

CASE

NUMBER:

99-431

IN THE MATTER OF RUBEN BARNETT VS. SOUTH ANDERSON WATER
DISTRICT

SEQ NBR	ENTRY DATE	REMARKS
0001	10/20/1999	Formal complaint from Ruben Barnett vs. South Anderson Water District.
0002	10/29/1999	Acknowledgement letter.
0003	11/09/1999	Order to Satisfy or Answer; info due 11/19
M0001	11/19/1999	SOUTH ANDERSON WD RAY EDELMAN-ANSWER TO DEFENDANT TO FORMAL COMPLAINT
0004	01/07/2000	Order entered setting procedural schedule; schedules 3/9 hearing
M0002	01/20/2000	REGINALD THOMAS RUBIN BARNETT-FIRST SET OF INTERROGATORIES & REQ FOR PRODUCTION OF DOCUMENT
M0003	01/20/2000	SOUTH ANDERSON WATER DISTRICT-FIRST SET OF REQ FOR PRODUCTION OF DOCUMENTS BY THE COMPLAINA
M0004	01/20/2000	SOUTH ANDERSON WATER DISTRICT-DEFENDANTS FIRST SET OF INTERROGATORIES TO COMPLAINANT
M0005	01/31/2000	SOUTH ANDERSON WD-ANSWER OF DEFENDANT TO COMPLAINTS FIRST SET OF INTERROGATORIES
M0006	02/01/2000	RUBEN BARNETT-COMPLAINANTS ANSWER TO DEF FIRST SET OF INTERROGATORIES & REQ FOR PRO
M0007	02/08/2000	SOUTH ANDERSON WD-PRELIMINARY ENG REPORT
M0008	02/11/2000	COMPLAINANT-SWORN STATEMENT OF ELVIS THOMPSON, CHRISTINE & JAMES RIGGLE
M0009	02/14/2000	SOUTH ANDERSON CO WD-TESTIMONY OF KEN TAYLOR & BOB KINCER
M0010	02/15/2000	SOUTH ANDERSON-AFFIDAVIT OF TIMOTHY RUCKER & RAY ELLIOTT
M0011	02/15/2000	SOUTH ANDERSON-SWORN STATEMENT OF BARNETT, REDMON, CUNNINGHAM, DEFINO, RUCKOR
M0012	03/23/2000	VIVIAN LEWIS COURT REPORTER-TRANSCRIPT FILED FOR HEARING ON MARCH 9, 00
M0013	04/18/2000	REGINALD L. THOMAS/RUBEN BARNETT-BRIEF OF COMPLAINTANT
M0014	04/18/2000	RAY EDELMAN/SOUTH ANDERSON WD-BRIEF FOR DEFENDANT, SOUTH ANDERSON WATER DISTRICT
M0015	04/28/2000	SOUTH ANDERSON WD-REPLY BRIEF
M0016	04/28/2000	RUBEN BARNETT-REPLY BRIEF
0005	08/11/2000	FINAL ORDER DISMISSING COMPLAINT



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-431
SOUTH ANDERSON WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on August 11, 2000.

See attached parties of record.

Stephanie J. Bell

Secretary of the Commission

SB/sa
Enclosure

Alton Warford
Manager
South Anderson Water District
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Honorable Reginald L. Thomas
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Mr. Ruben Barnett
Complainant
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Honorable Ray Edelman
Attorney for South Anderson Water
150 South Main Street
Lawrenceburg, KY. 40342

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RUBEN BARNETT

COMPLAINANT

v.

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

CASE NO. 99-431

O R D E R

On October 20, 1999, Ruben Barnett ("Complainant") filed a formal complaint against the South Anderson Water District ("SAWD"). The gravamen of the complaint concerned the extension of service of water to Complainant's property by SAWD. Complainant requested that the Commission stay SAWD's water expansion project until the Commission orders SAWD to extend water to Complainant's property and down his road. On November 17, 1999, SAWD answered the complaint, claiming it had done nothing improper in not extending its water expansion plan to Complainant's property.

Findings of Fact

The essence of the complaint is that SAWD, while planning a water expansion project in southern Anderson County, treated Complainant unfairly by not planning to extend water service an additional 1.3 miles down Willow Creek Road (now Aaron-Barnett Road) to Complainant's residence and the property of roughly six other people. Complainant alleges that SAWD published misleading notifications of public hearings,

upon which he reasonably relied, that all of Aaron-Barnett Road (formerly Willow Creek Road) would be served by the expansion project. Complainant refers specifically to a notice of a public meeting published in February of 1999. This notice, Complainant claims, listed several area roads that would be serviced by the expansion project. Among the roads listed was Willow Creek Road, and the notice did not mention that only parts of the roads would receive service. Complainant alleges that he reasonably relied on said notification and did not attend any other meetings or address the water board to petition for an extension, until too late, because he thought his road would be included in the project.

Complainant also alleges that SAWD could pay for the additional extension out of the "contingency" fund for the project that was partially financed by federal and state loans. Complainant states that the extension of the water line would only cost an additional \$40,000, an amount which, Complainant argues, is only a small portion of the over-\$2,000,000 budget of the expansion project. At hearing, SAWD estimated the cost of the extension at \$51,725. Complainant further alleged that it would be practical, from an engineering standpoint, to "loop" the water line down Aaron-Barnett Road and connect it with a SAWD water line leading off US Highway 62.

Furthermore, Complainant alleges that part of the expansion project will serve six Washington County residents and only one Anderson County resident on a line. Complainant alleges that this is in violation of SAWD's legal purpose.

SAWD is a Water District incorporated under KRS Chapter 74 and therefore is subject to Commission jurisdiction. For the current expansion project, called Phase V, SAWD applied through the Department of Local Government and received a low

interest loan under the Community Development Grant Program ("CDBG") and a grant from Rural Development of the U.S. Department of Agriculture. The total amount received by SAWD was \$1,000,000 in grant money and \$1,000,000 in a low interest loan. The Phase V expansion project allows SAWD to extend water service to 342 new customers in southern Anderson County.

In its answer, SAWD argued that it gave ample opportunity for public comment and that Complainant attended none of those meetings. Moreover, SAWD argued that the February notice was not designed to provide an opportunity for public input, but to inform the public of the possible impact on an important land resource. SAWD claimed that at the time the notice was published the size of the project had already been determined and the time for public comment had passed. Moreover, SAWD claimed to have abided by all public notice rules required by the CDBG and Rural Development in its application process.

SAWD contends that it considered extending service down the entire length of Aaron-Barnett Road (a total of 3.1 miles) but that, at the time the grant proposal was being prepared, it was economically feasible to extend service down only 1.2 miles of the road. SAWD used the 1.2 miles on Aaron-Barnett Road to apply for the CDBG grant and the Rural Development loan. SAWD later decided to extend the line an additional .6 miles down Aaron-Barnett Road and pay for the extension out of the contingency fund in the expansion project's budget. SAWD contended that at the time it presented the grant and loan proposal, there were only two possible customers at the end of Aaron-Barnett Road and that number did not support the customer density

requirements needed to apply for the loan and grant. In short, there were not enough customers at that time that would earn SAWD enough money to pay back the loan.

SAWD argues that issuing an injunction staying the construction of Phase V would greatly reduce the chances that SAWD would receive the money from either CDBG or Rural Development. SAWD claims that if the project is held up, any other water district would be eligible for the money for which SAWD had applied and that SAWD would lose the funding for the project.

SAWD has also addressed Complainant's contention that it would be practical from an engineering point of view to "loop" the extension down Aaron-Barnett Road to a SAWD line on US 62. SAWD argues that the cost of completing such a line far outweighs the possible hydraulic benefits.

Conclusions of Law

Having reviewed the evidence on record and being otherwise sufficiently advised, the Commission finds:

1. The Commission's scope of review of SAWD's expansion project is severely limited by KRS 278.023. KRS 278.023 limits the Commission's scope of review of a water district's expansion project if that water district is incorporated under KRS 74 or KRS 273 and receives funding from the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development.

2. Because the project at issue is partially funded by federal funds through the U.S. Department of Agriculture, the scope of the Commission's review of the water expansion project is limited and the Commission cannot modify or reject a portion of the

project on its own authority. See KRS 278.023(1). Accordingly, the Commission lacks jurisdiction to order SAWD to modify its current expansion project.

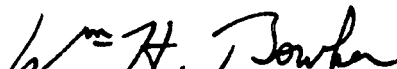
IT IS THEREFORE ORDERED that:

1. The Commission finds in favor of the Defendant South Anderson Water District.
2. South Anderson Water District is not required to make the requested extension to Complainant.
3. The complaint is dismissed with prejudice and removed from the Commission's docket.

Done at Frankfort, Kentucky, this 11th day of August, 2000.

By the Commission

ATTEST:



Executive Director, Acting

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 28 2000

PUBLIC SERVICE
COMMISSION

In the Matter of:

RUBEN BARNETT)
)
) COMPLAINANT)
)
) V.)
)
) SOUTH ANDERSON WATER DISTRICT)
)
) DEFENDANT)

CASE NO. 99-431

REPLY BRIEF OF THE COMPLAINANT

Comes the Complainant Ruben Barnett, by and through his counsel, and submits this reply brief in response to the arguments proffered by the South Anderson Water District in its brief.

I. COUNTERARGUMENT

- A. THERE IS SUBSTANTIAL EVIDENCE IN THE RECORD WHICH DEMONSTRATES THAT THE SOUTH ANDERSON WATER DISTRICT IS ACTING UNFAIRLY AND ARBITRARILY IN REFUSING TO CONSTRUCT WATER LINES ALONG 1.3 MILES OF AARON-BARNETT ROAD

Despite the contention of the South Anderson Water District (hereinafter, "District") that the Complainant has not met his burden of proof in this controversy, the truth of the matter is that there is substantial evidence in this case which reveals that the District has acted in an unfair and inequitable manner in attempting to exclude the 1.3

mile portion of Willow Creek Road (now Aaron-Barnett Road) where Mr. Barnett and his family live from the District's water expansion project.

When the District originally proposed its water project, the District planned to construct water lines on only 1.2 miles of Willow Creek Road. Because the length of Willow Creek Road totals 3.1 miles, the District's original plan left 1.9 miles of this road without water. After the District submitted this plan to the Office of Rural Development and the Kentucky Department of Local Government for federal funding, and after such plan was approved, the District then modified its plan to add an additional .6 mile of water line construction to Willow Creek Road. This modification did not endanger any monies appropriated to the District's expansion project.

Frankly speaking, the District cannot credibly argue before the Public Service Commission ("Commission") that it cannot now modify its project to provide water line construction completely along Willow Creek Road. The fact of the matter is that since June, 1999 Mr. Barnett has unsuccessfully attempted to have the District include his household in its water expansion project. Since that time, the District has already once modified its original proposal to include more of Willow Creek Road in the project, but still exclude that portion of the roadway where Mr. Barnett's homestead is located.

Furthermore, for the District to say that Mr. Barnett did not initially sign up for water is quite hollow. The evidence is clear that, for whatever reasons (and these reasons appear suspect), Mr. Barnett was not contacted by a road captain nor surveyed for CDBG eligibility to determine his interest in water. When Mr. Barnett was cross-examined by the District's attorney at the Commission hearing, he testified that he had not been solicited by any official of the District concerning his desire for water.

MR. EDELMAN: Were you aware that your road had a road captain?

MR BARNETT: Road captain?

MR. EDELMAN: To solicit names of people that were interested in the project in '96 and '97?

MR. BARNETT: I'm not getting what you are saying?

MR. EDELMAN: Were you aware that on Aaron-Barnett Road, Willow Creek, that your road had an individual who was in charge of getting a petition together to see who was interested in water?

MR. BARNETT: I didn't know nothing about it until after I found out they wasn't going to run water all the way through.

Hearing Transcript at p. 26. At the conclusion of this particular line of questioning, the District's attorney introduced a list of Willow Creek Road residents who had expressed an interest in receiving water. See Defendant's Exhibit No. 1. Mr. Barnett wishes to point out that under the District's current plan, the last two residents who will be connected to the water line are Larry Case who lives at 1340 Aaron-Barnett Road and Lanzie Wells who lives at 1402 Aaron-Barnett Road. The Commission should note that neither the names of these two individuals nor their addresses appear on Defendant's Exhibit No. 1.

Similarly, the District cannot honestly argue that its federal funding would be disrupted should the Commission order that the entire length of Willow Creek be included in the water expansion project. Mr. Barnett has previously substantiated this position in his brief, but suffice it to say that the best evidence of this position is that the District has already amended its original project once without any delay in funding.

Consequently, the evidence before the Commission clearly indicates that the South Anderson Water District is being arbitrary and unfair in failing to extend its water line construction throughout the full length of Willow Creek Road.

B. THE NOTICE PROMULGATED BY THE SOUTH ANDERSON WATER DISTRICT DESCRIBING THE WATER EXPANSION PROJECT IS FALSE AND MISLEADING

Try as hard as they may to justify the notice published by the utility, the plain truth of the matter is that the public notice issued by the South Anderson Water District is false and misleading.

In its brief, the District mentions that a notice was publicized in The Anderson News on August 5, 1998 informing all southern Anderson County residents of the District's plan to apply for Community Development Block Grant (CDBG) funds. See Defendant's Exhibit No. 4. On the next page herein is the actual August 5, 1998 notice published by the District and on the subsequent page is a February 17 and 24, 1999 notice published by the District, which followed the August, 1998 notice. When one reads these two notices together, one is left with the distinct impression that the District decided that all of Willow Creek Road should be included in its water expansion project. Even Mr. Bob Kincer, chairman of the board of commissioners of the South Anderson Water District, reluctantly admitted as much when questioned on cross-examination. Hearing Transcript at pp. 98-99. Because the February, 1999 notice promulgated by the District did not list any qualification or limitation on the extent of water line construction on Willow Creek Road, the Commission is left with but one choice and that is to find that the notice published by the District describing its water expansion project was false and misleading.

PUBLIC HEARING NOTICE

SOUTH ANDERSON WATER DISTRICT

EXPANSION PROJECT

To all interested citizens of Anderson County, Kentucky, the Kentucky Department for Local Government is accepting applications under the 1998 Community Development Block Grant (CDBG) Program. The following information concerning the CDBG Program is available for public inspection.

- A. Amount of funds available and range of activities that may be undertaken.
- B. Estimated amount of funds proposed to be used for activities benefiting persons of low to moderate income.
- C. Plans for minimizing displacement persons as a result of activities assisted with CDBG funds and plans for providing assistance to those persons to be actually displaced as a result of CDBG funded activities.
- D. Records regarding the past use of CDBG funds.
- E. A summary of those important program requirements.

The above information is available at the office of the County Judge Executive from August 4th through August 17th, 1998, during regular business hours.

The County will hold a Public Hearing prior to submission of any application. The Public Hearing will be held on August 18th, 1998, 8:00 p.m., at the Anderson County Courthouse's District Courtroom, South Main Street, Lawrenceburg, Kentucky. The purpose of this hearing is to obtain views on housing, economic development and community development needs, review proposed activities, review any proposed applications, solicit public comments and inform citizens that technical assistance is available to help groups representing low and moderate income persons in developing proposals.

COMMENTS ON APPLICATIONS

A copy of the CDBG application will be on file at the County Judge Executive's Office for citizen review and comment during regular business hours from August 18th through August 25th, 1998. Comments on the proposed application may be submitted to the attention of the County Judge Executive until August 28th, 1998. TDC# for the hear-

PUBLIC NOTIFICATION FOR INFORMING THE PUBLIC OF POSSIBLE IMPACT TO AN IMPORTANT LAND RESOURCE

The United States Department of Agriculture, Rural Development (RD) is considering an application for financial assistance sponsored by the South Anderson Water District. The specific elements of this proposed action involves the construction of water line extensions comprised of approximately 25,000 linear feet of 8" Water Mains, 240,000 linear feet of 4" Water Mains, 11,000 linear feet of 3" Water Mains, a pump station and system appurtenances such as gate valves, air release valves, blow-off valves, meters, etc.

The following roads and communities will be affected by this project: Ballard, Dugansville Road, Hoophole, Puncheon Creek Road, Searcy School Road, Fairview, Lick Skillet Road, KY Hwy 1291, Drydock, Anderson City, Buntain School Road, KY 44 east of Glensboro, US 62 west of Johnsonville, KY Hwy 248, KY Hwy 3358 (Tanner Road), Burgin Road, US 127 Bypass from Sidney to US 127, Cox Road, Willow Creek Road, KY Hwy 44 west of Glensboro, Ashby Road, Gilberts Creek Road, Wooldridge Road, Rice Road and Fox Creek Road.

If ADDITIONAL FUNDS become available the following roads will be considered:

1. Dawson Ferry Road
2. Bear Creek Road
3. Dennis Road
4. Ashby Road (Off of KY Hwy 248)
5. Burke Road
6. Mays Branch/Leathers Road

If implemented, the proposed action may impact important farmland and designated flood plain within the corridors and/or sites of the proposed improvements. The purpose of this notice is to inform the public of this possible result and to request comments concerning (1) the impacts of the proposed location of farmland and flood plain, (2) alternative sites or actions that would avoid these impacts, and (3) methods that could be used to reduce these impacts.

The proposed action is available for review at the following RD Office:

RD District Office
P.O. Box 1227
Shelbyville, KY 40066-1227

Any persons interested in commenting on the proposed action may do so by sending such comments within 30 days following the date of this publication to Thomas G. Fern, State Director, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503.

Federal law prohibits discrimination on the grounds of race, color, national origin, religion, age, handicap and sex in this program.

NOTICE OF PUBLIC MEETING SOUTH ANDERSON WATER DISTRICT

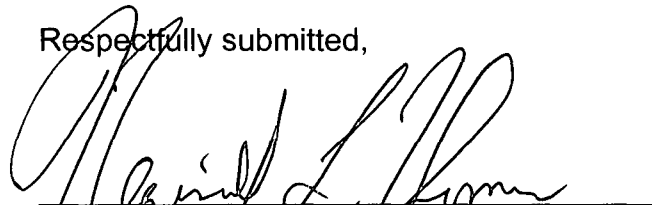
9:00 A.M. E.S.T. MARCH 8, 1999 at 246 Court Street

A public meeting will take place at 9:00 a.m. E.S.T. on March 8, 1999 at South Anderson Water District.

