

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF TROUBLESOME)	
CREEK ENVIRONMENTAL AUTHORITY, INC.)	CASE NO.
FOR AN ORDER APPROVING A TRANSFER)	2014-00138
OF OWNERSHIP AND CONTROL OF A)	
JURISDICTIONAL ASSET TO KNOTT COUNTY)	
WATER AND SEWER, INC.)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, INC. AND KNOTT
COUNTY WATER AND SEWER, INC.

Troublesome Creek Environmental Authority, Inc. ("TEA") and Knott County Water and Sewer, Inc. ("KCW&S") (collectively "Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than May 19, 2014. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Joint Applicants shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Joint Applicants fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide a copy of the contractual agreement setting out the actual transfer of assets referenced in the Joint Application, Section VI. The Proposed Transaction, paragraph 2, page 6, and paragraph 5, page 8.

2. Provide an e-mail address for TEA Chairman Don Gibson.

3. Describe KCW&S's current plans to connect its sewer collection mains to TEA's sewer collection system.

4. State the rates that KCW&S intends to charge persons currently served by TEA upon the completion of transfer.

5. Refer to the Application, page 8, and to the Memorandum of Understanding (attached to Application as Exhibit E), Article 4, regarding the "Highway 80 Corridor project in Knott/Perry County."

a. Provide a description of what the “Highway 80 Corridor project” entails, including its scope, costs, and objectives.

b. Identify all the parties who are involved in the “Highway 80 Corridor project.”

c. Identify the parties who will benefit from the “Highway 80 Corridor project.”

d. Is this a public project, a private project, or a public-private project?

e. Describe how the “Highway 80 Corridor project” will bring “many new customers into the facility.”

(1) Confirm that the Ball Creek Wastewater Treatment Plant is “the facility” referenced in the paragraph on page 8 of the Application that explains Article 4 of the Memorandum of Understanding

f. Describe the steps TEA has undertaken to fund the “Highway 80 Corridor project.”

g. Describe the steps TEA has undertaken to design the “Highway 80 Corridor project.”

h. Describe the steps TEA has undertaken to build the “Highway 80 Corridor project.”

i. Explain why KCW&S is requiring TEA to continue to “diligently prosecute” the “Highway 80 Corridor project.”

6. Will TEA continue as a nonprofit corporate entity if the transfer is approved, or will TEA dissolve as an entity?

a. If TEA will continue to operate as an entity, what will be its corporate purpose?

7. How many wastewater operators does KCW&S currently have?

a. Provide the work schedule hours for each operator.

b. Provide copies of operators' wastewater certifications.

8. Will KCW&S acquire a new operator or operators to manage the acquired operations from TEA?

a. If the answer is yes, how many new operators or operators will KCW&S acquire?

b. If the answer is no, explain how KCW&S intends to manage work schedules from TEA.

9. Provide a detailed discussion of the status of the KCW&S wastewater plants in regard to their compliance with the Commission and the Division of Water inspections. Provide all necessary supporting documentation.

10. Commission Staff has no record of receiving KCW&S's response to the September 26, 2013 Regulatory Compliance Sewer Utility Inspection Report issued by the Commission with a response deadline of November 29, 2013 (See Appendix A).

a. Did KCW&S submit its response to the Commission?

(1) If so, provide copies of the completed four deficiency tracking reports.

(2) If not, explain how KCW&S plans to address the deficiencies outlined in the inspection report and provide the date it plans to submit the completed deficiency tracking reports to the Commission.

11. Commission Staff has no record of receiving TEA's response to the January 24, 2013 Regulatory Compliance Sewer Utility Inspection Report issued by the Commission with a response deadline of March 22, 2013 (See Appendix B).

a. Did TEA submit its response to the Commission?

(1) If so, provide a copy of TEA's response and the CPR certification of the operator in training.

(2) If not, explain how TEA plans to address this issue and provide the date on which a copy of the CPR certification will be submitted to the Commission.

12. In Case No. 2010-00017, the Commission recognized that TEA would receive loan funds and grant funds from the entities listed below that would be used to construct the Ball Creek Waste Water Treatment Plant.

Kentucky Infrastructure Authority Loan	\$ 1,500,000
United States Army Corps of Engineers Grant	500,000
Kentucky General Assembly Appropriation	1,425,000
Kentucky Local Government Economic Development Grant	<u>838,817</u>
Total	<u>\$ 4,263,817</u>

a. List the names of all individuals and entities, in addition to those noted above, that made a financial contribution to TEA that was used to either construct or operate the Ball Creek plant. Also, state the amount contributed by each individual or entity and the purpose for which TEA expended the contributed funds. Do not include on this list the financial contributions made through the payment of sewer service rates by the sewer customers served by the Ball Creek plant.

b. State the portion of the contributions listed in response to Item a. above that are subject to refund, and state the conditions pursuant to which refunds will be made.

c. Provide a copy of the contract between TEA and each contributor that details the conditions pursuant to which refunds will be made.

13. Refer to page 8 of the Application and TEA's 2013 Annual Financial and Statistical Report filed with the Commission.

a. On page 8, a \$40,000 prepaid tap on fee paid by Western Pocahontas, the developer of the Chestnut Mountain project, is discussed. Explain why the \$40,000 potential refund to Western Pocahontas is not listed as a liability on TEA's Balance Sheet.

b. Since this liability is not recognized by TEA, explain why it is appropriate for KCW&S to assume this liability as a part of the proposed transfer of assets in this proceeding.

c. Explain how TEA spent the \$40,000 it received from Western Pocahontas.

d. Explain how KCW&S will repay the \$40,000 obligation.

e. Explain why the "obligation would only arise should the moribund project revive."

14. Refer to page 1 and page 8 of the Application, and to the Memorandum of Understanding (attached to Application as Exhibit E), Article 5. As noted on page 1, TEA was created by Knott, Perry, and Breathitt counties to improve the water quality of the Troublesome Creek watershed, which falls mainly within their political boundaries.

On page 8, the Application states that KCW&S has agreed to pay up to \$7,500 per year, beginning in September 2013, to continue TEA as a going concern so that it may pursue expansion of the Highway 80 Corridor project and other projects planned for Perry and Breathitt counties.

a. Provide the total amount of continuation fees that have been paid by KCW&S to TEA and the date that each payment was made.

b. Since the \$7,500 continuance fee is necessary to sustain TEA's continued efforts to expand in all three counties, explain why it is appropriate for only an entity from Knott County to pay the entire fee, rather than for all three counties to contribute toward the fee equally.

c. Provide all correspondence between TEA and the fiscal courts of Knott, Perry, and Breathitt counties wherein payment of a continuance fee was discussed.

d. State whether the fiscal courts of Knott, Perry, and Breathitt counties are willing to contribute toward the \$7,500 continuance fee paid to TEA.

e. Discuss the criterion KCW&S will use in September 2014 to determine whether to continue paying the continuance fee to TEA.

f. Explain in detail what services TEA provides in return for the \$7,500 stipend from KCW&S.

g. Explain what expenses TEA pays using the \$7,500 stipend.

h. Will the \$7,500 stipend be paid from revenue derived from ratepayer funds? If not, identify the revenue source from which the stipend is derived.

15. Refer to pages 4, 5, and 9 of the Application.

a. On page 4, the Application states that TEA's sewer service rates produce approximately \$845 in monthly revenues. On page 5, TEA's monthly expenses to operate the Ball Creek plant are listed at \$1,608, nearly twice its monthly revenues. Considering that current revenues are only sufficient to pay one-half of the expenses, explain why KCW&S agreed to pay the continuance fee to TEA, increasing the monthly expenses by \$625 (\$7,500 annual fee/12 months).

b. On page 9, the Application states that the rates charged to TEA's customers will be lowered to the sewer service rates charged by KCW&S subsequent to the transfer of assets to KCW&S. Provide the estimated monthly revenues that will be generated from TEA's customers after the rate decrease is implemented.

c. Explain why it is prudent for KCW&S to lower the rates charged to TEA's customers when the existing rates do not produce revenues sufficient to pay the expenses KCW&S will incur to operate the Ball Creek plant.

