building is sufficient to accommodate Todd District's employees, and the proposed garage space is also sufficient for housing Todd District's vehicles and equipment.

11. Total cost of the proposed project, including engineering, is approximately \$780,300.¹²

12. Todd District proposes to fund the total cost of this project with internally generated funds.

13. Denham-Blythe Company, Inc., of Goodlettsville, Tennessee, the selected bidder on this project, prepared the detailed construction drawings.

14. The proposed construction will not result in wasteful duplication of existing facilities.

15. The proposed construction does not conflict with any existing Certificates or the service of any other utility operating in the area.

16. The public convenience and necessity require the proposed construction.

IT IS THEREFORE ORDERED that:

1. Todd District is granted a CPCN to proceed with the proposed construction as set forth in its application.

2. Todd District shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with prior approval of the Commission.

¹² *Id.*, Exhibit 9.

4. Todd District shall file with the Commission documentation of the total costs of this project, including construction and all other capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. Todd District shall file a copy of the “as-built” drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. The proposed project shall be subject to all state and local building requirements.

7. Todd District shall file copies of permits related to the new construction herein within 30 days of obtaining such permits.

8. Todd District shall file a copy of the executed agreement with the winning bidder within 20 days of its execution.

8. Any documents filed in the future pursuant to ordering paragraphs 4, 5, 7, and 8 of this Order shall reference this case number and shall be retained in the utility’s general correspondence file.

9. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon Todd District’s showing of good cause for such extension.

By the Commission

ENTERED
JUL 01 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

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