II. CONCLUSION

Mr. Barnett believes that the remedy he requested in his brief is fair. The South Anderson Water District should not be allowed to construct water lines along: (a) Burgin Road, (b) U.S. Highway 173 Bypass, (c) Anderson City/Drydock/State Road 44 east of Glensboro/Buntain School Road, (d) Rice Road, and (e) Fox Creek Road until the South Anderson Water District submits a plan to the Commission demonstrating that water lines will be constructed entirely along Willow Creek Road. Certainly the notice promulgated by the District suggests that this was to be done and unquestionably it is cost effective to build water lines along the entire road. Finally, the District can amend its application with the Office of Rural Development and the Department of Local Government to add the remaining 1.3 miles of Willow Creek Road to the project without risk of losing any federal funds. Therefore, to ensure a fair and equitable result, the Commission should decree the remedy recommended by Mr. Barnett.

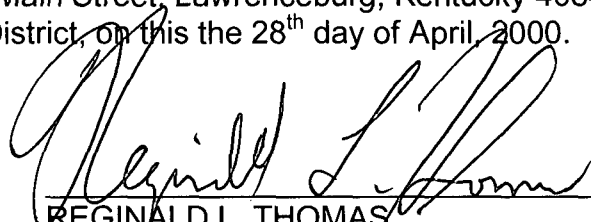
Respectfully submitted,



REGINALD L. THOMAS
P.O. Box 1704
Lexington, Kentucky 40588-1704
Telephone (859) 273-1267
ATTORNEY FOR THE COMPLAINANT

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing REPLY BRIEF OF THE COMPLAINANT was personally served upon The Public Service Commission and the Honorable Ray Edelman, 150 South Main Street, Lawrenceburg, Kentucky 40342, Attorney for the South Anderson Water District, on this the 28th day of April, 2000.


REGINALD L. THOMAS
ATTORNEY FOR THE COMPLAINANT

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

APR 28 2000

PUBLIC SERVICE
COMMISSION

In the matter of:

RUBEN BARNETT

COMPLAINANT

VS.

CASE NO. 99-431

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

REPLY BRIEF FOR DEFENDANT,
SOUTH ANDERSON WATER DISTRICT

May It Please The Commission:

Comes the Defendant, South Anderson Water District ("District"),
and hereby files its reply brief pursuant to Order of the Commission.

I. ARGUMENT

A. THE POSITION OF THE COMPLAINANT
AND THE STATISTICAL DATA CONTAINED IN
TABLE ONE AND TABLE TWO OF HIS BRIEF
IS NOT SUPPORTED BY A SHRED
OF EXPERT ENGINEERING TESTIMONY
AND IT USES YEAR 2000 POTENTIAL
CUSTOMER NUMBERS RATHER THAN
YEAR 1998 APPLICATION CUSTOMER NUMBERS

The entire argument of the Complainant is based upon current year 2000 customer numbers. The Complainant completely ignores the reality that in 1998, at the time the road surveys and application for CDBG Grant and Rural Development loan funds were

put together, the 1.3 mile stretch of Willow Creek (Aaron Barnett) Road had only three houses, one of which was vacant. (Direct Testimony of Ken Taylor, Engineer, starting at page 41).

The only engineering evidence and proof in the record is from Ken Taylor, Kenvirons Engineering, Inc., who testified that construction of an additional 1.3 miles of pipeline along Aaron Barnett Road at a cost of an additional \$51,000 for three potential users in 1998, at the time the application was filed and the road surveys were done would have been irresponsible on the part of the District.

The Complainant has introduced not a single shred of engineering evidence to counteract the application, the preliminary engineering report, the income studies, the environmental studies that the District submitted to CDBG and Rural Development for its grant and loan funds.

As the only engineering evidence indicated, these projects require a deadline for application submission, customer counts, income and environmental studies and cost of construction numbers are derived from the time of the application process, not at the time of the Public Service Commission hearing. The only engineering evidence from Mr. Taylor indicates that application process requires deadlines for the inclusion of certain roads in the project because the need to have the petitions, income studies, environmental studies and engineering reports submitted to the CDBG office and the Rural Development office for review for grant and loan funds.

The Commission surely must understand that the Complainant's Argument reflects the number of proposed users in year 2000 and not the actual number of users in year 1998. (There were only three potential users for the 1.3 mile stretch of Aaron

Barnett Road in 1998.) Obviously, it is easy to "Monday Morning Quarterback" based upon sales of property since 1998; however, this is not the engineering standard upon which a project is put together.

To allow the Complainant to be included in the project based on year 2000 growth figures would be inequitable to other potential customers of other roads not included in the project that had additional users added since 1998.

Tanner Road, Ashby Road, Burgin Road, Glensboro Road, Searcy School Road, and Hungry Run Road, and possibly other roads within the District boundary, in fairness, should all be considered based upon year 2000 user count, if this is the standard, which clearly it cannot be, prior to granting the Complainant his request and inclusion in the project. If the Commission were to micro-manage this project and all projects in this manner, no application for grant money and/or loan funding would every be finalized.

Any action by the Commission enjoining this project would require additional amendments of the application, income studies, environmental studies and notices and amendment of the preliminary engineering report.

There is no engineering evidence in the record that indicates that the District's application was unreasonable, arbitrary, or not completed based upon sound engineering principles. To require the District to risk the loss or postponement of a CDBG Grant and Rural Development Loan of \$2,000,000 would be clearly not in the best interest of the 340 other customers who want and need water and who would be included within this substantial Phase Five Project of the District.

Any such action would clearly not be supported by the required expert engineering testimony that the Commission requires in these types of disputes.

B. COMPLAINANT WAS GIVEN NOTICE,
AND COMPLAINANT'S ARGUMENT COMPLETELY
IGNORES THE NOTICE OF AUGUST 5, 1998, PUBLISHED
IN THE ANDERSON NEWS, WHICH WAS INTRODUCED
AS DEFENDANT'S EXHIBIT 4

The District would refer the Commission to its argument on pages 8, 9, and 10, of its Brief, which clearly indicates that the Complainant was given notice and opportunity to be heard on several occasions. The Plaintiff, along with all other members and potential customers of the South Anderson Water District, received notice in the August 5, 1998 publication of The Anderson News, which was introduced as Defendant's Exhibit 4. (See Transcript of Hearing, pg. 164). The August, 1998 notice was published in The Anderson News and went to all interested Anderson County citizens, advising them that the Community Development Block Grant application was in process. (See Transcript of Hearing, pg. 162). It also advised all interested Anderson County citizens, of which the Complainant is a member of such class, that the application for CDBG grant money would be on file in the County Judge/Executive's office for citizen review and comment during regular business hours from August 18-25, 1998, and any comments on the proposed applications may be submitted to the attention of the County Judge/Executive. The notice additionally indicated that a public hearing would be held prior to the submission of any application on August 28, 1998, in the Anderson County Court House.

The District has complied with any reasonable due process or notice requirements at a minimum by the August , 1998, notification in The Anderson News. Complainant had every opportunity to be heard and was notified in the same manner as every other

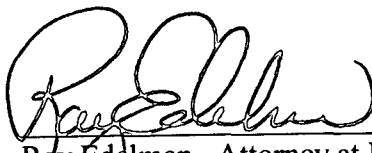
member of the community of the proposed meeting. Complainant simply failed to attend and be involved in the process.

CONCLUSION

The Complainant's Complaint should be dismissed. The District would refer the Commission to its initial brief and state that the Complainant has not met his burden of proof by counter-balancing the expert testimony of the District's engineer. The District's engineering testimony is the only expert testimony in the record, and said testimony indicated that the Complainant's portion of the Aaron Barnett Road, containing approximately 1.3 miles of proposed pipeline, was excluded from the project due to the small user count at the time the applications and road surveys were prepared in 1998. (Only three houses, one of which was vacant on that 1.3 mile stretch of road). The cost of construction (\$51,000) did not justify inclusion of 1.3 miles of pipeline construction for 2 or 3 potential users and was not included in the application for that reason. Complainant has introduced no expert engineering proof to counteract this testimony and has failed to meet its burden or proof.

Finally, Plaintiff received adequate due process and notification that the process was going forward by virtue of the August 5, 1998 notice published in The Anderson News. Complainant simply failed to exercise his right to review the application and plans and additionally, failed to attend the August meeting. Defendant requests that the Plaintiff's Complaint be dismissed; that it be permitted to go forth with the project so as to not risk losing its CDBG Grant or its Rural Development loan.

Respectfully submitted,



Ray Edelman, Attorney at Law
150 South Main Street
Lawrenceburg, KY 40342
Telephone: (502) 839-5111
Fax: (502) 839-3834
Attorney for Defendant

South Anderson Water District

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Reply Brief was served upon Plaintiff by mailing a true copy thereof to his attorney of record, Honorable Reginald L. Thomas, P.O. Box 1704, Lexington, Kentucky, 40588-1704, on this the 28th day of April, 2000.



Ray Edelman, Attorney at Law
Attorney for South Anderson Water District

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 18 2000

PUBLIC SERVICE
COMMISSION

In the Matter of:

RUBEN BARNETT)
)
) COMPLAINT)
)
) V.)
)
) SOUTH ANDERSON WATER DISTRICT)
)
) DEFENDANT)

CASE NO. 99-431

BRIEF OF THE COMPLAINANT

Comes the Complainant Ruben Barnett, by and through his counsel, and tenders this brief in support of his request for relief from the Public Service Commission.

I. ARGUMENT

A. IT IS HIGHLY UNFAIR AND INEQUITABLE FOR THE SOUTH ANDERSON WATER DISTRICT TO EXCLUDE A PORTION OF AARON-BARNETT ROAD FROM THE DISTRICT'S WATER EXPANSION PROJECT

The Complainant Ruben Barnett's primary position throughout this entire proceeding has been that it is unfair and inequitable for the South Anderson Water District ("District") to exclude the portion of the road where he and his children live from the District's water expansion project. Certainly the evidence and testimony presented at the hearing buttress Complainant's position.

Both Mr. Bob Kincer, chairman of the board of commissioners of the South Anderson Water District, and Mr. Ken Taylor, engineer for the district, testified that the

three (3) factors taken into account by the District in deciding which areas would receive water were (a) the number of households that could be served per mile (b) the cost of construction per household, and (c) the number of low-income households which would make the District eligible for CDBG funds. On cross-examination by the Complainant's counsel, Mr. Kincer acknowledged that the aforementioned factors were the sole considerations taken into account by the district in deciding along which roadways to construct water lines.

MR. THOMAS: So, again, feasibility then for this entire project would be to maximize the most households you could per mile.

MR. KINCER: I would say yes.

MR. THOMAS: And, of course, to be reasonable, Mr. Kincer, you are also going to look at cost per mile too, wouldn't you? In other words, you might have ten households per mile but if it is going to cost you an exorbitant amount of money because of the terrain or the rock or the limestone, then that would be a consideration by South Anderson Water District as well, cost per mile would be a consideration as well; correct?

MR. KINCER: I would say yes.

...

MR. THOMAS: Okay. Well, looking at your testimony and, again, I'm not trying to trick you but I want the Commission to be clear. Certainly when you apply for grant money you want to look at whether those households would be grant money eligible; correct?

MR. KINCER: Yes.

Hearing Transcript at pp. 80-82.

In accord with this testimony was Mr. Taylor who testified on cross-examination to the following:

MR. THOMAS: Well, that's what Mr. Shapiro and I want to know today, what other considerations are there besides density, besides cost and besides low income numbers, what other considerations are there?

MR. TAYLOR: Well, again, how it fits with the rest of the District's facilities and, again, that will get into the - - it is not just the cost of that road, but that may cause other cost in the rest of the facilities. If you can't serve along that road because you don't have enough pressure to serve along that road, then you have to look at the other parts of the system, too.

...

MR. THOMAS: Okay. Well, let me ask you this, do you have any reason to believe that you wouldn't have adequate pressure to complete the remaining 1.3 miles of Willow Creek Road?

MR. TAYLOR: No, now there is adequate pressure on Willow Creek Road.

MR. THOMAS: So, that would not be a consideration then?

MR. TAYLOR: Correct.

Hearing Transcript at pp. 128-9.

Data was provided by the South Anderson Water District indicating the number of customers to be served, the number of miles of water line to be constructed, and the costs of construction for each roadway included in the District's water expansion project. Table One provides an item-by-item breakdown of these three components on every roadway. Utilizing this data prepared by the South Anderson Water District, Table Two then compares the density and cost per customer for each roadway included in the

TABLE ONE

CHART OF CUSTOMERS, LENGTH OF CONSTRUCTION,
AND CONSTRUCTION COSTS
PHASE FIVE EXPANSION
SOUTH ANDERSON WATER DISTRICT

<u>PROJECT</u>	<u>TOTAL CUSTOMERS</u>	<u>TOTAL MILES</u>	<u>TOTAL COST</u>
Gilberts Creek	10	1.14	\$41,000.00
U.S. Highway 127 Bypass	7	1.04	\$36,800.00
Cox Road	9	1.14	\$42,350.00
Anderson City/Drydock/ State Road 44 east of Glensboro/ Buntain School Road	63	9.45	\$367,800.00
Burgin Road	10	1.36	\$58,900.00
FairviewSpur/Lick Skillet Road/ State Road 1291	74	7.73	\$320,800.00
U.S. Highway 62 west of Johnsonville/ State Road 248/ State Road 3358 (Tanner Road)	46	6.69	\$259,850.00
Fox Creek Road	8	1.8	\$77,400.00
Ballard/Dugansville Road/ Hoophole/Puncheon Creek Road/ Searcy School Road	77	10.23	\$427,850.00
<i>Willow Creek Road - Entirety</i>	21	3.1	\$123,275.03
Ashby Road	8	1.14	\$43,600.00
Wooldridge Road	7	0.81	\$28,200.00
Rice Road	6	1.16	\$53,650.00
State Road 44 West of Glensboro	10	1.21	\$51,150.00

TABLE TWO

CHART OF DENSITY AND COST/CUSTOMER
PHASE FIVE EXPANSION
SOUTH ANDERSON WATER DISTRICT

<u>PROJECT</u>	<u>TOTAL CUSTOMERS (MILES)</u>	<u>TOTAL COST</u>	<u>DENSITY PER MILE</u>	<u>COST PER CUSTOMER</u>
FairviewSpur/Lick Skillet Road/ State Road 1291	74 (7.73)	\$320,800	9.6	\$4,335
Gilberts Creek	10 (1.14)	\$41,000	8.8	\$4,100
Wooldridge Road	7 (0.81)	\$28,200	8.64	\$4,029
Willow Creek Road - portion for expansion	15 (1.8)	\$71,550	8.33	\$4,770
State Road 44 West of Glensboro	10 (1.21)	\$51,150	8.26	\$5,115
Cox Road	9 (1.14)	\$42,350	7.9	\$4,706
Ballard/Dugansville Road/ Hoophole/Puncheon Creek Road/ Searcy School Road	77 (10.23)	\$427,850	7.5	\$5,556
Burgin Road	10 (1.36)	\$58,900	7.35	\$5,890
Ashby Road	8 (1.14)	\$43,600	7.0	\$5,450
U.S. Highway 62 west of Johnsonville/ State Road 248/ State Road 3358 (Tanner Road)	46 (6.69)	\$259,850	6.88	\$5,649
(Willow Creek Road - entirety)	21 (3.1)	\$123,275	6.77	\$5,870
U.S. Highway 127 Bypass	7 (1.04)	\$36,800	6.73	\$5,257
Anderson City/Drydock/ State Road 44 east of Glensboro/ Buntain School Road	63 (9.45)	\$367,800	6.67	\$5,838
Rice Road	6 (1.16)	\$53,650	5.17	\$8,942
Fox Creek Road	8 (1.8)	\$77,400	4.44	\$9,675

water expansion project. When one looks at Table Two, it is strikingly noteworthy that the density for the entire Willow Creek Road (now Aaron-Barnett Road) is greater than four other roadways included in the expansion project. Furthermore, Table Two reveals that the cost per customer to complete Willow Creek Road in its entirety is cheaper than three other roadways in the project. Given the comparisons that arise from Table Two, it is incredulous that the entire Willow Creek Road is not included in the District's water expansion project.

To be fair, Mr. Taylor did admit that it would be feasible to include all of Willow Creek Road in the District's current project. When asked to compare his projected costs to construct water lines throughout Willow Creek Road to the projected costs of other roadways, Mr. Taylor conceded that it was reasonable to include the entire stretch of Willow Creek Road in the project. On cross-examination from Mr. Thomas, Mr. Taylor responded as follows:

MR. THOMAS: Mr. Taylor, why wouldn't it make more sense if those - - if the only three considerations that you and Mr. Kincer have indicated are density per mile, cost per customer and low income households, why wouldn't it be a better use of the South Anderson Water District dollars to do the Willow Creek road entirely than Burgin Road, US Highway 127, Anderson County, Rice Road and Fox Creek Road, since the Willow Creek Road in its entirety has better numbers? If those are the only criteria why - -

MR. TAYLOR: Had it been put in the original project it would have. You know, with the 21 numbers that is there now versus what was there at the time we put the project together.

Hearing Transcript at pp. 143-4.

Later in responding to a similar question from Hearing Officer Shapiro, Mr. Taylor stated:

HEARING OFFICER SHAPIRO:

If you had - - if those people had requested service and you were applying the feasibility standards that you have testified about, the three standards that Mr. Thomas has talked about, would that entire road have qualified for this project?

MR. TAYLOR: Probably. You know, again, I don't know how close they were because that is not something - -

HEARING OFFICER SHAPIRO:

But if the income survey wasn't sufficient then would you make up the difference with borrowed money?

MR. TAYLOR: It might have been included as Fox Creek was, as a Rural Development only for the rest of the road, yeah.

Hearing Transcript at pp. 158-9.

Still, in spite of the clear justification for including all of Willow Creek Road in their water expansion project, the South Anderson Water District steadfastly refuses to add the 1.3 miles of roadway which would serve Mr. Barnett's home. The only explanation proffered by the District for not including the 1.3 mile portion of Willow Creek Road is that such portion was not in the original project. Testimony of Ken Taylor at Hearing Transcript, p. 143. This explanation, however, rings hollow for two reasons. First, the original project only called for 1.2 miles of Willow Creek Road to receive water, but now the District has modified this distance to 1.8 miles. Secondly, the District asserts that Mr. Barnett was not included in a survey to determine his interest in receiving water or his family's eligibility under CDBG criteria. No reason was given by the District as to why neither Mr. Barnett nor his neighbors were approached about their interests in

obtaining water from the District. In fact, Mr. Taylor acknowledged that it would not have taken much time to interview those residents who live along the extended segment of Willow Creek Road. Testimony of Ken Taylor at Hearing Transcript, pp. 145-6.