16. Refer to KCW&S's 2012 Audit Report that was prepared by Chris Gooch, CPA.

a. On page 6, KCW&S reported a net increase to infrastructure assets of \$5,612,963.

(1) Describe each component of this infrastructure and provide the cost of each component separately.

(2) Provide a copy of the Commission's Order that approved the construction of this infrastructure or state why the Commission's approval to construct this infrastructure was not required.

(3) List each source of funding for this infrastructure and provide the amounts and dates the funding was received from each source.

b. On page 6, KCW&S reported grants and contributions received in the amount of \$4,898,422.

(1) List the source of these proceeds and the amount of proceeds provided by each source.

(2) State how these proceeds were used by KCW&S.

c. On page 12, an “agreement to pay past due interest and fees” to the Kentucky Infrastructure Authority is discussed. Provide a copy of the agreement and explain the reason the agreement was necessary.

d. Identify and explain any material changes that have occurred to KCW&S’s financial condition since the completion of its 2012 audit.

e. State the anticipated completion date for KCW&S’s 2013 audit report and the date it will be submitted to the Commission.

17. Refer to the 2012 Annual Financial and Statistical Report filed by KCW&S on behalf of its Water Division.

a. On page 11, total depreciation expense for the previous and current year is reported at \$266,462 and \$1,301,377, respectively. Provide the depreciation schedules that show the computation of these amounts and explain why the expense increased by \$1,034,915, or 388 percent.

b. On page 14, the following additions to plant in service are listed.

Account No.	Account Title	Addition
331	Transmission and Distribution Mains	\$3,605,292
340	Office Furniture and Equipment	15,786
341	Transportation Equipment	9,000
347	Miscellaneous Equipment	15,600
348	Other Tangible Plant	<u>3,000</u>
Total Additions		<u>\$3,648,678</u>

(1) Provide a description of each addition and provide the funding source for each addition.

(2) Provide a copy of the Commission's Order that approved the construction of each addition or state why the Commission's approval to construct or acquire the addition was not required.

c. Identify and explain any material changes that have occurred to KCW&S's financial condition since the completion of its 2012 Annual Report.

d. State the anticipated completion date for KWC&S's 2013 Annual Report and the date it will be submitted to the Commission.

18. A comparison of the assets listed in KCW&S's 2012 Annual Financial Statistical Report and its 2012 Audit Report is shown below. Reconcile and explain the differences noted for each asset account group.

	2012 Annual Reports			2012 Audit Report Page 4	Audit Difference More/(Less)
	Water Division Pages 9 - 10	Sewer Division Page 2	Total		
Utility Plant in Service	\$ 32,114,554	\$ 339,831	\$ 32,454,385		
Accumulated Depreciation	(3,935,554)	(326,511)	(4,262,065)		
Net Plant	28,179,000	13,320	28,192,320	\$ 35,024,301	\$ 6,831,981
Cash and Investments					
Cash	109,522		109,522		
Special Deposits	167,434		167,434		
Cash Unrestricted				72,592	
Cash Restricted				197,860	
Total Cash and Investments	276,956	-	276,956	270,452	(6,504)
Accounts and Notes Receivable	157,475	2,392	159,867	310,233	150,366
Prepayments	2,290		2,290		
Misc. Current and Accr. Assets	1,225		1,225		
Total Other Current Assets	3,515	-	3,515	59,798	56,283
Total Assets	\$ 28,616,946	\$ 15,712	\$ 28,632,658	\$ 35,664,784	\$ 7,032,126

19. Refer to page 5 of Troublesome Creek's 2013 Annual Financial and Statistical Report filed with the Commission. Troublesome Creek reports its plant's original cost of \$4,838,561 using only accounts 310 - Land and 311 - Structures and Improvements. While the original cost includes the cost of land and structures, it also includes the cost of pumping equipment, collection mains, and treatment facilities. Separate the original cost of each component of plant using the plant subsidiary accounts listed below as required by the Uniform Systems of Accounts.

- 301 Organization
- 302 Franchises and Consents
- 303 Miscellaneous and Intangible
- 310 Land and Land Rights
- 311 Structures and Improvements
- 352.1 Collection Sewers - Force
- 352.2 Collection Sewers - Gravity
- 353 Other Collection Plant Facilities
- 354 Services to Customers
- 355 Flow Measuring Devices
- 362 Receiving Wells and Pump Pits
- 363 Pumping Equipment - (A-Electric, B-Diesel, C-Other)
- 372 Oxidation Lagoon
- 373 Treatment and Disposal Equipment
- 374 Plant Sewers
- 375 Outfall Sewer Lines
- 376 Other Treatment and Disposal Plant Equip.
- 391 Office Furniture and Equipment
- 392 Transportation Equipment
- 393 Other General Equipment



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

DATED MAY 09 2014

cc: Parties of Record

APPENDIX A

APPENDIX TO A REQUEST FOR INFORMATION FROM THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 2014-00138 DATED **MAY 09 2014**



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 K. Breathitt
Commissioner

October 24, 2013

Ms. Reva Campbell
Knott County Water & Sewer District
Sewer Division
7777 Big Branch Road
Vicco, Kentucky 41773

PERIODIC REGULATORY COMPLIANCE SEWER UTILITY INSPECTION

On September 26, 2013, Commission Staff Member Brian Rice inspected the facilities and records of Knott County Water & Sewer District-Sewer Division. A copy of the report of this inspection is enclosed.

Based on Mr. Rice's findings, four deficiencies are noted as follows:

1. 2012 annual report was not submitted to the PSC as required by 807 KAR 5:006, Section 4(1).
2. The lift station lid did not appear to be securely locked down for safety reasons. This is contrary to the good engineering practice requirement in 807 KAR 5:071, Section 7(1). This is a repeat deficiency.
3. The lift station panel box has one of the two pump run time gauges missing contrary to 807 KAR 5:071, Section 7(1).
4. The utility does not appear in compliance with the Division of Water's Kentucky Pollution Discharge Elimination System permit. Sludge deposits appeared to be in the creek downstream from the plant's discharge point. This is contrary to 807 KAR 5:071, Section 5(1).

The previous inspection was conducted on June 21, 2011. Five deficiencies were noted; four of which were completely addressed while deficiency no. 2 shown above was not addressed and is cited again as a repeat deficiency.

Enclosed are four deficiency tracking reports. Please review and complete the three sections under the heading "Response" no later than November 29, 2013.

Reva Campbell


October 24, 2013

Page 2

All mechanical equipment shall be inspected on daily basis according to 807 KAR 5:071, Section 7(4). The utility has complied with 807 KAR 5:006, Section 25(8) which required the inspection of mechanical equipment to be done on weekly basis. However, this requirement has been removed from the PSC regulations as of January 4, 2013. The new regulation, as stated above, requires the inspection of all mechanical equipment on daily basis. During this inspection, the utility has been made aware of this regulatory change by Mr. Rice who will verify compliance status during the next inspection visit.

As provided for in 807 KAR 5:071, Section 7(4), for good cause shown, the utility may request Commission authorization to deviate from the current regulatory requirement for daily inspection of mechanical equipment.

If you have any questions or wish further assistance, please contact me at (502) 564-3940.



GEORGE W. WAKIM, P.E., MANAGER
WATER & SEWER BRANCH, ENGINEERING DIVISION

Attachment: KnottCWSD-092613 Inspection Report

C: Mr. Tom Gabbard, DOW, EEC
Mr. Shafiq Amawi, DOW, EEC

Deficiency Tracking Report

Deficiency Detail (grey sections filled in by PSC)		
Utility	Date of Investigation	Investigator
Knott County Water & Sewer District	9/26/2013	Brian Rice
Regulation, or Statute found to be deficient: 807 KAR 5:006, Section 4(1)		
Finding: 2012 annual report was not submitted to the PSC as required.		
If this is a repeat deficiency, date of last Deficiency Report:		

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility.

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done.

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done.

Provide evidence of the implementation of the corrective actions (invoices, photographs, work logs, updated documentation, etc.) Attach to this report.

Response Provided by: _____

Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail (grey sections filled in by PSC)		
Utility	Date of Investigation	Investigator
Knott County Water & Sewer District	9/26/2013	Brian Rice
Regulation, or Statute found to be deficient: 807 KAR 5:071, Section 7(1)		
Finding: The lift station lid did not appear to be securely locked down for safety reasons. (REPEAT)		
If this is a repeat deficiency, date of last Deficiency Report:		

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility.

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done.

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done.

Provide evidence of the implementation of the corrective actions (invoices, photographs, work logs, updated documentation, etc.) Attach to this report.

Response Provided by: _____

Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail (grey sections filled in by PSC)		
Utility	Date of Investigation	Investigator
Knott County Water & Sewer District	9/26/2013	Brian Rice
Regulation, or Statute found to be deficient:		
807 KAR 5:071, Section 7(1)		
Finding:		
The lift station panel box has one of the tow pump run time gauges missing.		
If this is a repeat deficiency, date of last Deficiency Report:		

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility.

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done.

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done.

Provide evidence of the implementation of the corrective actions (invoices, photographs, work logs, updated documentation, etc.) Attach to this report.

Response Provided by: _____

Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail (grey sections filled in by PSC)		
Utility	Date of Investigation	Investigator
Krött County Water & Sewer District	9/26/2013	Brian Rice
Regulation, or Statute found to be deficient:		
807 KAR 5:071, Section 5(1)		
Finding:		
The utility does not appear in compliance with the Division of Water's Kentucky Pollution Discharge Elimination System permit. Sludge deposits appeared to be in the creek downstream from the plant's discharge point.		
If this is a repeat deficiency, date of last Deficiency Report:		

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility.

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done.

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done.

Provide evidence of the implementation of the corrective actions (invoices, photographs, work logs, updated documentation, etc.) Attach to this report.

Response Provided by: _____

Date: _____

Signature: _____

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 10/08/2013

Report Number: KnottCWSD-092713

BRIEF

Inspector: Brian L. Rice
Date of Inspection: 09/26/2013
Type of inspection: Periodic Regulatory Compliance Inspection
Type of Facility: Wastewater
Name of Utility: Knott County Water & Sewer District
Location of Facility: 7777 Big Branch Road, Vicco, KY 41773
Purpose of inspection: Periodic inspection of utility facilities and management practices to verify compliance with PSC regulations.
Applicable Regulations and Statutes: KRS 278 and 807 KAR Chapter 5

INSPECTION

Number of Customers: The utility provides sewer service to 134 customers.
Area of Operation: Knott County (Caney Creek WWTP in Pippa Passes, KY.)
Collection Description: Knott County Water & Sewer District has a 100,000 gallon per day (gpd) WWTP. This system has one lift station located at the wwtp. Also the utility uses a bagging system to waste sludge. (See picture attachments)
Workforce Summary: 10 employees for water and sewer
Utility Reps in insp: Reva Campbell/Manager and Tim Reed/Class II WWTP operator.
Date of Last Inspection: 06/21/2011
Number of Deficiencies Documented in Last Inspection: 5
Number of Deficiencies Not Cleared from Last Inspection: 1
Summary of items and facilities inspected: Inspected the office records, inspection records, WWTP, lift station and the effluent discharge.

FINDINGS

1. The utility has not filed their 2012 annual report.
2. The lift station lid is still not securely locked down for safety reasons. (Repeat)

ADDITIONAL INSPECTOR COMMENTS

During this inspection, Knott County Water & Sewer District (the Caney Creek WWTP) was experiencing some operational issues. The aeration basin appeared to be lacking in solids which is vital to the quality of operation. The wastewater's normal color in the aeration basin should be dark brown but this was not the case here. (See picture attachments) Also the water in the clarifier and the chlorine contact basin looked the same as the aeration basin. The water in both the clarifier and chlorine contact basin should have a clear appearance to it. This issue appears to be caused by the plant experiencing significant infiltration/inflow (I/I) issues in their gravity fed system. According to Division of Water's (DOW) inspection report on 6/26/2013, the utility's Discharge Monitoring Reports (DMR) showed average flow for this plant to be over design capacity during DOW's six month review of these reports.

Other issues that were observed during this inspection were a significant amount of sludge deposits in the creek downstream of the discharge point of the plant. Also, the lift station panel box has two run time gauges to keep track of the hours each pump has run. One of these gauges was missing.

According to DOW, Knott County Water & Sewer District was last inspected on 6/26/2013 and was issued a notice of violation on 7/18/2013 for failing to comply with the effluent limits in the utility's KPDES permit, failing to maintain records, failing to not properly measure flow (no influent flow meter), failing to collect samples in accordance with the monitoring requirements outlined in the permit, and failing to properly operate and maintain the plant. DOW stated that one of the biggest problems with this facility is I/I issues.

Kentucky Rural Water Association (KRWA) is working with the utility to inspect the collection system. According to the utility, KRWA has performed camera work on 6000 ft. of collection line, 8000 ft. of sewer pipeline jetting, manhole inspections, smoke testing, flow monitoring and partial mobilization/demobilization. (See Invoice attachment)

The following is the status of the last inspection deficiencies:

1. 807 KAR 5:006, Section 4(1) regarding the 2010 annual report has been submitted.


2. 807 KAR 5:006, Section 26(3) regarding appropriate inspection records, are being kept.

3. 807 KAR 5:006, Section 25(3) regarding employees CPR certification has been addressed.

4. 807 KAR 5:071, Section 7(1) regarding the general cleanup of the plant area has been addressed.

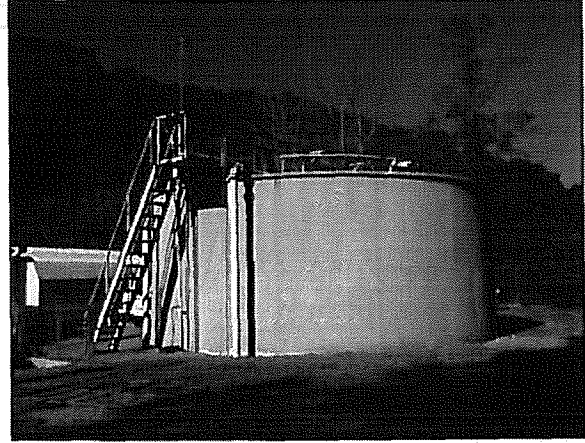
5. 807 KAR 5:071, Section 7(1) regarding the lift station lid having broken hinges has not been addressed.