Modification of the water expansion project would not jeopardize the federal funding allocated to the South Anderson Water District. During both direct examination and questioning from the hearing officer, Mr. Taylor responded that the District could amend its application to include the remainder of Willow Creek Road without losing its CDBG or Rural Development funds. During direct examination Mr. Taylor testified that:

MR. EDELMAN: Well, and let's talk about that for a second. If we were required - - if the district were required at this point in time to seek to amend its application for Rural Development money, what are the chances of the money that is currently committed to the district going somewhere else due to the fact that the district would be in a position not to meet its letter of conditions?

MR. TAYLOR: I don't think they would pull the money. I think they'd give you opportunity to look for other funding sources, or whatever, but, again, you'd have to go back and . . .

MR. EDELMAN: So you don't necessarily think the money would be gone, but where would the other money come from?

MR. TAYLOR: That's a good question. I mean, you'd have to go - - the district would have to go borrow it, or the county - - ask the county for more of a contribution, or somebody.

Deposition of Ken Taylor, pp. 33-34.

At the conclusion of the hearing, Mr. Shapiro asked a similar question of Mr. Taylor. Again, Mr. Taylor's response was almost identical.

HEARING OFFICER SHAPIRO:

And the letter of conditions tells you - - essentially tells you that you have been approved for the loan and this is what you have to do to complete the process?

MR. TAYLOR: Proceed, correct.

HEARING OFFICER SHAPIRO:

And if you were to modify the application you would have to go through this whole process all over again, as far as the Rural Development is concerned?

MR. TAYLOR: Not the whole process, you would have to go back and make sure that all of the environmental, you know, any - - well, you would have to go back and include it in state clearing house comments and all those other things that are involved in getting to the point where they say it is eligible. But you wouldn't have to start back at square one, you would be amending an existing application. Also, they probably have four times as many applications as they have funds, three to four.

Hearing Transcript at pp. 202-3.

Other considerations are present which further substantiate the injustice of the South Anderson Water District in excluding Mr. Barnett and his neighbors from the expansion project. Completion of the water line throughout the entire length of Willow Creek Road would result in a loop of the water line around U.S. Highway 62. The establishment of a water loop would be hydraulically more efficient from an engineering standpoint. Deposition of Ken Taylor, p. 44. Because the proposed construction along Willow Creek Road would not create a loop, the District would necessarily have to install a blow off valve in order to limit any water runoff. Hearing Transcript at p. 148. In addition, one of the roadways included in the expansion project by the District, i.e. Cox

Road, would serve more non-Anderson County residents (6) than Anderson County residents (3). As the mission of the South Anderson Water District is to provide water to all citizens in rural Anderson County, it seems extremely unjust for the District to expend funds to build a water line which would primarily serve persons outside of Anderson County while at the same time cutting off water line construction on a roadway which would service exclusively Anderson County citizens. Compare Hearing Transcript at p. 74 (Mr. Kincer responding that "the mission of South Anderson is to serve every household in our boundary as soon as possible. . .").

Finally, the cost to complete water line construction on the remaining 1.3 miles of Willow Creek Road is quite reasonable. Mr. Ken Taylor estimated the construction costs to finish Willow Road to be Fifty-One Thousand Seven Hundred Twenty- Five Dollars and Three Cents (\$51,725.03). Nowhere in the record do Mr. Kincer and Mr. Taylor testify that this amount is excessive or exorbitant. Referring back to Table Two, it is seen that the actual cost per customer to complete water lines entirely along Willow Creek Road is cheaper than the construction costs per customer for three other roadway projects.

In truth, every item of evidence indicates that Mr. Barnett and his neighbors are being treated inequitably in this proposed water expansion project of the South Anderson Water District. Four other roadways have densities that are less than the density for the entire Willow Creek Road. Three roadways have a greater cost per customer than the cost per customer for the entire Willow Creek Road. Two roadways have both a lower density and a higher cost per customer than the entire Willow Creek Road. Yet the District adamantly opposes adding the remaining 1.3 mile portion of

Willow Creek Road excluded from the project, even though such addition would not cause a loss of any funding appropriated for the project. The Commission cannot tolerate this unfairness and abuse of discretion by the South Anderson Water District and should thus intervene to provide appropriate relief to Mr. Barnett.

**B. NOTICE PROMULGATED BY THE SOUTH
ANDERSON WATER DISTRICT DESCRIBING
THE WATER EXPANSION PROJECT WAS
FALSE AND MISLEADING.**

As part of the requirements to receive federal funds, the South Anderson Water District had to publish notice of its proposed project description. Unfortunately the notice which was published was false and misleading.

The notice that was promulgated by the South Anderson Water District, which notice can be seen on the next page, lists several roads and communities that are to be included in the District's water expansion project. The notice states that "Willow Creek Road" is to be one of those communities served by the District's expansion project. No limitation or qualification on "Willow Creek Road" is cited in the notice. With respect to other roads, however, the notice does indicate that only a partial segment of said roadway is incorporated in the project. Thus the ordinary reader is led to believe that all of Willow Creek Road is included in the District's water expansion project.

When questioned by Mr. Shapiro during the hearing, Mr. Kincer reluctantly admitted as much in his answer.

PUBLIC NOTIFICATION FOR INFORMING THE PUBLIC OF POSSIBLE IMPACT TO AN IMPORTANT LAND RESOURCE

The United States Department of Agriculture, Rural Development (RD) is considering an application for financial assistance sponsored by the South Anderson Water District. The specific elements of this proposed action involves the construction of water line extensions comprised of approximately 25,000 linear feet of 8" Water Mains, 240,000 linear feet of 4" Water Mains, 11,000 linear feet of 3" Water Mains, a pump station and system appurtenances such as gate valves, air release valves, blow-off valves, meters, etc.

The following roads and communities will be affected by this project: Ballard, Dugansville Road, Hoophole, Puncheon Creek Road, Searcy School Road, Fairview, Lick Skillet Road, KY Hwy 1291, Drydock, Anderson City, Buntain School Road, KY 44 east of Glensboro, US 62 west of Johnsonville, KY Hwy 248, KY Hwy 3358 (Tanner Road), Burgin Road, US 127 Bypass from Sidney to US 127, Cox Road, Willow Creek Road, KY Hwy 44 west of Glensboro, Ashby Road, Gilberts Creek Road, Wooldridge Road, Rice Road and Fox Creek Road.

If ADDITIONAL FUNDS become available the following roads will be considered:

1. Dawson Ferry Road
2. Bear Creek Road
3. Dennis Road
4. Ashby Road (Off of KY Hwy 248)
5. Burke Road
6. Mays Branch/Leathers Road

If implemented, the proposed action may impact important farmland and designated flood plain within the corridors and/or sites of the proposed improvements. The purpose of this notice is to inform the public of this possible result and to request comments concerning (1) the impacts of the proposed location of farmland and flood plain; (2) alternative sites or actions that would avoid these impacts; and (3) methods that could be used to reduce these impacts.

The proposed action is available for review at the following RD Office:

RD District Office

P.O. Box 1227

Shelbyville, KY 40066-1227

Any persons interested in commenting on the proposed action may do so by sending such comments within 30 days following the date of this publication to Thomas G. Fern, State Director, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503.

Federal law prohibits discrimination on the grounds of race, color, national origin, religion, age, handicap and sex in this program.

NOTICE OF PUBLIC MEETING

SOUTH ANDERSON WATER DISTRICT

9:00 A.M. E.S.T. MARCH 8, 1999 at 246 Court Street

A public meeting will take place at 9:00 a.m. E.S.T. on March 8, 1999 at South Anderson Water District

HEARING OFFICER SHAPIRO:

He's asking him though - - essentially, what he is asking the witness is whether or not a person, an ordinary person living in the South Anderson Water District might read that, the person reading that, rather, that person reading it, rather the person I described reading that would come to the conclusion that a project was being considered that will cover the entire Willow Creek Road. Do you have an opinion as to whether or not a person would reach such a conclusion, yes or no? First of all, do you have an opinion on it?

MR. KINCER: An average person might assume that - -

HEARING OFFICER SHAPIRO:

Well, do you have an opinion on it, you have an opinion?

MR. KINCER: Yes.

HEARING OFFICER SHAPIRO:

Okay, what is your opinion?

MR. KINCER: Well, my opinion is that all roads cannot be - -

HEARING OFFICER SHAPIRO:

No, I want to know what your opinion about what the average person would - - what an average person would conclude from this?

MR. KINCER: An average person probably yes would - - that's the best way to get out of that.

Hearing Transcript at pp. 98-99.

If it was the intent of the South Anderson Water District to engage in water line construction on merely a portion of Willow Creek Road, then the District should have

said so from the very beginning. It was very misleading for the District to suggest in its public notice that all of Willow Creek Road was going to be within the District's expansion project when such was not the case. The District could have easily placed in parenthesis next to Willow Creek Road the word "partial" or have stated "1.2 miles construction only." Because the District did mislead the public and Mr. Barnett about the scope of the water expansion project on Willow Creek Road, the Public Service Commission should find the notice published by the South Anderson Water District deceptive and misleading and issue appropriately tailored relief to Mr. Barnett.

II. CONCLUSION

Mr. Barnett wishes to make it clear to the Commission that he is seeking a fair remedy to his complaint against the South Anderson Water District. First of all, Mr. Barnett is NOT asking the Public Service Commission to enjoin the entire water expansion project of the South Anderson Water District. Looking again at Table Two, it is seen that the following eight projects, i.e. (1) Fairview Spur/Lick Skillet Road/State Road 1291, (2) Gilbert's Creek, (3) Wooldridge Road, (4) State Road 44 West of Glensboro, (5) Cox Road, (6) Ballard/Dugansville Road/Hoophole/Puncheon Creek Road/Searcy School Road, (7) Ashby Road, and (8) U.S. Highway 62 West of Johnsonville/State Road 248/State Road 3345 (Tanner Road), have both greater densities and have cheaper cost per customer figures in comparison to the density and costs for providing water entirely along Willow Creek Road. Therefore, the District should be able to go forward with these projects.

By the same measure, on the other hand, Mr. Barnett does ask the Commission to enjoin the South Anderson Water District from engaging in any water line construction along the following roadways: (a) Burgin Road, (b) U.S. Highway 127 Bypass, (c) Anderson City/Drydock/ State Road 44 east of Glensboro/Buntain School Road, (d) Rice Road, and (e) Fox Creek Road until the South Anderson Water District submits a plan to the Commission showing that the District will construct water lines completely throughout Willow Creek Road. All of the aforementioned five roadways have either lower densities per mile than exist along the full length of Willow Creek Road or have higher construction costs per customer than the construction costs per customer along the full length of Willow Creek Road. Hence it would not be fair for the South Anderson Water District to proceed to provide water to these five areas plus a 1.8 mile portion of Willow Creek Road while excluding a 1.3 mile section of Willow Creek Road where Mr. Barnett's family and five other Anderson County residents live. This relief so ordered by the Commission would be equitable and consistent with the substantial evidence in the record.

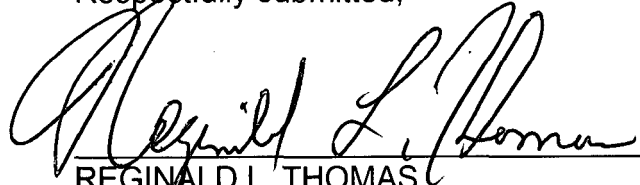
The South Anderson Water District will most certainly argue in its brief that any action by the Public Service Commission to modify its water expansion project will jeopardize its chances of obtaining federal funds for this project. However, there is no indication in the record that this is true. Indeed on both direct examination and at the hearing Mr. Ken Taylor was asked this very question and each time his response was to the effect that the inclusion of the remaining 1.3 miles of Willow Creek Road would not cause any loss of federal funds. Deposition of Ken Taylor, pp. 33-34; Hearing Transcript at pp. 202-03. Mr. Taylor further testified that should it become necessary to

add all of Willow Creek Road to the project, the District would simply have to amend its application with Rural Development and the Department of Local Government which administers the CDBG funding to include the additional distance. Id. With respect to any eligibility of the 1.3 mile section of Willow Creek Road for CDBG funds, Mr. Taylor admitted that it would not take long to conduct surveys of the six (6) households along this section to determine such eligibility. Hearing Transcript at p. 146.

Finally, Mr. Barnett realizes that the Commission may give some consideration to ordering that the South Anderson Water District complete water line construction of the remaining 1.3 miles of Willow Creek Road out of its contingency funds. Mr. Barnett objects to this remedy because it is not fully certain that the District will have any contingency funding after construction bids are issued and accepted by the District. Moreover, in light of the District's intransigence in desiring to exclude Mr. Barnett from its current water expansion project, the District could easily expend any contingency funds in presumably justifiable ways so as to avoid having any contingency funds available for other construction projects. Thus it would not be in Mr. Barnett's best interests for the Commission to decree that the unconstructed 1.3 miles of Willow Creek Road be paid for out of contingency funds.

In conclusion, Mr. Barnett respectfully requests that the Commission grant the relief he seeks herein because such remedy is fair, equitable, and narrowly tailored to the evidence in the record.

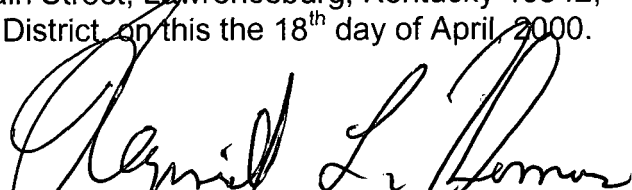
Respectfully submitted,



REGINALD L. THOMAS
P.O. Box 1704
Lexington, Kentucky 40588-1704
Telephone (859) 273-1267
ATTORNEY FOR THE COMPLAINANT

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing BRIEF OF THE COMPLAINANT was personally served upon The Public Service Commission and the Honorable Ray Edelman, 150 South Main Street, Lawrenceburg, Kentucky 40342, Attorney for the South Anderson Water District, on this the 18th day of April, 2000.



REGINALD L. THOMAS
ATTORNEY FOR THE COMPLAINANT

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

APR 18 2000

PUBLIC SERVICE
COMMISSION

In the matter of:

RUBEN BARNETT

COMPLAINANT

VS.

CASE NO. 99-431

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

**BRIEF FOR DEFENDANT, SOUTH ANDERSON WATER
DISTRICT**

May It Please The Commission:

Comes the Defendant, South Anderson Water District ("District"), and hereby files its initial brief pursuant to Order of the Commission and agreement of the parties, it being noted that the Defendant will only attempt in this brief to assert its affirmative positions and will not attempt to speculate on the arguments to be made by the Complainant in his initial brief filing. Pursuant to the rules, the Defendant will respond in its reply brief to the arguments promulgated by the Complainant in his initial brief.

I. STATEMENT OF FACTS.

A Statement of Fact is contained in the Complainant's attachment to the Complaint filed as an attachment to paragraph 1C of the Complaint and suffice it to say that the Complainant, Ruben Barnett, is a resident of 1560

Aaron Barnett Road, formerly Willow Creek Road, in rural Anderson County. Complainant filed this Complaint on October 20, 1999, alleging that the District improperly excluded the portion of the Willow Creek Road, now Aaron Barnett Road, from the Phase I Water District project. The Complainant also complains that he was not properly notified of the expansion.

The only expert witness to testify in this matter testified on behalf of the Defendant. Ken Taylor is an engineer with Kenvirons, Inc., of Frankfort, Kentucky. Mr. Taylor, in his direct testimony filed with the Commission, indicated that Mr. Barnett did not sign a petition requesting water. (Taylor Depo. Pg. 8, Q#18). Mr. Taylor's direct testimony from pages 9-21 of the Transcript discusses the procedure which took place in developing and preparing for the proposed water expansion project and the Application for Community Development Block Grant Funds and Rural Development Funds. This project which is Phase V of the expansion of the District initially sought one million dollars in Community Development Block Grant Funds and a one million dollar Rural Development loan, although lesser amounts were approved, the total project, including local and county participation, will exceed \$2,000,000 in costs. Three hundred forty (340) additional customers will be added to the District as the result of this project.

Mr. Taylor's opinion in 1998, at the time the applications were submitted for funding, and at the time of the hearing, is that the portion of Mr. Barnett's road, consisting of 1.3 miles, was not included in the initial project because the customer count at the time the application was put together was not there to support the initial line. (See Taylor Depo. Pg. 14). Additionally, Mr. Taylor was of the opinion that for these projects to be funded deadlines have to occur, environmental studies have to be completed, Community Block Grant Applications and income surveys have to be made to determine the propriety of eligibility for funding of grants and loans.

Simply said, in 1998, there was insufficient customer count to include Complainant's portion of Aaron Barnett Road in the project. Mr. Taylor also indicates on pages 22, 23 and 24 of his direct testimony that Complainant was not treated any differently from those individuals on Tanner Road, Ashby Road, Burgin Road, Glensboro Road, Searcy School Road, and Hungry Run Road.

Mr. Taylor indicates all of these roads were partially served due to economic feasibility considerations and customer count. (See additional discussion on pages 24-25 of Taylor Depo. of Direct Testimony). There is also discussion of these additional roads on Mr. Taylor's redirect testimony at the Public Hearing held on March 9, 2000, on pages 168, 169 and 170.

I. ARGUMENT

A. THE COMPLAINANT FAILED TO MEET HIS BURDEN OF PROOF

The Commission, in its Order dated January 7, 2000, indicated in paragraph 13 thereof, that the Complainant bears the burden of proof in this matter. Certainly, the Complainant must introduce evidence which more likely than not indicates that the District acted arbitrarily in excluding Complainant from this water project. The District, by counsel, asked the Complainant, through interrogatories, for any expert proof it might have to demonstrate that the District acted other than by sound engineering guidelines and principles. The Complainant had not such evidence, and in fact, introduced no engineering testimony to support Complainant's allegation that the Complainant was improperly excluded from the project. The only competent expert testimony introduced in this hearing was the testimony of Engineer Ken Taylor, of Kenvirons, Inc., Frankfort, Kentucky. Mr. Taylor is the engineer for the District and for other water districts throughout the Commonwealth of Kentucky. His direct testimony was filed with the Commission, and was taken on February 3, 2000. A discussion, starting on page 41 of his deposition, is relevant to the issue of notice and economic feasibility, and which discussion is as follows:

143 Q. Not to go too much further, Ken, but I just want to try to discuss from your point of view some of the points Mr. Barnett has raised in his complaint. In addition to any notice that may have been given in the paper in August of '98, were there other notices prior to that.