Submitted by,

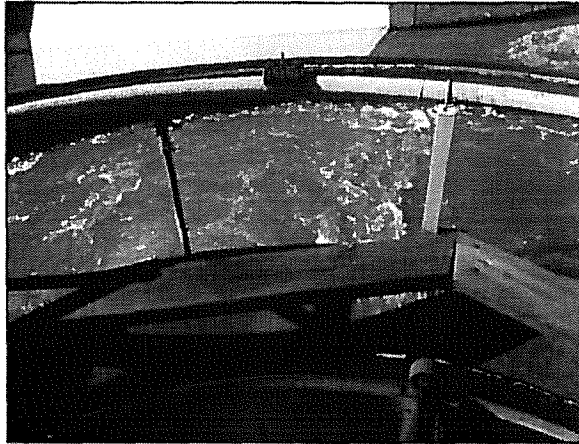
 10/24/13
Brian L. Rice
Investigator III



Knott Co. W & S District



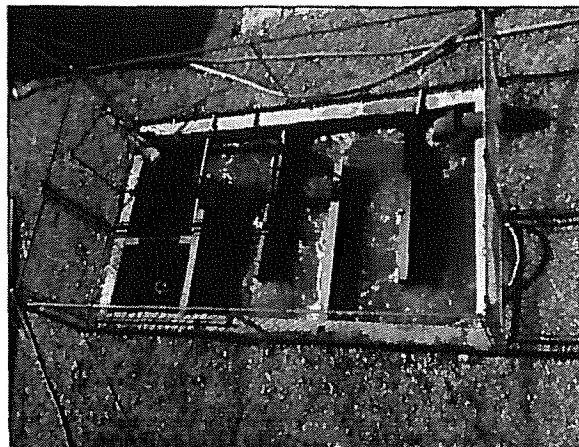
Caney Creek WWTP



Aeration Basin (not the usually dark brown color)



Clarifier (should be clear)



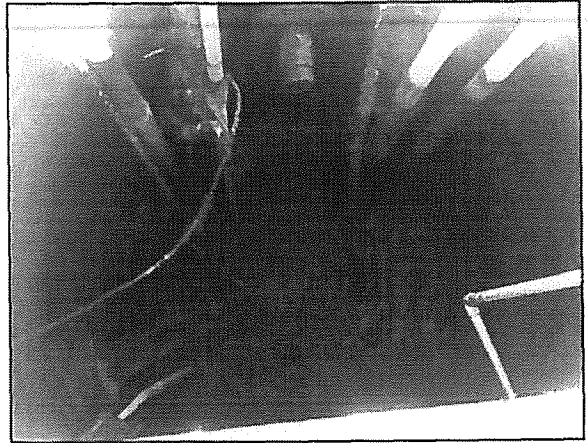
Chlorine Contact Basin



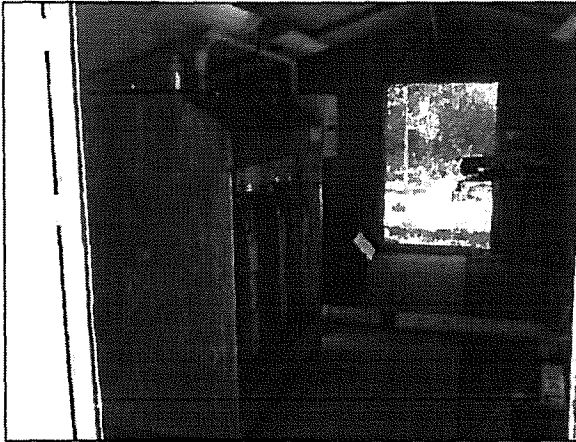
The effluent flow meter in the chlorine contact basin (color of water should be clear)



Lift station with detached lid



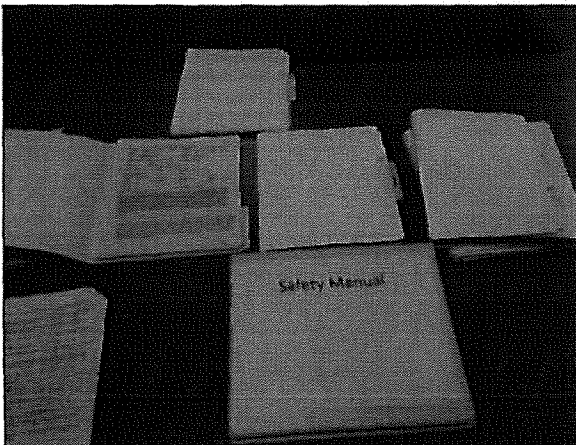
Inside Lift Station



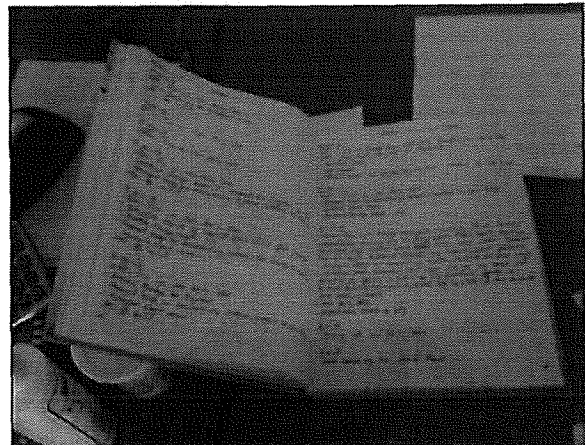
Sludge wasting bagging system.



Liquid chlorine and de-chlorination.



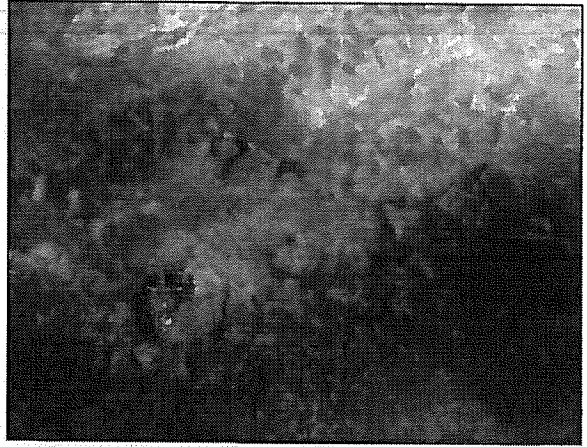
Office records



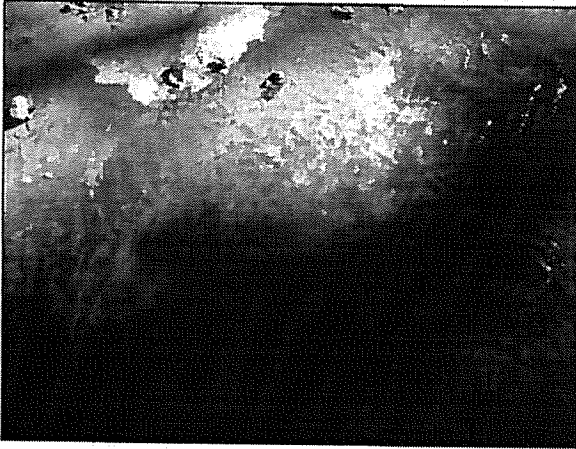
Operators log book



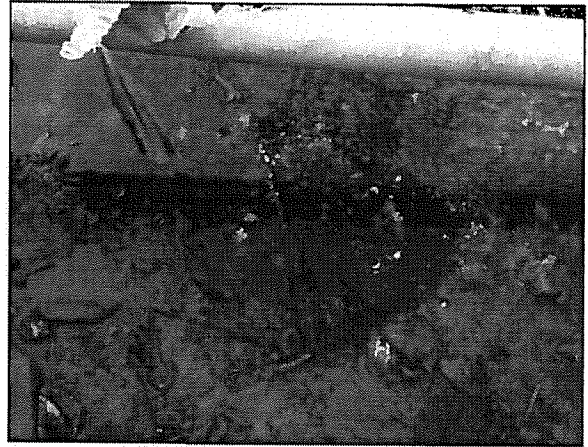
Sludge in the creek picture # 1



2



3



4



5



6



KENTUCKY RURAL WATER ASSN., INC.
 3251 SPRING HOLLOW AVENUE
 BOWLING GREEN KY 42104

Invoice

DATE	INVOICE #
9/23/2013	15079

TERMS
Due Upon Receipt

BILL TO

KNOTT COUNTY WATER & SEWER
 PO BOX 884
 HINDMAN KY 41822

P.O. NUMBER

QUANTITY	DESCRIPTION	PRICE EACH	AMOUNT
	Camera Work: 6,000 Feet @ \$1.00/Ft	6,000.00	6,000.00
	Sewer Pipeline Jetting: 8,000 Feet @ \$1.00/Ft	8,000.00	8,000.00
	Manhole Inspections: 33 @ \$100 each	3,300.00	3,300.00
	Smoke Testing	3,600.00	3,600.00
	Flow Monitoring	5,700.00	5,700.00
	Parial Mobilization/Demobilization	2,900.00	2,900.00

Please return one copy of invoice for proper posting.	Total	\$29,500.00
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Contributions or gifts to Kentucky Rural Water Association, Inc. are not tax deductible as charitable contributions for federal income tax purposes. However, they may be deductible under other provisions of the Internal Revenue Code.

Web Site

Phone #

270.843.2291

Fax #

270.796.8623

www.krwa.org

APPENDIX B

APPENDIX TO A REQUEST FOR INFORMATION FROM THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 2014-00138 DATED **MAY 09 2014**



Steven L. Beshear
Governor

David L. Armstrong
Chairman

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

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

February 14, 2013

Ms. Jennifer McIntosh
Troublesome Creek Environmental Authority, Inc.
917 Perry Park Rd.
Hazard, KY

Mr. James Keathley
Troublesome Creek Environmental Authority, Inc.
P.O. Box 3157
Pikeville, KY 41501

PERIODIC REGULATORY COMPLIANCE SEWER UTILITY INSPECTION

On January 24, 2013, Commission Staff Member Brian Rice inspected the facilities and records of Troublesome Creek Environmental Authority, Inc. (Ball Creek Wastewater Treatment Plant). A copy of the report of this inspection is enclosed.

Based on Mr. Rice's report, I am noting five areas of concern as follows:

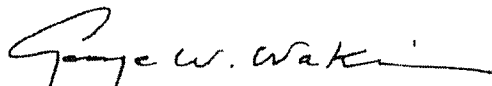
1. The utility's operator, Eric Combs/Operator in training, who is an employee of UMG, has not been certified in accepted methods of artificial respiration (CPR) contrary to 807 KAR 5:006, Section 25(3). This is a deficiency and an urgent matter that should be addressed as soon as possible. Please submit to the PSC Mr. Comb's CPR certification documentation the soonest it becomes available.
2. The utility did not produce any records of inspections of the utility's collecting sewers and manholes contrary to 807 KAR 5:071, Section 7(4). It is my understanding that the utility has a combination of pressure and gravity sewer system.
3. During the inspection, it appeared that the wastewater treatment plant comminutor was not operational and that it is still under warranty with the contractor awaiting to be repaired or replaced. Please submit to the PSC documentation (including work orders, invoices, etc.) supporting the repair or replacement of the comminutor as soon they become available.

4. During the inspection, the utility produced a copy of its sewer user agreement that does not appear to be an attachment into the utility's tariff contrary to 807 KAR 5:011, Section 2(2). Please contact Commission Staff Member Brent Kirtley with the Tariffs Branch at (502) 782 2627 for assistance into this matter.
5. The PSC is in receipt of your Operation and Maintenance procedures manual. I have conducted a cursory review of this manual for the inspection procedures of the utility's facilities. The manual appears to be acceptable. However, I am unable to discern that the inspection procedures in this manual are comprehensive to all elements of your facilities. Enclosed is guidance documentation that may aid the utility in crafting or revising the said procedures. The utility is advised to prepare facilities' inspection logs to present to the Mr. Rice on the next visit to ensure the utility's adherence with its inspection procedures.

Except for the first area of concern (the only deficiency here) regarding CPR certification requiring the utility's immediate attention and response to the PSC in this urgent matter by March 22, 2013, the remaining areas of concerns 2, 3, 4, and 5 will not be considered deficiencies at this time since this inspection is introductory in nature.

We look forward to seeing the first area of concern addressed as soon as possible. Please include with your response a copy of the utility's safety manual. We also look forward to seeing the remaining areas of concern addressed on our next inspection visit.

If you have any questions or wish further assistance, please contact me at (502) 564-3940.



GEORGE W. WAKIM, P.E., MANAGER
WATER & SEWER BRANCH, ENGINEERING DIVISION

Attachment: TroublesomeCreekEnvironmentalAuthority-012413 Inspection Report

C: Mr. Tom Gabbard, DOW, EEC
Mr. Shafiq Amawi, DOW, EEC

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 01/30/2013

Report Number: TroublesomeCreekEnvironmentalAuthority-012413

BRIEF

Inspector: Brian L. Rice
Date of Inspection: 01/24/2013
Type of inspection: Periodic Regulatory Compliance Inspection
Type of Facility: Wastewater
Name of Utility: Troublesome Creek Environmental Authority, Inc. (Ball Creek Wastewater Treatment Plant)
Location of Facility: 1880 West Hwy. 1087 Vest, KY. 41772
Purpose of inspection: Periodic inspection of utility facilities and management practices to verify compliance with PSC regulations.
Applicable Regulations and Statutes: KRS 278 and 807 KAR Chapter 5

INSPECTION

Description of utility: Troublesome Creek Environmental Authority, Inc. ("TCEA") has five board members and has contracted Utility Management Group ("UMG") to operate and maintain the facility. Knott County Water & Sewer District collects the billing from all customers of TCEA.
Number of Customers: 50 total customers; 49 residential, 1 commercial (Knott Co. Sports Complex)
Area of Operation: Knott County
Collection Description: Gravity sewer and Force Main with a lift station and individual grinder stations.
Workforce Summary: One operator in training ("OIT"), one certified operator, WW Operations Manager.
Utility Reps in insp: Eric Combs/OIT, Jamey Keathley/WW operations manager and Kevin Hamilton/safety officer
Date of Last Inspection: New Utility

Number of Deficiencies Documented in Last Inspection: 0

Number of Deficiencies Not Cleared from Last Inspection: 0

Summary of items and facilities inspected:

Inspected the SBR wwtp, the lift station near the sports complex, inspection records and the effluent discharge.

FINDINGS

1. The utility's operator, Eric Combs/OIT, who is an employee of UMG, has not been certified in accepted methods of artificial respiration (CPR) as per 807 KAR 5:006, Sec. 25(3).
2. No inspection records of their collecting sewers and manholes on a scheduled basis as per 807 KAR 5:071, Section 7(4).

ADDITIONAL INSPECTOR COMMENT

The Ball Creek Wastewater Treatment Plant (KPDES # KY0107956) is own by TCEA and operated and maintained by UMG. A Certificate of Public Convenience and Necessity ("CPCN") was issued on 2/16/2010 in case no. 2010-00017. This gave TCEA approval to construct the current wastewater treatment plant and collection facility. The wastewater facility serves the Knott County sports complex off Hwy. 80 and 49 residential customers in the Ball Creek area in Vest, KY. The plant consists of a Sequencing Batch Reactor ("SBR") and an Ultra Violet disinfection system. The SBR design capacity is 100,000 gallons per day and started receiving flow in June/July of 2012. The facility operation is under the supervision of a certified operator named Ralph Varney. Mr. Varney has a class III certification and trains Eric Combs, who is an operator in training. They both are employees of UMG.

According to Division of Water's ("DOW") inspection report, dated August 9th, 2012, the plant was receiving approximately 2000 gallons per day, and there were no violations at that time. Also DOW stated that due to the lack of flow into the plant the Discharge Monitoring Reports were reflecting no discharge to the creek.