A. Yes. There were notices that were given in conjunction with the CDBG application, and also earlier notice that we were preparing an application to Rural Development.

144 Q. Okay. Additionally, he says in argument two that there's no reasonable or logical basis to cease water line construction at this point along Aaron Barnett Road rather than completing construction along the remaining 1.3 miles. He's basically saying it's unfair at this point in time, given the fact that there are new users, or potential new users. Do you have any comments about that or thoughts about that?

A. Well, the reason that the rest of the road was not included was that the customer count at the time we put the application together was not there to support the line.

145 Q. And that customer count was how many?

A. At that time, as I recall, there were three houses on the road, one of which was vacant.

146 Q. So two users, one vacant house—

A. Uh-huh (affirmative).

147 Q. —would not support in your engineering opinion construction of the additional \$51,000 of line over 1.3 miles?

A. Correct.

148 Q. Okay. That would not be a responsible thing for the District to do, nor for the PSC to approve?

A. Correct.

149 Q. In these projects there has to be some deadline on when you have to cut things off, for instance?

A. Yeah, particularly—the Rural Development folks will take an application year round, but there are specific times each year that the CDBG applications have to be in. That date varies from year to year, but they take applications once a year.

150 Q. There is a lot of background work that goes into that; is there not?

A. Yes.

151 Q. The income studies, the petitions, the environmental studies, that all has to be submitted with that application?

A. Yes.

152 Q. Would it be unreasonable, in your opinion, to accept Mr. Barnett's contention that it's all right to have this moving target? May have been only two at the time, but it's seven now, hence I should be in.

A. I think that's unreasonable, yes.

Mr. Taylor, finally, in the Transcript of Hearing held on March 9, 2000, at page 68, in response to redirect examination by District's counsel, states that in his opinion it would be inequitable for the Commission to order that Complainant's road, Aaron Barnett Road, be included to the exclusion of the eight or nine other roads which were also partially serviced as a part of the project due to the customer count on each road. Finally, the only engineering opinion in the record and stated at the hearing is found on page 174 of the Transcript of Hearing which states that it would not be prudent from an engineering standpoint, or from the District's standpoint, to have included the Complainant's portion of the road as the facts stood in 1998, when these surveys and the project was scoped out.

Mr. Taylor was of the opinion that under any scenario, the Complainant's portion of Aaron Barnett Road should not have been included in the project. The Complainant has introduced no evidence to counter this testimony, and therefore, the matter should have been dismissed pursuant to the motion made by Plaintiff's counsel prior to taking the proof on March 9, 2000, and should now be dismissed after taking the proof based upon the Complainant's failure to meet his burden of proof. (See Plaintiff's Motion made at Transcript of Hearing, pages 7-10.)

**B. THERE IS NO EVIDENCE THAT THE DISTRICT
ACTED ARBITRARILY OR FAILED TO COMPLY
WITH ACCEPTED ENGINEERING PRINCIPLES IN
THE FORMATION OF THIS WATER LINE PROJECT.**

Again, the Complainant has failed to introduce any evidence that the District acted arbitrarily or failed to comply with accepted engineering principles in the formation of this water line project. The District would refer the Commission to the previous testimony, as included in Argument I and incorporated herein. Mere allegations and speculation on behalf of the Complainant is insufficient to carry forth his burden of proof as set forth in this Commission's Order. The Complainant had every opportunity to consult, hire, and introduce testimony from a Certified Engineer who would be capable of giving adequate and substantial testimony that the District's engineering plan was either unreasonable, arbitrary, or not within accepted engineering principles.

Mr. Taylor's testimony that Mr. Barnett's portion of Aaron Barnett Road was excluded solely due to economic feasibility considerations and customer count at the time the application was prepared and submitted in 1998 has not been defeated by any expert evidence introduced by the Complainant.

**C. COMPLAINANT WAS GIVEN NOTICE AND
OPPORTUNITY TO BE HEARD.**

The District complied with all relevant Rural Development and Community Development notice requirements, and the Plaintiff was notified, along with all other members and potential customers of the South Anderson Water District by virtue of the August 5, 1998 notice published in The Anderson News which was introduced as Defendant's Exhibit #4 (See Transcript of Hearing page 164.)

The August 1998 notice was published in The Anderson News and went to all interested Anderson County citizens, advising them that the Community Block Grant Application was in process (Transcript of Hearing, page 162.) It also advised all interested Anderson County citizens, of which the Complainant is a member of such class, that the application for CDBG Grant money would be on file in County Judge/Executive's office for citizen review and comment during regular business hours from August 18-25, 1998, and any comments on the proposed applications may be submitted to the attention of the County Judge/Executive until August 28, 1998. The notice additionally indicated that a public hearing would be held prior to the submission of any application on August 18, 1998, in the Anderson County Court House. (See Transcript of Hearing, pages 162-163).

Mr. Barnett, at the hearing held before the Commission on March 9th of this year, was read the exhibit which appears on page 33 and 34 of the

Transcript of Hearing, and when asked if he attended that meeting held on August 18th to discuss the Community Development Block Grant funds and the application, he indicated that he did not attend the meeting. He further indicated that apparently he did not remember reading this notice in the paper and he probably did not attend the meeting. (See Transcript of Hearing, page 33.).

Mr. Barnett further testified on page 42 of the Transcript of Hearing that he had not sought out testimony of an engineer, and he did not hire an engineer to take a look at the 1.3 miles of Aaron Barnett Road to determine the feasibility of running a water line as an extension to this project. (See Transcript of Hearing, page 42.)

Mr. Barnett also testified that he did not seek engineering expertise in verifying his estimate of construction costs for his portion of the Aaron Barnett Road water line which he estimated at \$40,000. (Transcript of Hearing, pages 42-43.)

Surely, the Public Service Commission cannot base its decision on the request for inclusion of a portion of a roadway in a project based on one Complainant's speculative allegation which is not supported in any way, shape or form by sound engineering principles and/or testimony. Clearly, the District complied with any due process or notice requirements by the

August 5, 1998 notification in The Anderson News of the August 28th meeting. Complainant had every opportunity, like every other citizen of Anderson County, to go to the County Judge/Executive's office, review the application, review the plan, make comment, go the August 28, 1998 meeting, and he failed to take any action.

CONCLUSION

The Complainant's complaint should be dismissed. Complainant has not met his burden of proof by counter balancing the expert testimony of the Defendant's engineer. Defendant's engineer's testimony that the only reason that the Complainant's portion of Aaron Barnett Road was excluded from the project was cost of construction and lack of user count at the time the application was filed in 1998. Complainant has introduced no evidence to counter act this testimony and has failed to meet its burden of proof.

Further, the Plaintiff received adequate due process and notification that the project was going forward, initially, in the form of the August 5, 1998 publication in The Anderson News, notifying all interested citizens of Anderson County of the August 28, 1998 public meeting that was held to discuss the Community Development Block Grant application, and advising all interested citizens of Anderson County of their ability to review the plans and applications as held in the County Judge/Executive's office during the

week before the meeting on August 28, 1998. The Complainant simply failed to exercise his right to review the application and plans, and additionally, failed to attend the August 28th meeting. Defendant requests that the Plaintiff's Complainant be dismissed, that it be permitted to go forth with the project so as to not risk losing its grant with the Community Development Block Grant and loan with the Rural Development office of the United States Department of Agriculture.

Respectfully submitted,



Ray Edelman, Attorney at Law
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Fax: (502) 839-3834
Attorney for South Anderson Water District

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Brief was served upon Plaintiff by mailing a true copy thereof to his attorney of record, Reginald L. Thomas, P.O. Box 1704, Lexington, Kentucky, 40588-1704, on this the 18th day of April, 2000.



Ray Edelman, Attorney at Law
Attorney for South Anderson Water District



KENVIRONS

**PRELIMINARY ENGINEERING REPORT
PHASE 5 EXPANSION PROJECT
SOUTH ANDERSON WATER DISTRICT
LAWRENCEBURG, KENTUCKY**

*Rec.
Feb 8, 2000*

C.W. 99-431

PROJECT NO. 97185

SEPTEMBER, 1998

Kenvirons, Inc.

Civil & Environmental Engineering and Laboratory Services

**PRELIMINARY ENGINEERING REPORT
PHASE 5 EXPANSION PROJECT
SOUTH ANDERSON WATER DISTRICT
LAWRENCEBURG, KENTUCKY**

RECEIVED

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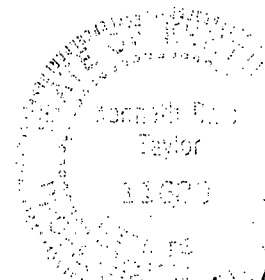
PUBLIC SERVICE
COMMISSION

Case #

99-431

PROJECT NO. 97185

SEPTEMBER, 1998



Kenneth W. Taylor, PE
9/30/98

PRELIMINARY ENGINEERING REPORT

PHASE 5 EXPANSION PROJECT SOUTH ANDERSON WATER DISTRICT

I. INTRODUCTION

The South Anderson Water District (SAWD) was originally formed to provide a safe, dependable supply of potable water to the citizens of southern Anderson County. Since its inception in 1967, the SAWD has grown until it serves approximately 1450 customers over a large portion of the County including some in the northern portion of the County. SAWD intends to eventually make treated water available to every citizen within its boundary. This project will go a long way toward accomplishing this as it extends service to 14 separate areas of the county and provides an additional source of treated water. SAWD anticipates serving approximately 342 new users on the extensions. The proposed facilities are modest in design, size and cost and will be constructed and operated in an environmentally responsible manner.

II. PROJECT PLANNING AREA

Included as Exhibit 1 is a map of Anderson County with SAWD's boundary, existing facilities and proposed facilities indicated. The planning area for the proposed project includes all of the area within SAWD's boundary as the entire distribution system must be designed to ultimately provide treated water to the entire area. Toward this goal the facilities previously constructed and planned by SAWD have been designed to provide the necessary volume and pressures for the completed system. The proposed facilities are shown on Exhibits II -IV which are portions of the USGS 7.5 minute topographic maps of the areas. The transmission line from the Frankfort Plant Board system will provide an alternate source of water to the system and can be extended to tie into the rest of the system at a later date if need arises. The specific areas to be served by the project include the following roads/communities: Ballard, Dugansville Rd., Hoophole, Puncheon Ck. Rd., and Searcy Sch. Rd.; Fairview, Lick Skillet Rd., and Ky Hwy 1291; Drydock, Anderson City, Buntain Sch. Rd., and Ky 44 east of Glensboro; US 62 west of Johnsonville, Ky Hwy 248 and Ky Hwy 3358 (Tanner Rd.); Burgin Rd.; US 127 Bypass from Sidney to US 127; Cox Rd.; Willow Ck. Rd.; Ky Hwy 44 west of Glensboro; Ashby Rd.; Gilberts Ck. Rd.; Woolridge Rd.; Rice Rd.; and Fox Ck. Rd..

The project will address a serious problem faced by the residents of these areas, that being the lack of a safe, dependable water supply. The personal health and safety of the residents are threatened by contaminated water sources. A portion of the families are also forced to haul water, creating a financial burden. The District has sampled a cross-section of the water supplies in the area and determined that the majority were contaminated by coliform or other bacteria. Tests conducted by the County Health Department and a

private water testing lab indicated that 67% of all cisterns and springs had coliform contamination and that 25% were contaminated with the deadly E. Coli bacterium. Exposure to E. Coli can lead to a range of maladies, from stomach cramps to total kidney failure. The Project Area's homes are either clustered together along creek bottoms where outhouses (approximately 2) and straight pipes prevail, or on farmland where runoff from cattle, hog or horse operations enters the creeks, permeating the water table. Seven households reported that they had contracted intestinal infections from their water supplies.

Fear of drinking the water was prevalent; household surveys revealed that one in two (50%) households purchased their drinking water, spending from \$15 to \$20 monthly for bottled water. Mothers are advised by local physicians to not use well, cistern or spring water for mixing infant formula, frail or ill persons were afraid to consume well, cistern or spring water due to the high mineral content and the possibility of contracting a life-threatening bacteriological infection.

Reports on Anderson County from the Epidemiology section of the Cabinet for Human Resources indicate that, since 1993, there have been 5 cases of Campylobacter, 1 case of E. Coli related illness, 9 cases of Salmonella, and 2 cases of Giardia, all water borne illnesses. The Anderson County Health Department supports these records, citing reported cases of Hepatitis (non-A and non-B) and "many" cases of Campylobacter. According to the Control of Communicable Diseases Manual, "fecal contamination of nonchlorinated public water supplies has caused some extensive outbreaks of Salmonellosis". The Project Area has the largest concentration of households in the County still unserved by potable water (342 consumers of an estimated 500 unserved households), it may be surmised that a number of these cases have been in the Project Area. Severe contamination of water supplies such as those tested, in addition to the aforementioned report, indicates an imminent health threat to the households in this Project Area.

There are no known or anticipated unusual construction conditions. Due to shallow soil depths in much of the area, the unit cost per foot of water line will be slightly higher than in some other areas of the state. The District is not aware of any environmentally significant features, historic sites or important land resources which will be adversely impacted by the project.

III. EXISTING FACILITIES

The District's distribution facilities now consist of approximately 37,000 feet of 8", 273,500 feet of 6", 180,500 feet of 4" and 19,500 feet of 3" distribution line; 3-100,000 gallon and 1-131,000 gallon storage tanks; 3-100 gpm booster pump stations; and assorted accessories such as gate valves, and blow-off hydrants/valves. All of the system is less than 25 years old and a major portion is less than 10 years old. All existing facilities are in good to excellent working condition. The District is currently planning to construct a booster pump station and standpipe in the US 62/US 127 bypass area. These facilities

will provide service to the higher elevations in this area and increase the quantity of water that can be taken out US 62 west.

The District currently purchases all water. It has a contract with the City of Lawrenceburg for up to 10 million gallons per month through 2037.

Given in the attached Summary/Addendum are the District's current rate schedules, tabulation of users by monthly usage categories, status of existing long-term indebtedness and amounts on deposit in the required reserve accounts. The District is physically and economically sound.

IV. PROPOSED FACILITIES AND SERVICES

General Description. The proposed project consists of approximately 24,500 feet of eight inch, 239,325 feet of four inch, and 10,800 feet of three inch water line; 1-300 gpm booster pump station; and distribution system appurtenances such as gate valves, air release valves, blow-off valves, meters, etc. The distribution lines will be primarily of PVC. Some small sections of ductile iron pipe may be used in special areas, i.e., stream crossings, past gas tanks, etc. The facilities will be designed to provide the customers with a minimum pressure of 30 psi at the meter at peak flow conditions. Where static pressures exceed 90 psi, individual pressure regulators will be provided to protect fixtures from high pressures. The booster pump station will pump to the existing standpipe at Ninevah.

The booster pumping station will be designed to maintain a minimum operating level in the standpipe about 10 to 12 feet lower than the overflow elevation of the tank. This will require pumping to begin when the water level in the tank drops to the minimum operating level; pumping will continue until the tank is refilled to just below the overflow level. This procedure will provide adequate pressure stabilization of the system. The hydraulic model of the system is currently being updated to include the proposed project and significant results of the model will be appended to this report when completed.

The locations of the major elements of the project are shown on the attached county road map and portions of the U.S.G.S. topographic maps. An itemized cost estimate is given in Attachment I. The extension of the District's distribution facilities is the only viable alternative for providing water service to these areas of the County.

Land. It will be necessary to acquire land on which to construct the booster pump station. A tract approximately 30' x 30' will be needed for the booster pump station. The approximate location of this facility is shown on the attached maps, however, the location may vary depending on the final design of the system and the ability to acquire the land.

Rights. Easements will be required for the water distribution lines, many of which will be given by the individual customers. By necessity, some easements for the distribution lines will be on State and County road right-of-way.

No permits or easements have been obtained at this time for the proposed work. It is anticipated that in addition to the land requirements previously mentioned, permits and/or approvals will be required from the following agencies:

Kentucky Public Service Commission
Kentucky Department of Transportation
Kentucky Department for Environmental Protection - Division of Water
Anderson County Fiscal Court

V. COST ESTIMATE

TABLE 1

PRELIMINARY PROJECT COST ESTIMATE
PHASE 5 EXPANSION PROJECT
SOUTH ANDERSON WATER DISTRICT
LAWRENCEBURG, KENTUCKY

Construction Cost Estimate	\$ 1,678,088.75
Contingency	167,816.25
Engineering (Basic)	145,250.00
Construction Inspection	84,675.00
Other Engineering (Geotechnical, Archaeological, Surveying, Preliminary Engineering Report)	15,000.00
Legal	35,000.00
Land and Rights	10,000.00
Interest	30,000.00
Administration/Planning	40,000.00
	<hr/>
TOTAL	\$ 2,205,830.00

VI. FEASIBILITY STUDY

It is anticipated that this project will be funded with tap fees; local, district and county contributions, a loan and a grant. This section contains an economic feasibility analysis to determine the affect of additional borrowing on the District's financial integrity and the need for a rate adjustment. The District supplied computer generated billing data for calendar year July 1, 1997 through June 30, 1998 from which the billing analysis was prepared. The annual operating budget was developed adjusting the 1997 Annual PSC Report and Audit for the additional customers, inflation, employee pay raises, etc.

VII. EXPENSES

Operation and Maintenance Expense

TABLE 2

PROJECTED OPERATION AND MAINTENANCE EXPENSE

Salaries, Wages, Taxes and Benefits	\$ 120,000.00
Repairs	3,000.00
Insurance	7,000.00
Utilities (Operating and Office)	17,500.00
Materials and Supplies (Operating and Office)	31,000.00
Professional Fees	20,000.00
Transportation Expense	10,000.00
Miscellaneous	8,500.00
P.S.C. Assessment	1,000.00
Rental of Building	6,000.00
Water Testing	1,200.00
Water Purchases	<u>172,500.00</u>
 TOTAL	 \$ 397,700.00

Capital Improvements. In order to serve planned development at the higher elevations in the KY 44 - US 62 - US 127 Bypass area, the District is currently planning to build a new standpipe and booster pump station in this area. The land for the standpipe has been obtained and construction is scheduled to start in January 1999 with completion by May 1, 1999. The District will pay for the improvements by borrowing approximately \$200,000.00 and taking the remainder (\$160,000.00) from their existing funds. It is anticipated that the necessary funding can be obtained locally at a rate of 7% or less for a period of 20 years. The existing rates can support this loan without compromising the integrity of the District.