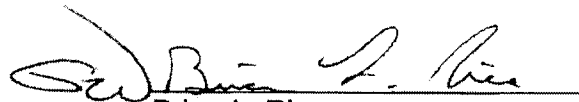
This was the first inspection on TCEA. During the inspection the utility had these documents prepared: Maps of their system, inspection logs/checklist, safety manual, inspection procedures, and the PSC inspector inspection checklist. However the utility

is in the process of sending the inspection procedures that is required to be filed with the commission as per 807 KAR 5:006 Section 26 (1).

During the field inspection, Jamey Keathley/UMG operations manager, stated that the comminator, which is used to cut up larger solids into smaller pieces at the beginning of the plant, was not operating. According to Mr. Keathley, the comminator is under warranty with the contractor and is waiting to be repaired/replaced. The plant receives very little flow, and what flow does enter the plant, by-passes the comminator and is diverted thru a bar screen. Without the comminator, it appears that the plants overall efficiency has not been compromised.

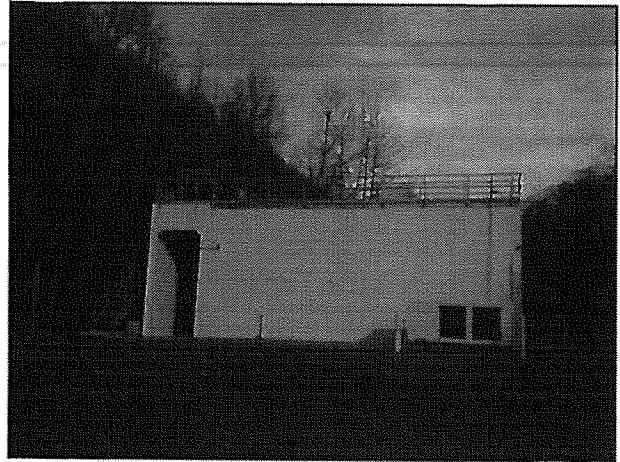
The utilities rates have been accepted as of January 17, 2013; however during the inspection Mr. Combs handed me a copy of the TCEA sewer user agreement (See attachment). It appears that this attachment has not been implemented into the tariff. The utility should maintain a complete tariff as per 807 KAR 5:011 Section 2 (2).

Submitted by,

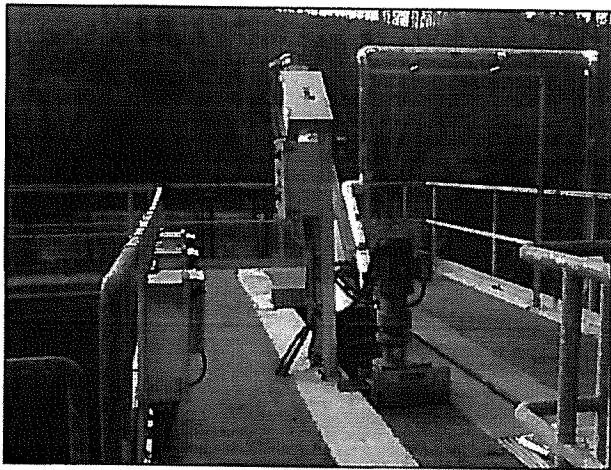

Brian L. Rice
Investigator III



Troublesome Creek Environmental Authority



Ball Creek WWTP



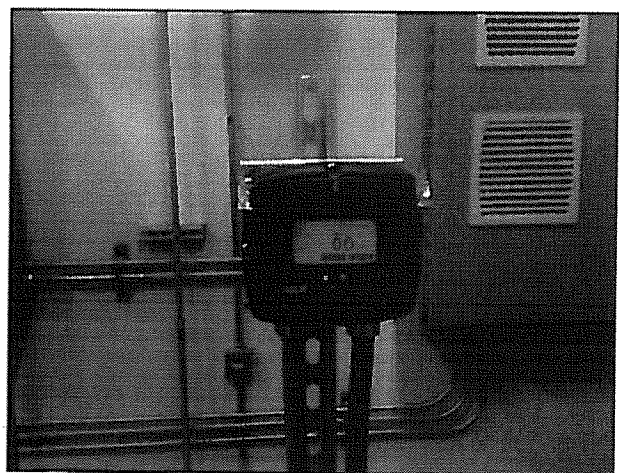
Comminutor in front of the spiral lift.



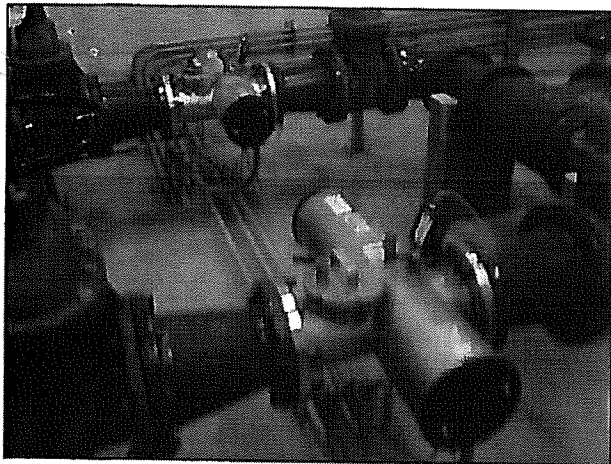
Comminutor



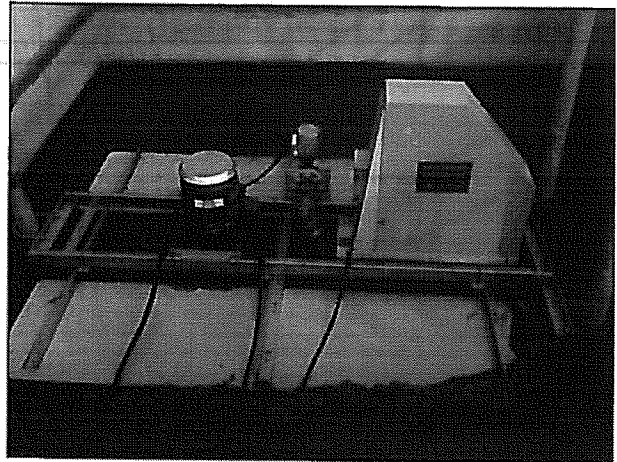
Influent flow meter showing no flow.



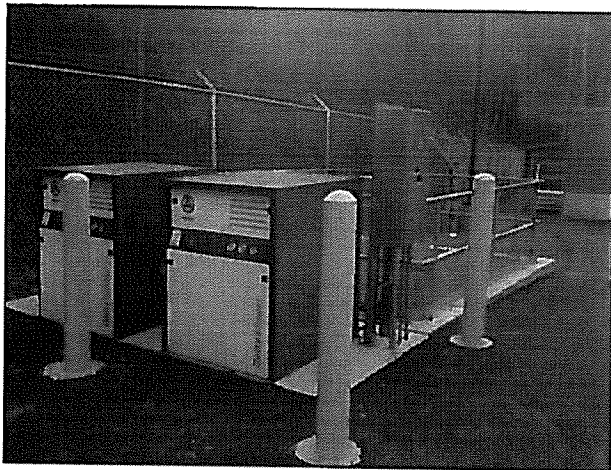
Effluent flow meter showing no flow.



UV disinfection system



One of the reactor basins



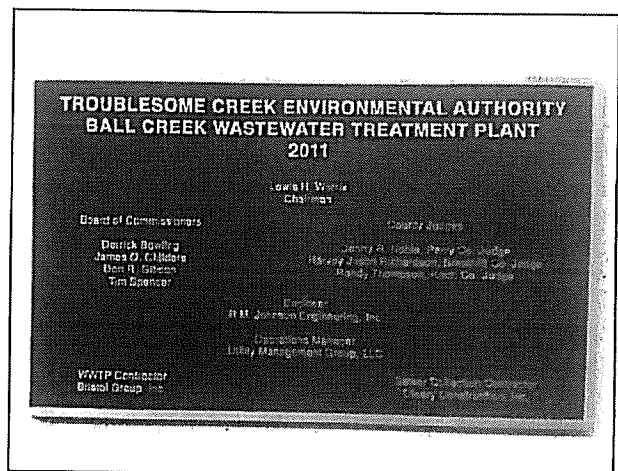
Blowers for the final effluent



Final effluent with no discharge.