PENDING CAPITAL IMPROVEMENT
DEBT SERVICE

\$200,000.00 loan @ 7% / 20 years: \$200,000.00 (0.09439)	=	18,878.00
5% Debt Coverage	=	<u>944.00</u>
TOTAL		\$ 19,822.00/year

Debt Repayments

TABLE 3

EXISTING DEBT SERVICE REQUIREMENTS

<u>Bond Issue</u>	<u>Balance As of Jan. 1, 2000</u>	<u>Interest Rate</u>
1975	\$ 129,000	5%
1981	39,000	5%
1988 Series A	604,000	6.875%
1988 Series B	128,000	7.375%
1993	<u>628,000</u>	5.5%
	\$1,528,000	

PRINCIPAL MATURITIES - JANUARY 1

<u>Bond Issue</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
1975	6,000	7,000	7,000	7,000	7,000
1981	1,000	1,000	1,000	1,000	1,000
1988-A	7,000	8,000	8,000	9,000	9,000
1988-B	1,000	1,000	2,000	2,000	2,000
1993	<u>6,000</u>	<u>7,000</u>	<u>7,000</u>	<u>8,000</u>	<u>8,000</u>
	21,000	24,000	25,000	27,000	27,000

5 - Year Average = 24,800.00

Interest on Long Term Debt

<u>Bond Issue</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
1975	\$6,450.00	\$6,150.00	\$5,800.00	\$5,450.00	\$5,100.00
1981	1,950.00	1,900.00	1,850.00	1,800.00	1,750.00
1988-A	41,525	41,043.75	40,493.75	39,943.75	39,325.00
1988-B	9,400.00	9,366.25	9,292.50	9,145.00	8,997.50
1993	<u>34,540.00</u>	<u>34,210.00</u>	<u>33,825.00</u>	<u>33,440.00</u>	<u>33,000.00</u>
	\$93,905.00	\$96,670.00	\$91,261.25	\$89,778.75	\$88,172.50

5 - Year Average = \$91,157.50

5-Year Average Principal Plus Interest Payment	=	\$115,957.50
10% Debt Coverage	=	<u>11,595.75</u>
Total Existing Debt Service	=	\$127,553.25

Depreciation - Existing/Planned Facilities

Existing Utility Plant* - (\$2,758,848.00 + 45)	=	\$ 61,307.73
Proposed US62/US127 BPS & Standpipe = \$360,000 + 45	=	8,000.00
Proposed Phase 5 Project - \$2,205,830.00 + 45	=	<u>49,018.44</u>
TOTAL	=	\$ 118,326.18

Proposed Phase 5 Project Debt Repayment

\$1,088,330.00 Loan @ 5% - \$1,088,330.00 (0.05928)	=	\$64,516.20
10% Debt Coverage	=	<u>6,451.60</u>
		\$70,967.80

Total Yearly Expenses

Operation and Maintenance	\$396,700.00
Capital Improvements	19,822.00
Existing Debt	127,553.25
Depreciation	118,326.18
Proposed Project Debt Repayment	<u>70,967.80</u>
TOTAL	\$733,369.23

*From 1997 Audit

TABLE 4
BILLING ANALYSES

	July, 1997		(<20,000)		Added Bills	Added Gallons	Adjusted	
	thru June 1998 Bills	Gallons	% Bills	% Gallons			Billing Bills	Analysis Gallons
First 2,000	3,475	3,437,790	21.1	4.6	1,162	1,149,285	4,637	4,587,075
Next 1,000	2,451	6,307,900	14.9	8.4	820		3,271	8,406,600
Next 2,000	4,714	18,914,400	28.6	25.3	1,576		6,290	25,235,500
Next 2,000	2,994	17,769,300	18.1	23.8	1,001		3,995	23,715,600
Next 3,000	1,937	15,965,100	11.7	21.4	648	5,346,700	2,585	21,311,800
10,000 - 20,000	<u>933</u>	<u>12,305,400</u>	<u>5.7</u>	<u>16.5</u>	<u>312</u>	<u>4,122,400</u>	<u>1,245</u>	<u>16,427,800</u>
	16,504	74,699,890			5,520	24,984,485	22,023	99,684,375
20,000 - 30,000	134	3,235,100					134	3,235,100
30,000 - 50,000	82	3,038,400					82	3,038,400
50,000 - 100,000	62	4,730,400					62	4,730,400
> 100,000	<u>36</u>	<u>7,768,800</u>					<u>36</u>	<u>7,768,800</u>
	16,818	93,472,590					22,337	118,457,075

*Added Bills = $(59)^{1/2} + 1998-2000 \text{ Growth} + 1/2 (2000 \text{ Growth}) + \text{Project 12}$
 $= (1/2 (59) + 59 + 59 + 342) 12 = 460 \times 12 = 5,520$
 Distribute assuming all use in 0-20,000 gallon range.

TABLE 5

GENERATION OF REVENUE TABLES

	Bills	1,000 gal.	First 2,000	Next 1,000	Next 2,000	Next 2,000	Next 3,000	>10,000
2,000	4,637	4,587,075	4,587,075					
1,000	3,271	8,406.6	6,542	1,864.6				
2,000	6,290	25,235.5	12,580.0	6,290.0	6,365.5			
2,000	3,995	23,715.6	7,990.	3,995.	7,990.	3,740.6		
3,000	2,585	21,311.8	5,170.	2,585.	5,170.	5,170.	3,216.8	
>10,000	<u>1,559</u>	<u>32,200.5</u>	<u>3,118.0</u>	<u>1,559</u>	<u>3,118.</u>	<u>3,118.</u>	<u>4,677.</u>	<u>19,610.5</u>
	22,337	118,457.075	39,987,075	16,293.6	22,643.5	12,028.6	7,893.8	19,610.5

TABLE 6

	Bill	(1,000) Gallons	Existing Rates		Proposed Rates	
			Rate	Revenue	Rate	Revenue
Minimum	22,337	-	11.35	\$253,524.95	\$ 12.50	\$279,212.50
Next 1,000		16,293.6	5.5	90,429.48	6.10	99,390.96
Next 2,000		22,643.5	4.70	106,424.45	5.15	116,614.02
Next 2,000		12,028.6	3.85	46,310.11	4.25	51,121.55
Next 3,000		7,893.8	3.00	23,681.40	3.30	26,049.54
> 10,000		19,610.5	2.70	52,948.35	3.00	58,831.50
				\$573,318.74		\$631,220.07
Bulk Station		4,000	3.47	<u>13,888.00</u>	3.80	<u>15,200.00</u>
				\$587,198.74		\$646,420.07

TOTAL REVENUES

Sale of Water	\$646,420.07
Service Fees	15,000.00
Interest on Accounts	<u>10,000.00</u>
Total Revenues	\$671,420.07

IX. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- A. A majority of the residents in the proposed project area do not have an acceptable domestic water source. Also a health hazard exists due to the contamination of many of the sources currently being used.
- B. The extension of the South Anderson Water District water distribution system into the area is the only viable means of providing them with an acceptable water source.
- C. Significant grant funds will be required for construction in order to keep the rate schedule at a tolerable level.
- D. The financial feasibility indicates that the South Anderson Water District cannot serve the proposed project area on the existing rates without seriously jeopardizing the financial integrity of the operations even with the requested \$1,000,000.00 CDBG grant. The rates proposed herein are sufficient to cover operating expenses, debt service, debt service coverage, bond resolution depreciation reserve funding and provide some net unobligated monies. The revenues are not sufficient to cover the full amount of depreciation allowed in the rate base. The grant is necessary to allow the District to operate comfortably.

Recommendations

The project, as presented herein, is feasible with the assumed level of grant and the proposed rates. This will enable the District to accumulate a reasonable amount of monies which could be used to facilitate additional extensions and/or defray unforeseen expenses. An application should be made to Rural Development for loan funds to construct the water system improvements proposed herein.

Project Funding:

Community Development Block Grant	\$ 1,000,000.00
Rural Development Loan	1,088,330.00
Tap Fees	61,500.00
Water District and Anderson County Fiscal Court	<u>56,000.00</u>
Total	\$2,205,830.00

SUMMARY ADDENDUM
to
PRELIMINARY ENGINEERING REPORT

DATED SEPTEMBER, 1998

for

SOUTH ANDERSON WATER DISTRICT
(NAME OF WATER FACILITY PROJECT)

APPLICANT CONTACT PERSON ALTON WARFORD, MANAGER

APPLICANT PHONE NUMBER (502) 839-6919

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary engineering report in accordance with this Guide. Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

A. Area to be served: In addition to this summary, the applicant/engineer should submit a project map of the service area showing the following:

1. Existing Facilities - Location and Size.
2. Proposed Facilities - Location and Size.
3. New User Location - Also attach a list of new users, by road.
4. Breakdown of project cost for each branch line.

II. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

- A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

South Anderson Water District (SAWD) currently has a contract with the City of Lawrenceburg for up to 10,000,000 gallons per month. In the past, this amount has been exceeded during months of high usage. This contract does not expire until 2037. With this project, SAWD proposes to run a transmission line to the Frankfort Plant Board facilities on US 127 south of I-64 in Franklin County. A contract has not yet been entered into with the Plant Board, however they have indicated a desire to sell the District as much water as they will take. The Frankfort plant has a capacity of 18 mgd and even on a peak day is operating at less than 2/3 capacity.

If the applicant purchases water:

Seller(s): City of Lawrenceburg; Frankfort Plant Board

Price/1,000 gallons: \$1.208; \$1.288

Present Estimated Market Value of Existing System: \$2,500,000.00

- B. Water Storage:

Type: Ground Storage Tank 0 Elevated Tank 0

Standpipe 4 Other None

Number of Storage Structures 4

Total Storage Volume Capacity 431,000

Date Storage Tank(s) Constructed 1-1994, 2-1988, 1-1976

- C. Water Distribution System:

Pipe Material PVC, PE, D.I.

Lineal Feet of Pipe: 3" Diameter 19,500 4" 180,500

6" 273,500 8" 37,000 10" 12"

Date(s) Water Lines Constructed Major extensions 1976, 1983, 1988 & 1994

Number and Capacity of Pump Station(s) 3 @ 100 gpm

V. NUMBER OF EXISTING USERS (As of December, 1997)

A. Water Users:

Residential Size Meters (In Town)*	0
Residential Size Meters/Farmers (Out of Town)*	1389
Larger Users (Larger than 5/8" Meter (In Town))	0
Larger Users (Larger than 5/8" Meter (Out of Town))	25
Total	1,414
Number of Total Potential Users Living in the Service Area	approx. 1570

*NOTE: Residential/Farmers Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence size meters and farmers.

VI. CURRENT CONNECTION FEES FOR EACH SIZE METER CONNECTION

METER SIZE	CONNECTION FEE	MINIMUM WATER USAGE FOR EACH SIZE METER
5/8" x 3/4"	\$500.00	2,000 gallons
1-Inch	\$ Cost	2,000 gallons
1-1/2" Inch	\$ Cost	2,000 gallons
2-Inch	\$ Cost	2,000 gallons
3-Inch	\$ Cost	2,000 gallons
4-Inch	\$ Cost	2,000 gallons
5-Inch	\$ Cost	2,000 gallons
6-Inch	\$ Cost	2,000 gallons

VII. WATER RATES - EXISTING RATE SCHEDULE

Date this rate went into effect: 2/15/97

Meter Size	<u>All</u>	:		
First	<u>2,000</u>	Gallons @	<u>\$11.35</u>	minimum
Next	<u>1,000</u>	Gallons @	<u>\$5.55</u>	per 1,000 gallons
Next	<u>2,000</u>	Gallons @	<u>\$4.70</u>	per 1,000 gallons
Next	<u>2,000</u>	Gallons @	<u>\$3.85</u>	per 1,000 gallons
Next	<u>3,000</u>	Gallons @	<u>\$3.00</u>	per 1,000 gallons
Next		Gallons @	<u>\$</u>	per 1,000 gallons
All Over	<u>10,000</u>	Gallons @	<u>\$2.70</u>	per 1,000 gallons

Bulk Loading Station @ \$3.47 per 1,000 gallons

Meter Size	_____	:		
First	_____	Gallons @	<u>\$</u>	minimum
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
All Over	_____	Gallons @	<u>\$</u>	per 1,000 gallons

Meter Size	_____	:		
First	_____	Gallons @	<u>\$</u>	minimum
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
Next	_____	Gallons @	<u>\$</u>	per 1,000 gallons
All Over	_____	Gallons @	<u>\$</u>	per 1,000 gallons

VII. EXISTING RATE SCHEDULE (Continued)

Meter Size _____ :

First	_____	Gallons @	\$ _____	minimum
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
All Over	_____	Gallons @	\$ _____	per 1,000 gallons

Meter Size _____ :

First	_____	Gallons @	\$ _____	minimum
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
Next	_____	Gallons @	\$ _____	per 1,000 gallons
All Over	_____	Gallons @	\$ _____	per 1,000 gallons

VIII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period July, 1997 to July, 1998

Meter Size	Monthly Water Usage		Average	Residential/Farmer		Non-Residential/Commercial	
				No. of Users	Usage (1000)	No. of Users	Usage (1000)
All	0 -	2,000 Gal.	1,000	3,409	3,409	66	66
	2,000 -	3,000 Gal.	2,500	2,414	6,035	37	92.5
	3,000 -	4,000 Gal.	3,500	2,476	8,666	37	129.5
	4,000 -	5,000 Gal.	4,500	2,185	9,832.5	16	72
	5,000 -	6,000 Gal.	5,500	1,735	9,542.5	18	99
	6,000 -	7,000 Gal.	6,500	1,227	7,975.5	14	91
	7,000 -	8,000 Gal.	7,500	917	6,877.5	8	60
	8,000 -	9,000 Gal.	8,500	594	5,049	8	68
	9,000 -	10,000 Gal.	9,500	400	3,800	10	95
	10,000 -	11,000 Gal.	10,500	238	2,499	7	73.5
	11,000 -	12,000 Gal.	11,500	170	1,955	7	80.5
	12,000 -	13,000 Gal.	12,500	133	1,662.5	3	37.5
	13,000 -	14,000 Gal.	13,500	82	1,107	2	27
	14,000 -	15,000 Gal.	14,500	85	1,232.5	2	29
	15,000 -	16,000 Gal.	15,500	56	868	3	46.5
	16,000 -	17,000 Gal.	16,500	46	759	1	16.5
	17,000 -	18,000 Gal.	17,500	35	612.5	2	35
	18,000 -	19,000 Gal.	18,500	28	518	3	55.5
	19,000 -	20,000 Gal.	19,500	29	565.5	1	19.5
	20,000 -	30,000 Gal.	25,000	129	3,225	5	125
30,000 -	50,000 Gal.	40,000	71	2,840	11	440	
50,000 -	100,000 Gal.	75,000	62	4,650	0	0	
	Over 100,000 Gal.	-	-	36	7,769	0	0
			Subtotal	(16,557)	(91,450)	(261)	(1,758.5)
			Average Usage		(5.52)		(6.74)

Total Users = 16,818
 Total Usage = 93,208.5
 Combined Avg. Usage = 5.54

1-Inch	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	Subtotal	() ()	() ()

1-1½ Inch	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	_____ Gal.	_____	_____
	Subtotal	() ()	() ()

VIII. CONTINUED.....

Meter Size	Monthly Water Usage	Average	Residential/Farmer		Non-Residential/ Commercial	
			No. of Users	Usage (1000)	No. of Users	Usage (1000)
2-Inch	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
		Subtotal	()	()	()	()
3-Inch	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
		Subtotal	()	()	()	()
4-Inch	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
		Subtotal	()	()	()	()
5-Inch	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
		Subtotal	()	()	()	()
6-Inch	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
	_____ Gal.					
		Subtotal	()	()	()	()
		TOTAL	()	()	()	()
Total Water Purchased and/or Produced					108,053,000	
Total Water Sold			91,450,000		1,758,500	
			93,208,500			

IX. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

- A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

With this project, SAWD proposes to run a transmission line to the Frankfort Plant Board facilities on US 127 south of I-64 in Franklin County to supplement the water purchased from the City of Lawrenceburg (See II.A page 2). A contract has not yet been entered into with Frankfort however they have expressed a desire to sell the District as much water as they will take.

- B. Water Storage:

Type: Ground Storage Tank - Elevated Tank -
Standpipe - Other None

Number of Storage Structures -

Total Storage Volume Capacity -

Date Storage Tank(s) Constructed -

- C. Water Distribution System:

Pipe Material	PVC & D.I.			
Lineal Feet of Pipe:	3" Diameter	10,800	4"	239,325
	6"	8"	24,500	10"
				12"
Date(s) Water Lines Constructed	1999			
Number and Capacity of Pump Station(s)	1 @ 100 gpm			

X. LAND AND RIGHTS - PROPOSED WATER SYSTEM(S)

Number of Treatment Plant Sites	0
Number of Pump Sites	1
Number of Other Sites	0
Total Acreage	0.05 Acres
Purchase Price	\$ 1,000.00

XI. NUMBER OF NEW USERS

A. Water Users:

Residential Size Meters (In Town)*	0
Residential Size Meters/Farmers (Out of Town)*	342
Larger Users (Larger than 5/8" Meter (In Town))	0
Larger Users (Larger than 5/8" Meter (Out of Town))	0
Total	342
Number of Total Potential Users Living in the Service Area	approx. 400

*NOTE: Residential/Farmers Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence size meters and farmers.