Discharge point to the creek.



KENTUCKY PUBLIC SERVICE COMMISSION

INSPECTION PROCEDURES WASTEWATER TREATMENT PLANTS AND SEWAGE COLLECTION SYSTEMS

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I. STATEMENT OF PURPOSE

The purpose of this Inspection Procedure Manual is to outline basic inspection practices pertaining to the operation of wastewater treatment plants and sewage collection systems as outlined in 807 KAR 5:071 Section 7 paragraph (4) . . .

"Inspection of facilities. Each sewage utility shall adopt procedures for inspection of its sewage treatment facilities to assure safe and adequate operation of its facilities and compliance with commission rules. These procedures shall be filed with the commission. Unless otherwise authorized in writing by the commission, the sewage utility shall make inspections of collecting sewers and manholes on a scheduled basis at intervals not to exceed one (1) year, unless conditions warrant more frequent inspections and shall make inspections of all mechanical equipment on a daily basis. The sewage utility shall maintain a record of findings and corrective actions required, and/or taken, by location and date."

Location of Inspection Manual

The inspection manual has been prepared for use by the operating personnel of the company. Each employee shall be provided a copy of this manual.

The inspection manual is continuously being updated to cover areas relating to the safe operation of wastewater treatment plants. A current copy can be obtained by contacting the company office.

Any comments or suggestions on improving the inspection manual or updating information pertaining to the safe operation of equipment is welcome and can be incorporated into future editions.

II. RESPONSIBILITY

A. Management

The employer shall have the same responsibility for inspection of treatment facilities as for any other part of the operation.

The employer shall appoint only competent personnel as inspectors, who shall be responsible for those under his or her supervision.

The employer shall require his supervisor to observe and enforce all regulations.

The employer shall provide adequate automotive equipment, tools, and protective devices, and insist upon their proper use and maintenance.

B. Supervisor

Supervisors shall have the same responsibility for inspection of facilities as any other part of their wastewater operations.

Supervisors are at all times responsible for inspection of facilities.

Supervisors will be held accountable for quality of effluent unless investigation shows effluent quality is due to conditions beyond the supervisors' control.

Supervisors shall instruct all new employees in inspection procedures at wastewater treatment plants.

Supervisors shall be responsible for the training and instruction of new employees and of employees transferred to their supervision.

Supervisors shall fully understand and comply with the inspection requirements of the inspection manual. They shall also ensure the inspection procedures are understood by the wastewater operators under their supervision.

Supervisors shall insist on workmen observing these procedures and shall use disciplinary measures, if necessary, to obtain compliance.

Supervisors shall be responsible for the regular inspection reports of personnel under their supervision.

C. Employee

It is the definite responsibility of each employee to maintain accurate records as to the condition of equipment and flow conditions of the plant.

It is the responsibility of each employee to report to the person in charge all conditions which might affect effluent quality or machinery reliability.

It is the responsibility of each employee to acquaint himself or herself with the inspection forms and procedures used in the operation of the wastewater treatment plant as soon as possible.

It is the responsibility of each employee to attend all meetings possible and to take an active part in maintaining accurate records.

III. EMPLOYEE TRAINING

A basic knowledge of the operational procedures of a wastewater treatment plant is required to perform any type of inspection:

The inspector should become familiar with the following:

- Basic hydraulic layout of a wastewater treatment plant;
- The biological process of sewage treatment;
- Mechanical operation of blowers and pumps;
- Basic electrical knowledge, with emphasis on motor controls, overload protection, and timing devices.

Training is normally provided on the inspection of wastewater facilities through participation in water and wastewater seminars and the state sponsored wastewater operators' schools.

IV. REPORTING

National Pollutant Discharge Elimination System (NPDES) reports are required on a quarterly or monthly basis as permit requires.

NPDES reports and Kentucky Pollutant Discharge Elimination System (KPDES) reports are required on a quarterly or monthly basis as discharge permit requires.

NPDES reports and KPDES reports shall be run by an independent laboratory, if onsite water testing facilities are unavailable.

When deficiencies are noted, it shall be the responsibility of the plant operator to make adjustments to maintain the best performance possible with existing equipment.

The state Department of Natural Resources shall be the primary enforcement authority, with Kentucky Public Service Commission having jurisdiction over rates and services, and the county health department having local jurisdiction in wastewater systems.

V. PROCEDURES

Each item of equipment in the wastewater treatment plant and collection system shall be inspected on a daily, weekly, monthly, or yearly basis as indicated in the attached "Wastewater Treatment Plant Operational and Preventive Maintenance Check List."

Each utility is free to prepare and customize their inspection forms for elements of the wastewater treatment process and collection system based on the following general outline to indicate current conditions and whether maintenance is necessary. Utilities should prepare and retain an inspection log that includes the signature of the employee and the date the inspection was performed. Management should ensure that

copies of these inspection logs and forms are kept to present to Kentucky Public Service Commission investigators upon annual inspection.

WASTEWATER TREATMENT PLANT

OPERATIONAL AND PREVENTIVE MAINTENANCE CHECK LIST

GENERAL OUTLINE FOR INSPECTION PROCEDURES

Operational and Preventive Maintenance	Frequency						
	Daily	Weekly	Monthly	3 Mo	6 Mo	Yearly	As Necessary
1 SEWAGE TREATMENT FACILITIES SURVEY FOR THE FOLLOWING CONDITIONS:							
Plant Area							
a. Check fence damage	X						
b. Check plant area	X						
Lagoon							
a. Any buildup of scum on pond surface and discharge outlet boxes	X						
b. Signs of burrowing animals	X						
c. Anaerobic conditions noted by odor and black color	X						
d. Water grown weeds	X						
e. Evidence of dike erosion	X						
f. Dike leakage	X						
g. Fence damage	X						
h. Ice buildup in winter							X
i. Evidence of short circuiting	X						
2 PRETREATMENT							
a. Clean inlet, screens, and properly dispose of trash	X						
b. Check inlet flowmeter and floatwell	X						
c. Remove and dispose of rags and accumulation from comminutor and bar screen	X						
d. Check for rock or metal objects in comminutor channel	X						
e. Observe flow and cutting action of comminutor	X						
3 PUMP STATIONS							
a. Remove debris	X						
b. Check pump operation	X						
c. Clean floats, bubblers, or other control devices		X					
d. Lubricate pump							X
e. Check exhaust fan	X						
f. Check dehumidifier	X						
g. Check alarms	X						
h. Check sump pumps		X					

Operational and Preventive Maintenance	Frequency						
	Daily	Weekly	Monthly	3 Mo	6 Mo	Yearly	As Necessary
4 COMMINUTING DEVICES							
a. Check comminutor blades		X					
b. Sharpen comminutor blades when cutting edge is worn 1/8 inch							X
c. Check oil level		X					
d. Grease if called for in manufacturers instructions							X
5 CHLORINATORS							
a. Check solution level in self-contained solution crock	X						
b. Check chlorine cylinders	X						
c. Check feed rate	X						
d. Change chlorine cylinders							X
e. Check Hypochlorinator Unit	X						
6 FLOW MEASURING DEVICES							
a. Check and clean floats, etc.	X						
b. Verify accuracy				X			
7 VALVES AND GATES							
a. Check to see if set correctly	X						
b. Check electrical controls	X						
c. Check control housing			X				
d. Check for unprotected electrical connections	X						
8 CENTRAL CONTROL SYSTEM							
a. Check timers	X						
b. Check electrical controls	X						
c. Check control housing			X				
d. Check for unprotected electrical connections	X						
9 AERATION BASIN							
a. Visually check aeration system for even air distribution; no dead spots	X						
b. Raise and clean rags from diffusers		X					
c. Check oil level in mechanical aerator gear cases		X					
d. Check oil level in blower gear cases	X						
e. Check for air leaks around base and fittings of blower	X						
f. Check blower belts for wear and tension		X					
g. Check blower motor and bearings for excessive heat	X						
h. Check aeration system for unusual noises or vibration	X						