XII. PROPOSED CONNECTION FEES FOR EACH SIZE METER CONNECTION

METER SIZE	CONNECTION FEE	MINIMUM WATER USAGE FOR EACH SIZE METER
5/8" x 3/4"	\$500.00	2,000 gallons
1-Inch	\$ Cost	2,000 gallons
1-1/2" Inch	\$ Cost	2,000 gallons
2-Inch	\$ Cost	2,000 gallons
3-Inch	\$ Cost	2,000 gallons
4-Inch	\$ Cost	2,000 gallons
5-Inch	\$ Cost	2,000 gallons
6-Inch	\$ Cost	2,000 gallons

XIII. WATER RATES - PROPOSED

A. Proposed Rate Schedule:

First	<u>2,000</u>	Gallons @	<u>\$12.50</u>	minimum
Next	<u>1,000</u>	Gallons @	<u>\$6.10</u>	per 1,000 gallons
Next	<u>2,000</u>	Gallons @	<u>\$5.15</u>	per 1,000 gallons
Next	<u>2,000</u>	Gallons @	<u>\$4.25</u>	per 1,000 gallons
Next	<u>3,000</u>	Gallons @	<u>\$3.30</u>	per 1,000 gallons
Next	<u>-</u>	Gallons @	<u>\$</u>	per 1,000 gallons
All Over	<u>10,000</u>	Gallons @	<u>\$3.00</u>	per 1,000 gallons

IF MORE THAN ONE RATE, USE ADDITIONAL SHEETS.

Bulk Loading Station @ \$3.80/1,000 gallons

XIV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

Meter Size	Monthly Water Usage		Average	Average Rate	Residential/Farmer			Non-Residential/Commercial		
					No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
5/8 x 3/4 Inch	0	- 2,000 Gal.	1,000	12.50	3,706	3,706	46,325.00	66	66	825
	2,000	- 3,000 Gal.	2,500	15.55	2,624	6,560	40,803.20	37	92.5	575.35
	3,000	- 4,000 Gal.	3,500	21.175	2,692	9,422	57,003.10	37	129.5	783.48
	4,000	- 5,000 Gal.	4,500	26.325	2,375	10,687.5	62,521.88	16	72	421.20
	5,000	- 6,000 Gal.	5,500	31.025	1,886	10,373	58,513.15	18	99	558.45
	6,000	- 7,000 Gal.	6,500	35.275	1,334	8,671	47,056.85	14	91	493.85
	7,000	- 8,000 Gal.	7,500	39.050	997	7,477.5	38,932.85	8	60	312.40
	8,000	- 9,000 Gal.	8,500	42.35	646	5,491	27,358.10	8	68	338.80
	9,000	- 10,000 Gal.	9,500	45.65	435	4,132.5	19,357.50	10	95	456.50
	10,000	- 11,000 Gal.	10,500	48.80	259	2,719.5	12,639.20	7	73.5	341.60
	11,000	- 12,000 Gal.	11,500	51.80	185	2,127.5	9,583.00	7	80.5	362.60
	12,000	- 13,000 Gal.	12,500	54.80	145	1,812.5	7,946.00	3	37.5	164.40
	13,000	- 14,000 Gal.	13,500	57.80	89	1,201.5	5,144.20	2	27.0	115.60
	14,000	- 15,000 Gal.	14,500	60.80	92	1,334	5,593.60	2	29	121.60
	15,000	- 16,000 Gal.	15,500	63.80	61	945.5	3,891.80	3	46.5	191.40
	16,000	- 17,000 Gal.	16,500	66.80	50	825	3,340.00	1	16.5	66.80
	17,000	- 18,000 Gal.	17,500	69.80	38	665	2,652.40	2	35	139.60
	18,000	- 19,000 Gal.	18,500	72.80	30	555	1,674.00	3	55.5	218.40
	19,000	- 20,000 Gal.	19,500	75.80	32	624	2,425.60	1	19.5	75.80
	20,000	- 30,000 Gal.	25,000	92.30	129	3,225	11,906.70	5	125	461.50
30,000	- 50,000 Gal.	40,000	137.30	71	2,840	9,748.30	11	440	1,510.30	
50,000	- 100,000 Gal.	75,000	242.30	62	4,650	15,022.60	-	-	-	
Over 100,000	Gal.				36	7,769	23,929.80	-	-	-
Subtotal					(17,974)	(97,814)	(513,368.83)	(261)	(1,758.5)	(8,534.63)
Average Monthly Rate				(28.62)						
Average Monthly Usage					(5,440)			(6.74)		
1-Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
Subtotal					()	()	()	()	()	()
1-1/2 Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
Subtotal					()	()	()	()	()	()

XIV. CONTINUED.....

Meter Size	Monthly Water Usage	Average	Average Rate	Residential/Farmer			Non-Residential/Commercial		
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
2-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
3-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
4-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
5-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
6-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
		TOTALS		()	()	()	()	()	()

XV. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY

Meter Size	Monthly Water Usage		Average	Average Rate	Residential/Farmer			Non-Residential/Commercial		
		Gal.			No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 -	2,000 Gal.	1,000	12.50	852	852	10,650.00			
	2,000 -	3,000 Gal.	2,500	15.55	612	1,530	9,516.60			
	3,000 -	4,000 Gal.	3,500	21.175	612	2,142	12,959.10			
	4,000 -	5,000 Gal.	4,500	26.325	540	2,430	14,215.50	12	54	315.90
	5,000 -	6,000 Gal.	5,500	31.025	432	2,376	13,402.80			
	6,000 -	7,000 Gal.	6,500	35.275	312	2,028	11,005.80			
8 x 3/4 Inch	7,000 -	8,000 Gal.	7,500	39.050	228	1,710	8,151.00			
	8,000 -	9,000 Gal.	8,500	42.35	144	1,224	6,436.80			
	9,000 -	10,000 Gal.	9,500	45.65	108	1,026	4,930.20			
	10,000 -	11,000 Gal.	10,500	48.80	60	630	2,928.00			
	11,000 -	12,000 Gal.	11,500	51.80	48	552	2,486.40			
	12,000 -	13,000 Gal.	12,500	54.80	36	450	1,972.80			
	13,000 -	14,000 Gal.	13,500	57.80	24	324	1,135.20			
	14,000 -	15,000 Gal.	14,500	60.80	24	348	1,459.20			
	15,000 -	16,000 Gal.	15,500	63.80	12	186	765.60			
	16,000 -	17,000 Gal.	16,500	66.80	12	198	801.60			
	17,000 -	18,000 Gal.	17,500	69.80	12	210	837.60			
	18,000 -	19,000 Gal.	18,500	72.80	12	222	873.60			
	19,000 -	20,000 Gal.	19,500	75.80	12	234	909.60			
	20,000 -	30,000 Gal.	25,000	92.30	-	-	-			
	30,000 -	50,000 Gal.	40,000	137.30	-	-	-			
	50,000 -	100,000 Gal.	75,000	242.30	-	-	-			
	Over 100,000	Gal.			-	-	-			
			Subtotal		(4,092)	(18,672)	(105,437.40)	(12)	(54)	(315.90)
			Average Monthly Rate	(25.77)						
			Average Monthly Usage		(4,560)			(4,500)		

1-Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal			()	()	()	()	()	()

1-1/2 Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal			()	()	()	()	()	()

XV. CONTINUED.....

Meter Size	Monthly Water Usage	Average	Average Rate	Residential/Farmer			Non-Residential/Commercial		
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
2-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
3-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
4-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
5-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
6-Inch	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
	_____	Gal. _____	_____	_____	_____	_____	_____	_____	_____
		Subtotal		()	()	()	()	()	()
		TOTALS		()	()	()	()	()	()

XVI. CURRENT OPERATING BUDGET - (As of the last full operating year-1997)

A. Operating Income:

Water Sales	<u>\$446,369.00</u>
Disconnect/Reconnect/Late Charge Fees	<u>13,377.00</u>
Other (Describe)	<u> </u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income.....	<u>\$459,746.00</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$126,062.00</u>
Pumping Expense	<u>6,176.00</u>
Water Treatment Expense	<u>933.00</u>
Transmission and Distribution Expense	<u>71,746.00</u>
Customer Accounts Expense	<u>330.00</u>
Administrative and General Expense	<u>104,834.00</u>
Total Operating Expenses.....	<u>\$10,081.00</u>
Net Operating Income.....	<u>\$149,665.00</u>

C. Non-Operating Income:

Interest on Deposits	<u>\$18,227.00</u>
Other (Identify)	<u>0.00</u>
Total Non-Operating Income.....	<u>\$18,227.00</u>

D. Net Income \$167,892.00

E. Debt Repayment:

FmHA Interest	<u>\$97,417.00</u>
FmHA Principal	<u>20,000.00</u>
Non-FmHA Interest	<u>0.00</u>
Non-FmHA Principal	<u>0.00</u>
Total Debt Repayment.....	<u>\$117,417.00</u>

F. Balance Available for Coverage and Depreciation..... \$ 50,475.00

XVII. PROPOSED OPERATING BUDGET - EXISTING & NEW USERS

(1st Full Year of Operation)

Year Ending Dec. 31, 2000

A. Operating Income:

Water Sales	<u>\$627,656.76</u>
Disconnect/Reconnect/Late Charge Fees	<u>15,000.00</u>
Other (Describe)	<u>()</u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income.....	<u>\$642,656.76</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$172,500.00</u>
Pumping Expense	<u>10,000.00</u>
Water Treatment Expense	<u>1,200.00</u>
Transmission and Distribution Expense	<u>85,500.00</u>
Customer Accounts Expense	<u>500.00</u>
Administrative and General Expense	<u>128,500.00</u>
Total Operating Expenses.....	<u>\$398,200.00</u>
Net Operating Income.....	<u>\$244,456.76</u>

C. Non-Operating Income:

Interest on Deposits	<u>\$10,000.00</u>
Other (Identify)	<u>()</u>
Total Non-Operating Income.....	<u>()</u>

D. Net Income \$254,456.76

E. Debt Repayment:

FmHA Interest	<u>\$148,321.50</u>
FmHA Principal	<u>21,000.00</u>
Non-FmHA Interest	<u>14,000.00</u>
Non-FmHA Principal	<u>20,000.00</u>
Total Debt Repayment.....	<u>\$196,321.50</u>

F. Balance Available for Coverage and Depreciation..... \$ 58,135.26

XVIII. PROPOSED OPERATING BUDGET - NEW USERS - EXTENSION ONLY

(1st Full Year of Operation)

Year Ending Dec. 31, 2000

A. Operating Income:

Water Sales	<u>\$105,753.30</u>
Disconnect/Reconnect/Late Charge Fees	<u>3,000.00</u>
Other (Describe)	<u>0.00</u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income.....	<u>\$108,753.30</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$26,750.00</u>
Pumping Expense	<u>2,000.00</u>
Water Treatment Expense	<u>240.00</u>
Transmission and Distribution Expense	<u>17,100.00</u>
Customer Accounts Expense	<u>100.00</u>
Administrative and General Expense	<u>25,700.00</u>
Total Operating Expenses.....	<u>\$71,890.00</u>
Net Operating Income.....	<u>\$36,863.30</u>

C. Non-Operating Income:

Interest on Deposits	<u>\$2,000.00</u>
Other (Identify)	<u> </u>
Total Non-Operating Income.....	<u>2,000.00</u>

D. Net Income \$38,863.30

E. Debt Repayment:

FmHA Interest	<u>\$54,416.50</u>
FmHA Principal	<u>0.00</u>
Non-FmHA Interest	<u> </u>
Non-FmHA Principal	<u> </u>
Total Debt Repayment.....	<u>\$54,416.50</u>

F. Balance Available for Coverage and Depreciation..... \$<17,553.20>

XIX. ESTIMATED PROJECT COST - WATER

Development	\$1,678,088.75
Land and Rights	10,000.00
Legal	35,000.00
Engineering	229,925.00
Interest	30,000.00
Contingencies	167,816.25
Initial Operating and Maintenance	0.00
Other, Geotechnical & Site Surveys	55,000.00*
TOTAL	\$2,205,830.00

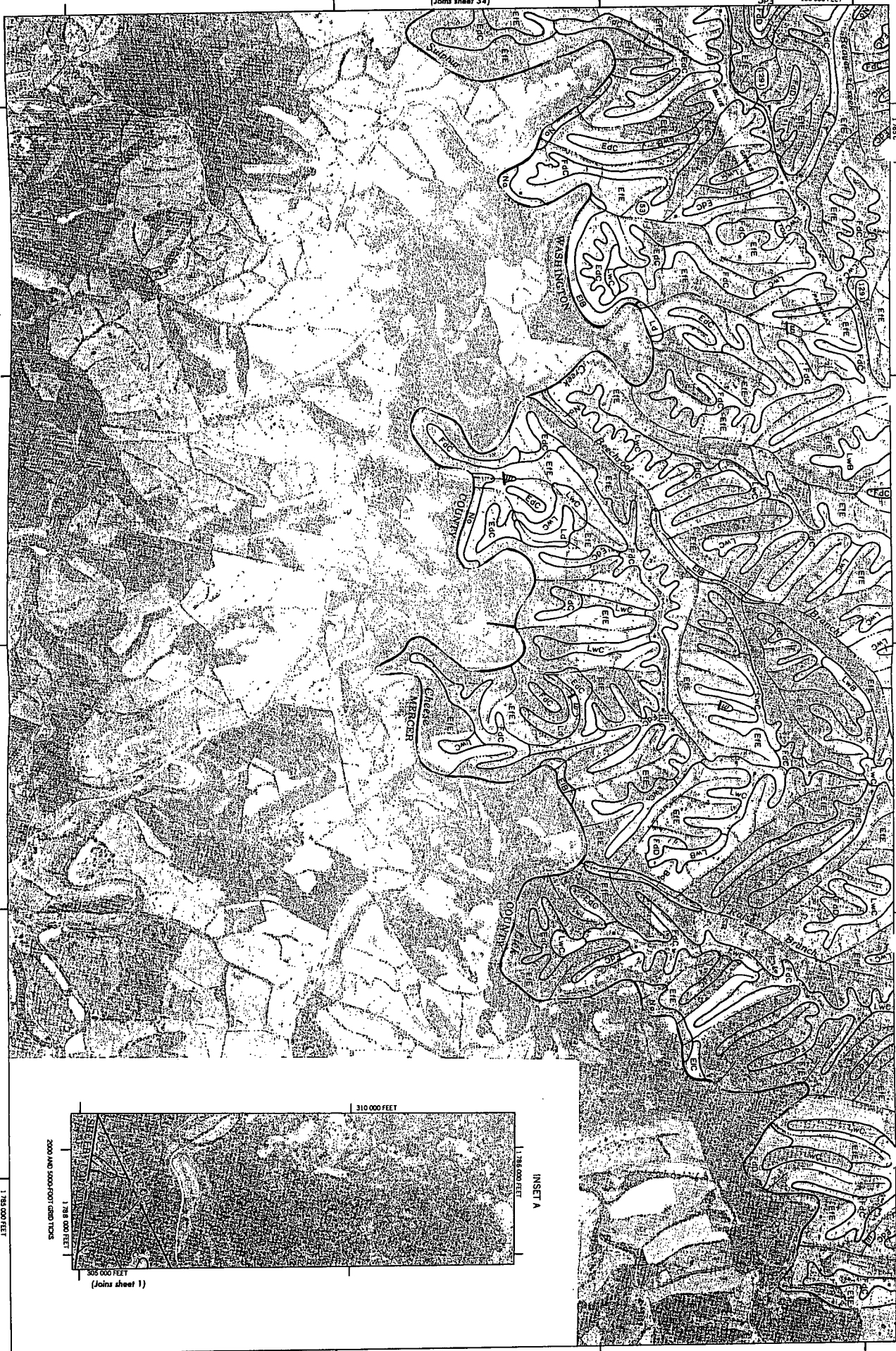
XX. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$61,500.00
Other Applicant Contribution	56,000.00
FmHA Loan	1,088,330.00
FmHA Grant	0.00
Other (Specify) CDBG Grant	1,000,000.00
Other (Specify)	
Other (Specify)	
Other (Specify)	
TOTAL	\$2,205,830.00

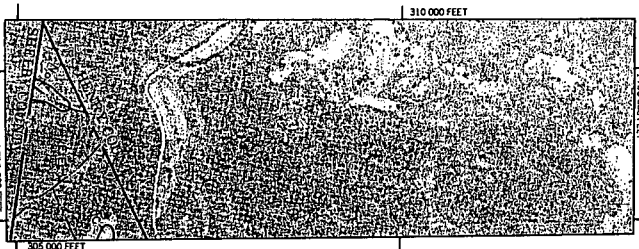
*Includes \$32,500.00 for administration and \$7,500.00 for planning in conjunction with the CDBG Grant which are not eligible for RD Funding.

(Joins sheet 34)

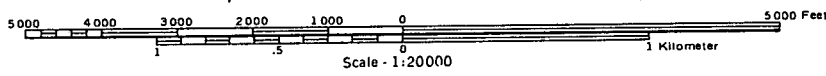
150 000 FEET



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 35

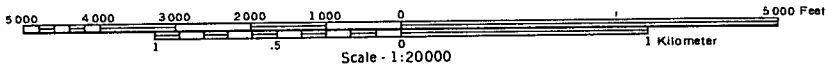


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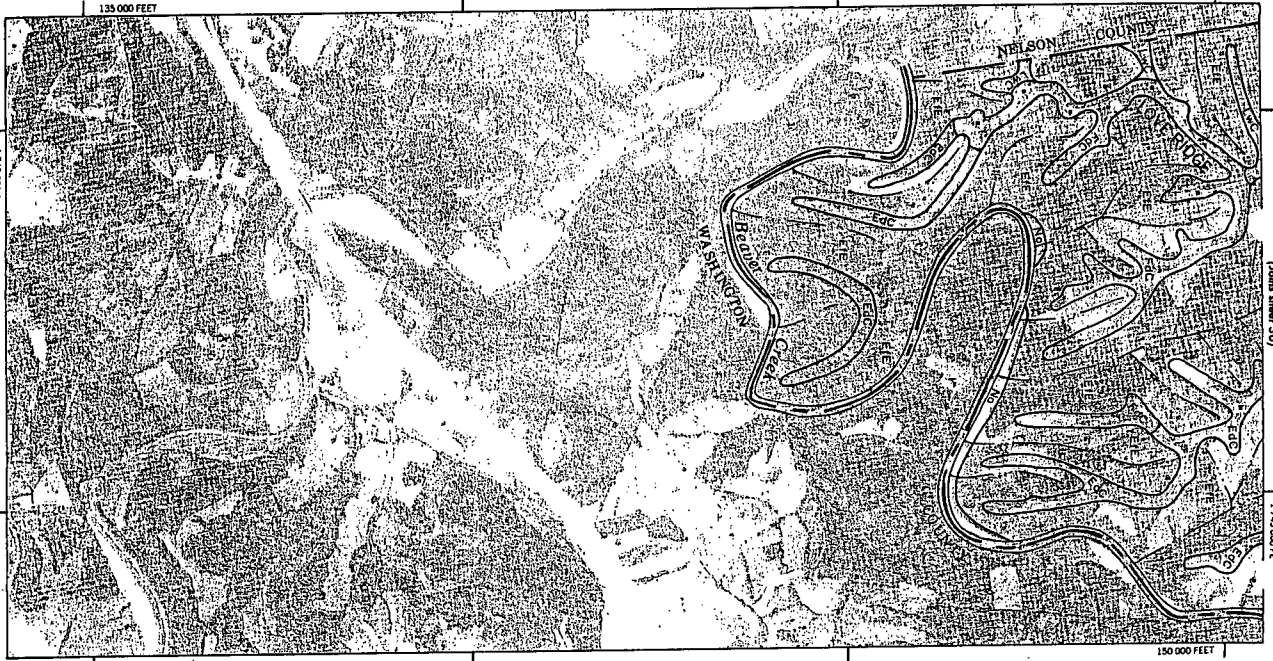


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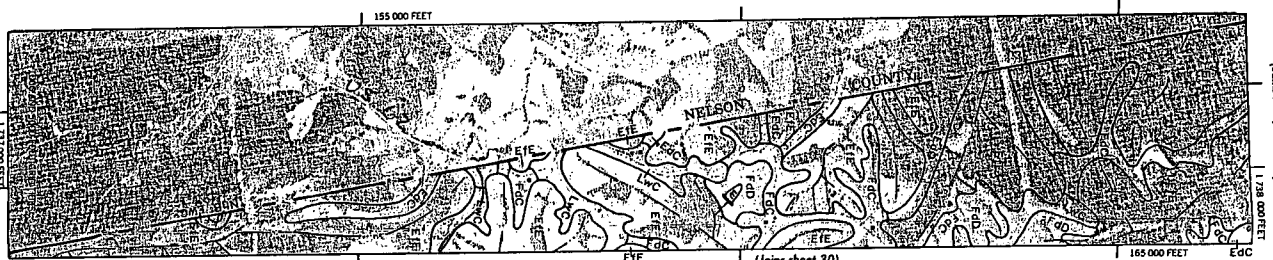
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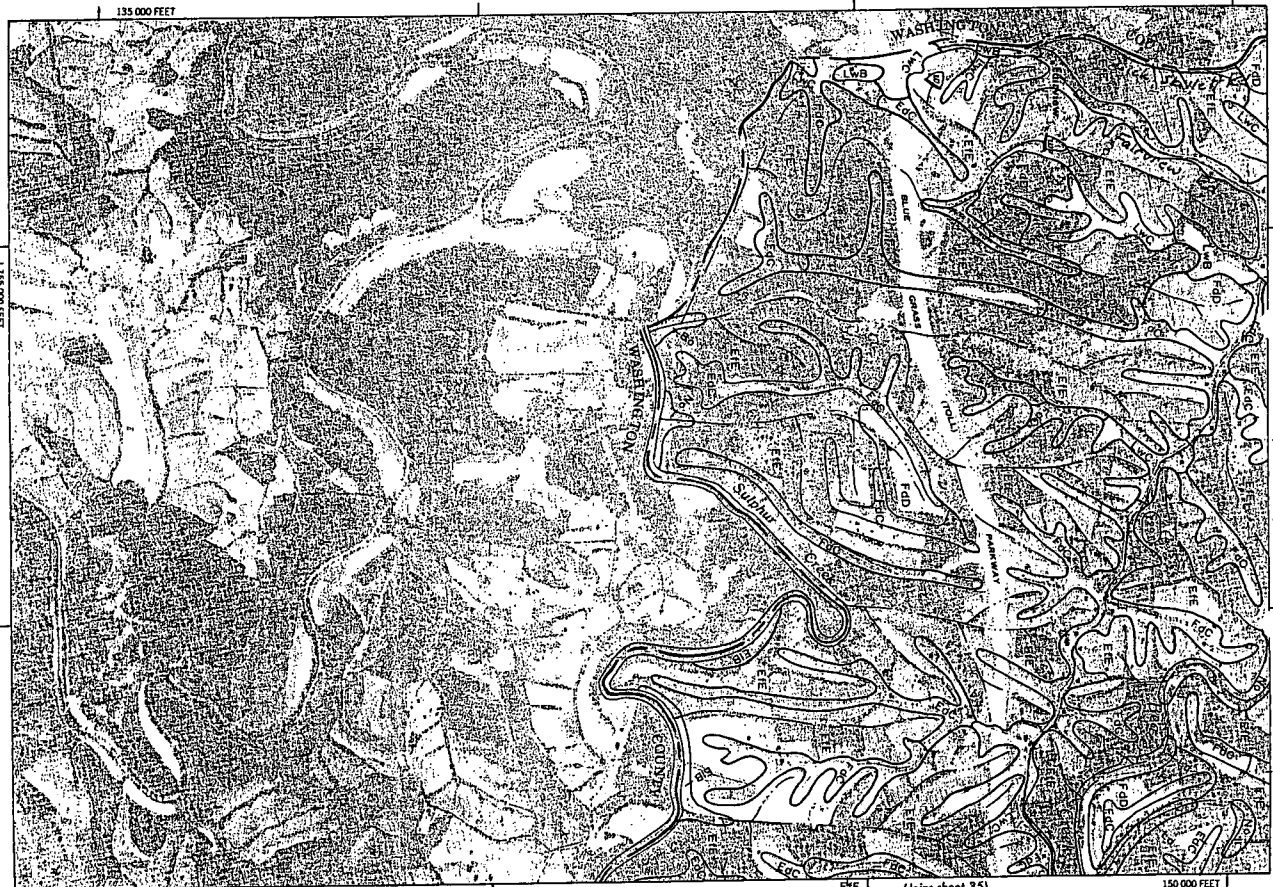
34



(Joins sheet 20)

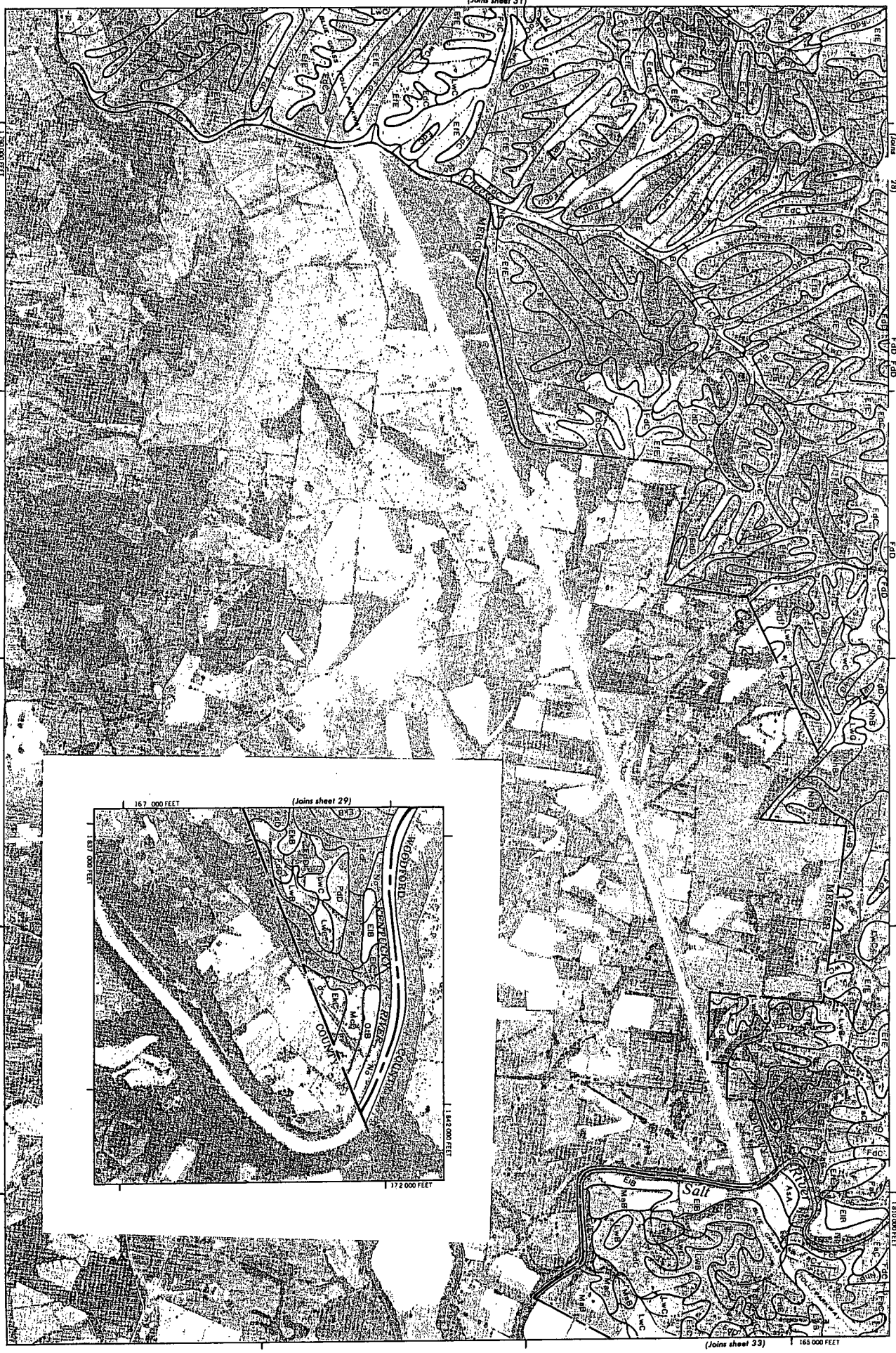


(Joins sheet 18)



(Joins sheet 30)

ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 34



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 32

This map is compiled on 1977 aerial photography by the U.S. Department of Agriculture Soil Conservation Service
coordinate grid UTM, WGS 84

This map is compiled on 1977 aerial photography by the U.S. Department of Agriculture, Soil Conservation Service and the U.S. Geological Survey.

EFE (Joins sheet 31)

EdC 165 000 FEET FdC

EFE

EFE

(Joins sheet 30)

165 000 FEET

1725 000'

FdC

FdC

FdC

FdC

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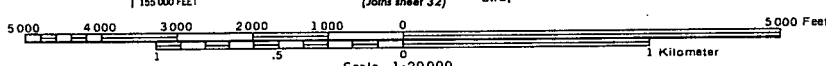
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ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 31

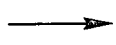
(Joins sheet 35)

(Joins sheet 32)

(Joins sheet 27)



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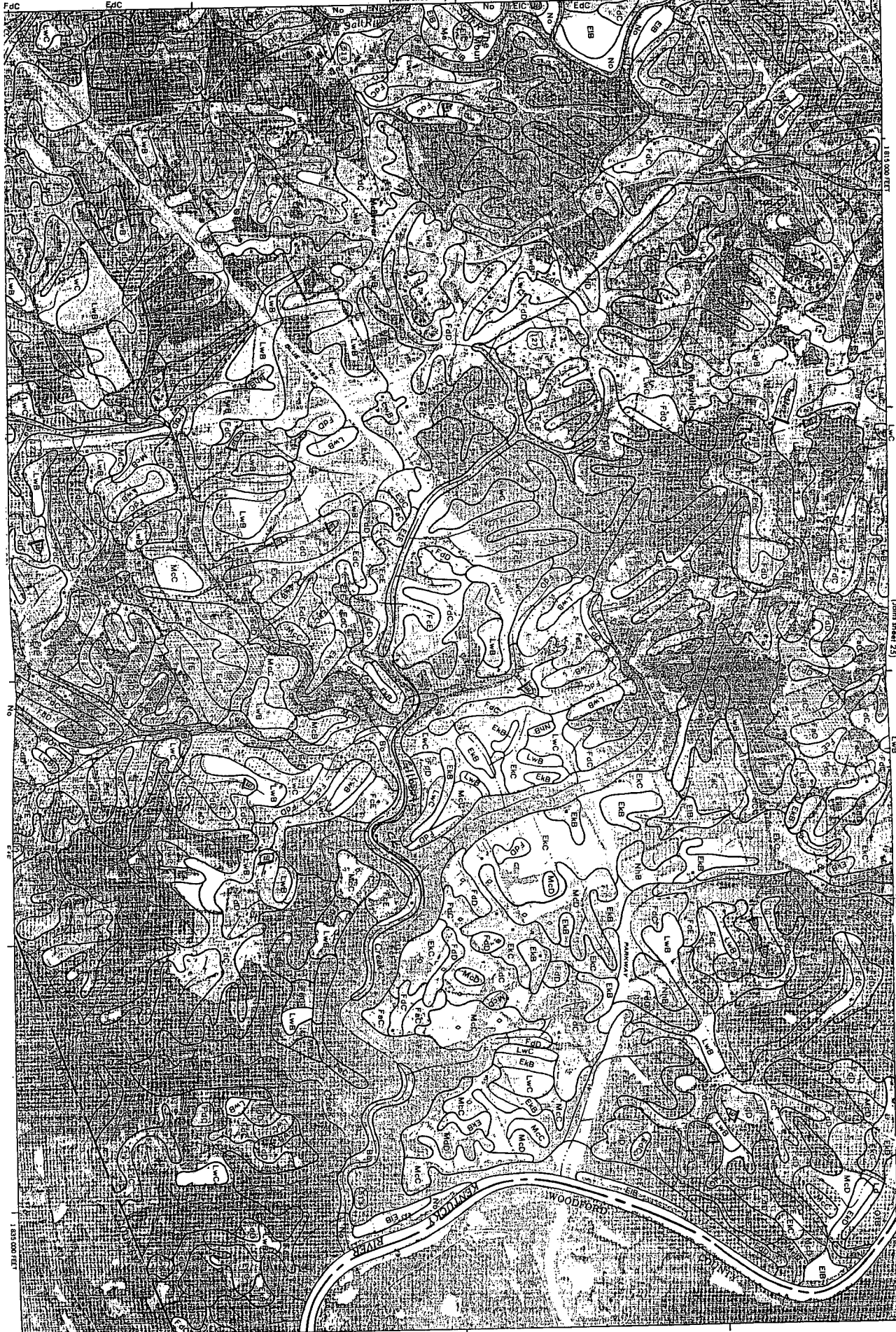


31



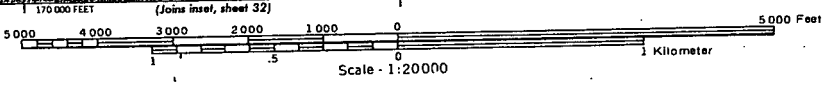
ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 30

This map is compiled on 1977 aerial photography by the U.S. Department of Agriculture, Soil Conservation Service and associated agencies.



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 29

FdC E2C No E1C E2C E3C E1B E2B E3B E1A E2A E3A E1D E2D E3D E1E E2E E3E E1F E2F E3F E1G E2G E3G E1H E2H E3H E1I E2I E3I E1J E2J E3J E1K E2K E3K E1L E2L E3L E1M E2M E3M E1N E2N E3N E1O E2O E3O E1P E2P E3P E1Q E2Q E3Q E1R E2R E3R E1S E2S E3S E1T E2T E3T E1U E2U E3U E1V E2V E3V E1W E2W E3W E1X E2X E3X E1Y E2Y E3Y E1Z E2Z E3Z





This map is compiled on 1977 aerial photography by the U.S. Department of Agriculture, Soil Conservation Service and cooperating agencies.

This map is revised in 1922

EFE

FdC

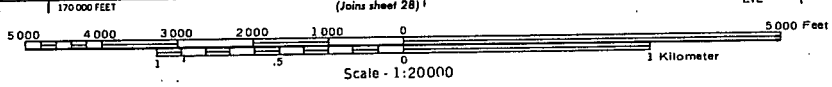
(Joins sheet 26)

EFE

180 000 FEET



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 27



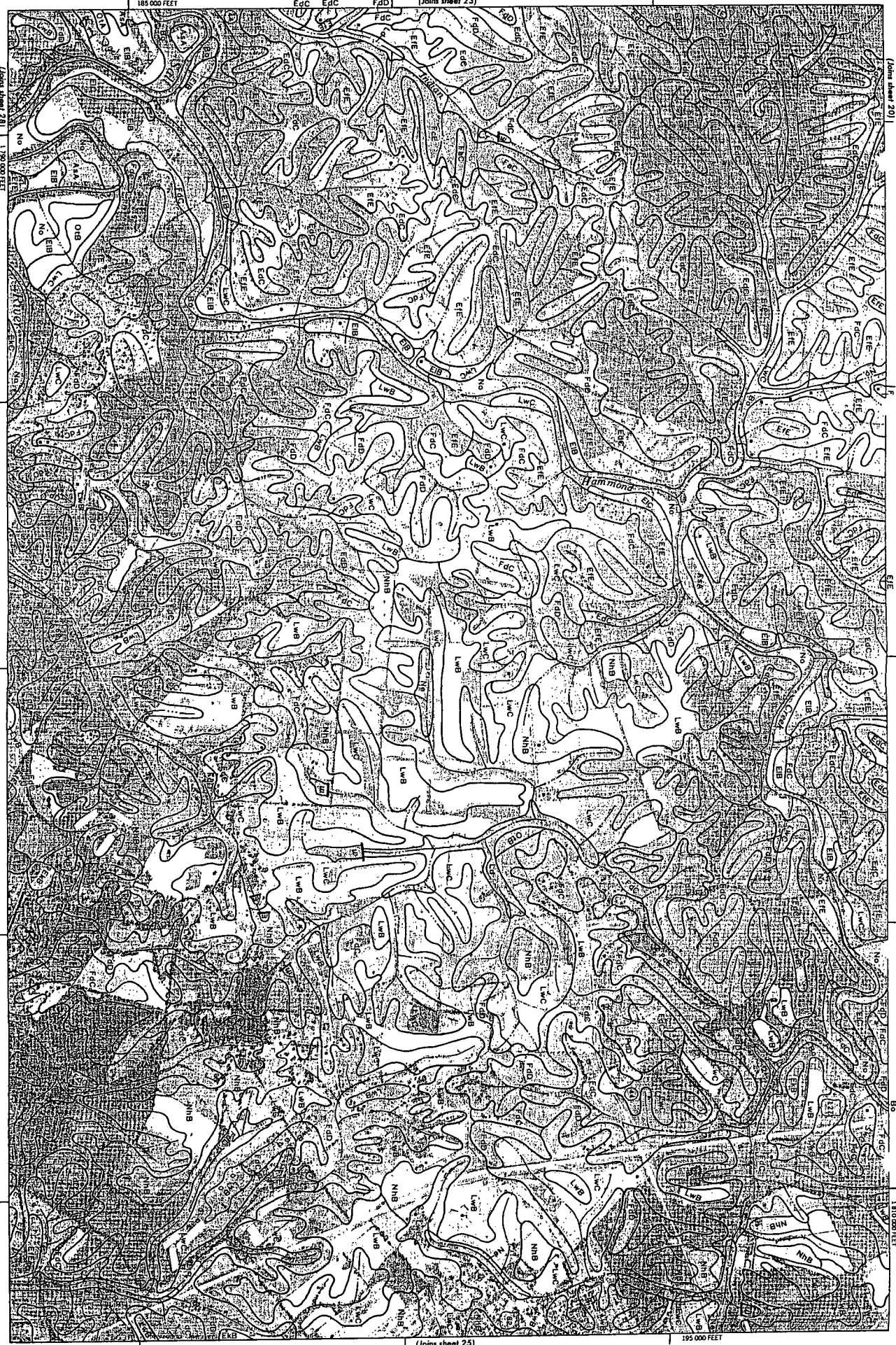
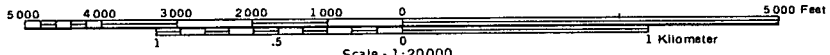