Operational and Preventive Maintenance	Frequency						
	Daily	Weekly	Monthly	3 Mo	6 Mo	Yearly	As Necessary
i. Log running time for mechanical aeration	X						
j. Check amperage on mechanical aeration				X			
10 CLARIFIER							
a. Scrape sides and sloping bottom of clarifier							X
b. Check to see if sludge collection arm is turning	X						
c. Remove any floating material on top of clarifier	X						
d. Check sludge recirculation system	X						
e. Check scum recirculation system	X						
11 CHLORINE CONTACT TANK							
a. Remove any floating material on top of contact tank	X						
b. Remove sludge from chlorine tank when needed			X				
c. Visual check of baffles for proper placement to ensure proper chlorine contact time	X						
12 TERTIARY TREATMENT							
a. Clean screen on micro-strainer	X						
b. Lubricate micro-strainer							X
c. Check backwash pumps	X						
d. Check backwash surge chamber pumps	X						
e. Check media						X	
13 PUMPS AND MOTORS							
a. Check for blockages in RAS return pump	X						
b. Check pumps for clogging or near clogging condition	X						
c. Clean screen at intake of suction piping of pump							X
d. Lubricate pump bearing							X
e. Check pump bearings temperature	X						
f. Drain pump lubricants, wash oil wells and bearings with kerosene				X			
g. Check pump bearings for wear				X			
h. Check alignment of pump and motor flange with straight edge					X		
i. Check motors for heating	X						
j. Replace pump packing							X
k. Check pump shaft sleeves			X				

Operational and Preventive Maintenance	Frequency						
	Daily	Weekly	Monthly	3 Mo	6 Mo	Yearly	As Necessary
l. Replace pump shaft sleeves							X
m. Examine pump wearing rings (manufacturer should specify what is excessive)						X	
n. Clean water seal piping						X	
o. Inspect foot valves and check valves					X		
14 OPERATIONAL CONTROLS							
a. Observe odor, color, and foam of aeration tank	X						
b. Perform necessary operational and control tests (settle ability test, pH, chlorine residual, etc.)	X						
c. Perform tests as required by NPDES permit and regulatory agency							X
15 COLLECTING SYSTEM							
a. Sewer lines						X	
b. Manholes						X	

The utility will also make an inspection on the receipt of a report of a potentially hazardous condition made by a qualified employee, public official, or a customer.

Appropriate records will be kept to identify the inspection made, deficiencies found, and action taken to correct such deficiencies.

**TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY
SEWER USER AGREEMENT
FOR PRESSURE SEWER SYSTEM**

User Phone No.: _____

This agreement entered into between _____ whose address is _____ hereinafter called "user", and the Troublesome Creek Environmental Authority, hereinafter called the "Authority".

WITNESSETH

WHEREAS, the user desires to use the sewer services of the Authority, and to enter into a sewer users agreement as required by the Bylaws of the Authority.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:

The Authority shall furnish, subject to the limitations set out in its Bylaws and Rules and Regulations now in force or as hereafter amended, a sewer system in connection with user's occupancy of the following described property:

The user agrees to grant to the Authority, its successors and assigns, a perpetual easement in, over, through, under, and upon the above described land, with the right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace, and remove sewer lines and appurtenant facilities, together with the right to utilize adjoining lands belonging to the user for the purpose of ingress to and egress from the above described lands.

The user hereby agrees to connect to the sewer system of the Authority. The tap-on fee of the sewer system (for pressure system connections) is \$_____.

The user agrees to comply with and be bound by the Bylaws and Rules and Regulations of the Authority, now in force, or as hereafter duly and legally supplemented, amended or changed. The user also agrees to pay sewer charges at such rates, time and place as shall be determined by the Authority, and agrees to the imposition of such penalties for noncompliance as are now set out in the Authority's

Bylaws and Rules and Regulations, or which may be hereafter adopted and imposed by the Authority. The monthly rates will be reasonable and the user shall comply with all rates, rules and regulations of the Authority, which are approved by the Public Service Commission of Kentucky.

The Authority shall have final authority on any questions of location of any service line connection to its sewer system, and may shut off water service to a user who allows a connection or extension to be made to such sewer lines for the purpose of supplying sewer services to another user.

The user recognizes that a grinder pump is being installed and accordingly must be aware that foreign objects which cannot be ground must not be disposed to the sewer. The Authority is responsible for the installation and routine maintenance of the grinder pump; however, if after inspection of a problem, it is found that improper items were disposed in the sewer, the user shall be billed for necessary repairs.

User also agrees that the electric service for the grinder pump shall be supplied by the user and will allow the Authority to connect to their service when the pump is installed.

The user shall install and maintain, at user's expense, service connection lines to the grinder pump on user's property and all other devices necessary to deposit user's sewage into the Authority's sewer. Service line material and installation must be in accordance with the State Plumbing Code as administered by the Division of Plumbing, Department of Housing, Building and Construction. All and any work on the customer's side shall be inspected by an appropriate representative of the Knott County Health Department before the service line is backfilled. The user shall keep the service line and appurtenances in good working condition at all times and keep any infiltration from entering the service line. The user shall not deposit sewage in such a manner as to cause unusual fluctuations or disturbances to the Authority's system. The Authority will use reasonable diligence in supplying sewer service, but shall not be liable for breach of contract in the event of injury, damage to persons or property, or for loss resulting from interruptions in service. The service connection supplied by the Authority for the user has a definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of the Authority. Failure to give notice of additions or changes in load and to obtain the Authority's consent for same shall render the user liable for any damage to any of the Authority's lines or equipment caused by the additional or changed installation.

The user shall connect sewer service lines to the Authority's Collection System and shall commence to use sewer services of the system on the date the sewer collection line is made available to the user by the Authority. Sewer user charges to the user shall commence on the date service is made available, regardless of whether the user connects to the system.

It is mutually understood and agreed that the failure to pay sewer service charges duly imposed shall result in the automatic imposition of the following penalties:

1. Non payment by the due date will be subject to a penalty of ten (10%) percent of the delinquent amount.

2. Non payment within thirty days from the due date will result in the water being shut off from the user's property.
3. In the event it becomes necessary for the Authority to shut off the water from a user's property, a fee of \$_____ will be charged for reconnection of the service before 3:00 pm or \$_____ if the user requests after hours reconnection of service. The user will also be required to pay all delinquent accounts in full.

If the sewer system is constructed, and the user's property covered by the Agreement is not reached by the Authority's sewer line, the connection fee will be fully refunded to the user. Construction of sewer lines to serve the property covered under this Agreement depends upon feasibility, availability of funds for construction and approval of all local, state, and federal agencies having jurisdiction over this type of facility.

THE AUTHORITY DOES NOT GUARANTEE SEWER SERVICE TO THE USER.

IN WITNESS WHEREOF, we have executed this agreement this _____

day of _____, 20 _____.

USER _____

BY: _____
(For Troublesome Creek Environmental Authority)

Don Gibson
Chairman
Troublesome Creek Environmental Authority, Inc.
917 Perry Park Road
Hazard, KY 41701

Dale Hamilton
Vice Chairperson
Knott County Water & Sewer District
7777 Big Branch Road
Vicco, KY 41773

Calvin R Tackett
Esquire
40 Main Street
Whitesburg, KENTUCKY 41858