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(Joins sheet 22)

ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 26

(Joins sheet 27)



(Joins sheet 23)

(Joins sheet 20)

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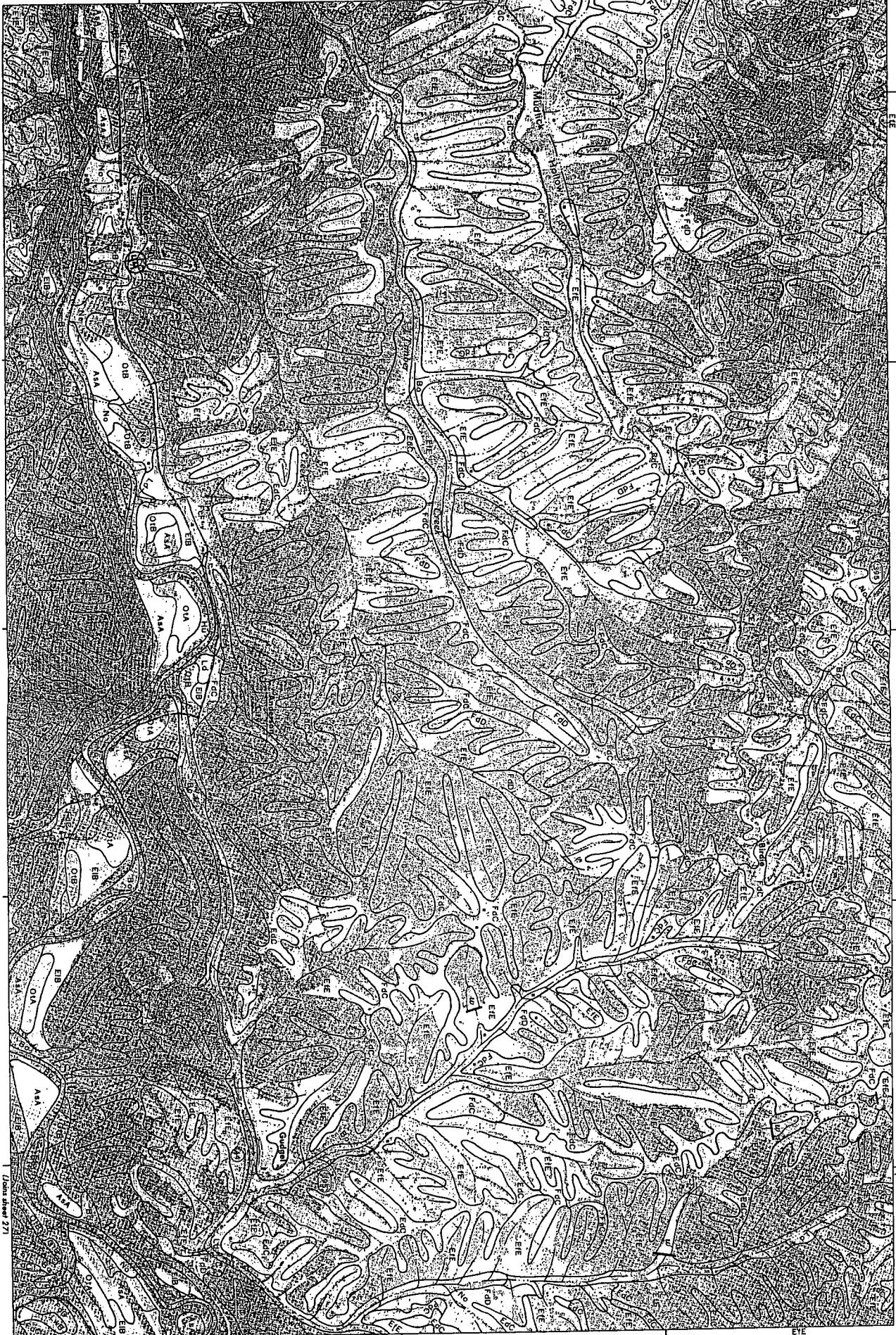
ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 24

(Joins sheet 25)

This map is compiled on 1979 aerial photography

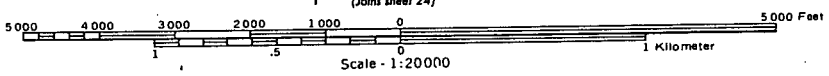
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LWC



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 23

(Joins sheet 24)

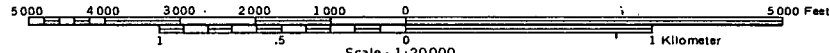


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(Joins sheet 27)

(Joins sheet 19)



Scale - 1:20000



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 20

200 000 FEET
1 750 000 FEET

(Joins sheet 17)

EFE

LWB

LWC

LWB

LWC

LWB

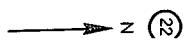
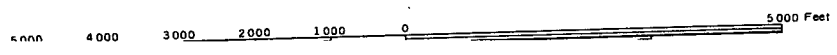
LWC

LWB

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215 000 FEET

This map is compiled on 1977 aerial photography by the U.S. Department of Agriculture - Soil Conservation Service and cooperative agencies.



(Joins sheet 17)

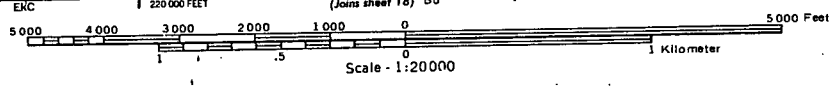
230 000 FEET

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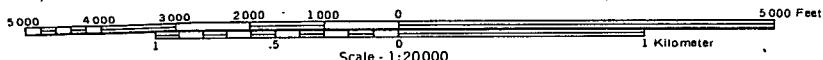
230 000 FEET

1 200 000 FEET

ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 17



17



Scale - 1:20000



(Join sheet 17)

1700000 FEET

LWC

EQC

END

QTR

17

(Join sheet 13)

FdC

LWB

Sheet 10

ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 14

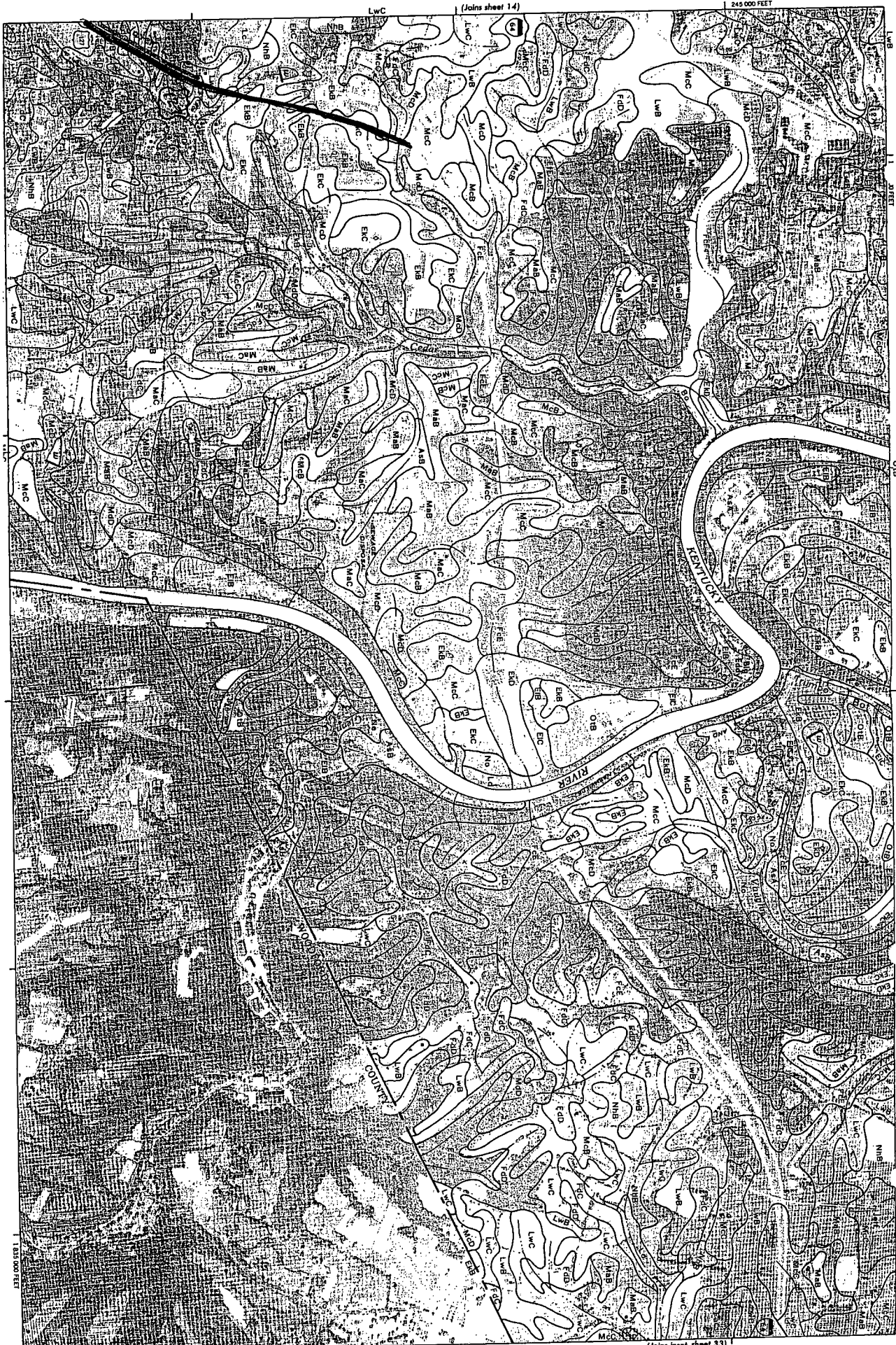
1810000 FEET

LWB

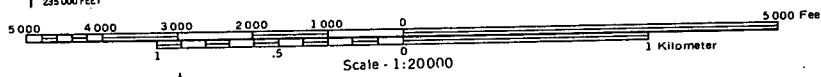
(Join sheet 15)

245 000 FEET

5,000 Feet



ANDERSON AND FRANKLIN COUNTIES, KENTUCKY - SHEET NUMBER 15



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 01 2000

PUBLIC SERVICE
COMMISSION

In the Matter of:

RUBEN BARNETT

COMPLAINANT

V.

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

CASE NO. 99-431

COMPLAINANT'S ANSWERS TO DEFENDANT'S FIRST SET OF
INTERROGATORIES AND REQUEST FOR PRODUCTION OF DISCOVERY
PROPOUNDED TO COMPLAINANT

INTERROGATORY NO. 1. Identify by name, address, telephone number and relationship to you all persons who prepared or assisted you in preparing your response to these Interrogatories.

ANSWER: These interrogatories were answered by Mr. Ruben Barnett, 1560 Aaron-Barnett Road, Lawrenceburg, Kentucky 40342 with the preparation and assistance of his attorney, Reginald L. Thomas, P.O. Box 1704, Lexington, Kentucky 40588-1704.

INTERROGATORY NO. 2. Identify by name, address, and telephone number each person other than you having facts or information as to any allegation in your Complaint before the Public Service Commission, and for each such person so identified, furnish with your answer a complete written narrative setting forth the facts and information known to such person.

ANSWER: None

INTERROGATORY NO. 3. State the name, address, telephone number, employer, and employer's address and qualifications of each person you expect to call as an expert witness at the hearing; the subject matter on which the expert is expected to testify; the substance of the facts and opinions to which the expert is expected to testify; and a summary of the grounds for each opinion.

ANSWER: The Complainant has had some preliminary talks with PDR Engineers located at 800 Corporate Drive, Lexington, Kentucky 40503, but nothing has been confirmed regarding their participation in the action before the Public Service Commission. In the event that PDR Engineers agrees to testify before the Public Service Commission, the Complainant shall supplement this interrogatory.

INTERROGATORY NO. 4. Name all individuals you intend to use as a witness at this hearing, and please give their address and telephone number.

ANSWER: Presently the Complainant has not identified any witness he intends to call at the hearing other than himself. However, by February 14, 2000 the Complainant shall tender his witness list to the Public Service Commission and to the Respondent.

INTERROGATORY NO. 5. If any part of the facts or opinions of any expert is based upon information acquired from published documents or other materials, identify all such documents and materials by date, name, address, occupation and place of employment of the authors; and provide names, addresses, occupations and places of employment of the custodians of such documents and/or materials.

ANSWER: The only documents which the Complainant has provided PDR Engineers is the Preliminary Engineering Report prepared on behalf of the Respondent by Mr. Kenneth D. Taylor in September, 1998 and a map of the Phase 5 Expansion of the Respondent prepared by Kenvirons, Inc., 452 Versailles Road, Frankfort, Kentucky 40601.

INTERROGATORY NO. 6. Identify specifically each and every action which each such expert has testified as an expert witness by deposition or in court, and state for which party each such expert was a witness.

ANSWER: None.

INTERROGATORY NO. 7. State the name, address, telephone number, employer, and employer's address, and qualifications of each expert who has been retained, especially employed, or otherwise consulted by you in anticipation of litigation or preparation for a trial, who is not expected to be called as a witness at trial.

ANSWER: See response to Interrogatory No. 3.

INTERROGATORY NO. 8. Have you or anyone acting on your behalf obtained or received a written or recorded statement from any individual or entity regarding the allegations or incidents alleged in your Complaint with the Public Service Commission? If so, please state the name, address, and telephone number of the individual or entity from whom the statement was obtained and produce a copy of the written or recorded statement.

ANSWER: The Defendant should be advised that the Complainant has received materials from Mr. Terry L. Lopez, Office of Rural Development – USDA, 1900 Midland Trail, Shelbyville, Kentucky 40065, telephone number (502) 633-0891 and from Mr.

Bryan Kirby, Project Administrator, Community & Economic Development Associates, Inc., P.O. Box 855, Richmond, Kentucky 40476, telephone number (606) 624-3396.

These materials consist of the applications filed by the Defendant for federal funds and correspondence from both federal and state agencies to the Defendant. Accordingly, the ~~Defendant~~ is in possession of the aforementioned materials.

INTERROGATORY NO. 9. Do you or anyone acting on your behalf know of any photographs, films or videotapes depicting any place, object or individual concerning the allegations contained in your Complaint before the Public Service Commission? If so, please produce same and give the name, address, and telephone number of the individual having custody of said photographs, films or videotapes, aforementioned.

ANSWER: No.

INTERROGATORY NO. 10. How many separately owned residences or property owners were on Aaron Barnett Road in August of 1998?

ANSWER: The Complainant objects to answering Interrogatories Nos. 10 – 15 of the Defendant for the reason that these questions fall outside the intent of the rules of discovery. The information requested in these interrogatories is not within the exclusive domain of the Complainant and such information can just as easily be gathered by the Defendant as by the Complainant. In fact, the Defendant probably already possesses or, in any event, should possess a list of property owners on Aaron-Barnett Road as of August, 1998. The rules of discovery do not require the Complainant to locate information that the Defendant could with a similar effort likewise retrieve.

INTERROGATORY NO. 11. How many separately owned residences or property owners are on Aaron Barnett Road in January, 2000?

ANSWER: See response to Interrogatory No. 10.

INTERROGATORY NO. 12. List each property owner that existed on Aaron Barnett Road in August, 1998.

ANSWER: See response to Interrogatory No. 10.

INTERROGATORY NO. 13. For each such property owner, as of August, 1998, list the following:

- (a) Address;
- (b) Telephone number;
- (c) Date they acquired title to the property;
- (d) The name of the person they acquired the property from;
- (e) The number of acres owned by said property owner;
- (f) What type of improvements are located on said property (a residence, mobile home, or other – please designate).

ANSWER: See response to Interrogatory No. 10.

INTERROGATORY NO. 14. List each property owner that existed on Aaron Barnett Road as of January, 2000.

ANSWER: See response to Interrogatory No. 10.

INTERROGATORY NO. 15. For each such property owner, as of January, 2000, list the following:

- (a) Address;
- (b) Telephone number;
- (c) Date they acquired title to the property;
- (d) The name of the person they acquired the property from;
- (e) The number of acres owned by said property owner;
- (f) What type of improvements are located on said property (a residence, mobile home, or other – please designate).

ANSWER: See response to Interrogatory No. 10.

RESPONSES TO REQUEST FOR DOCUMENTS

1. All documents identified in or supporting your answers to the Interrogatories propounded to you of same date.

RESPONSE. See response to Interrogatory No. 8.

2. All photographs, slides, motion pictures, video tapes, drawings, schematics, and any other depiction relating to the issues raised in your Complaint before the Public Service Commission.

RESPONSE. See response to Interrogatory No. 9.

3. All field notes, calculations, reports, and any other material of any nature whatsoever prepared by any witness, investigator, or expert relating to the issues raised in your Complaint before the Public Service commission.

RESPONSE. None.

4. All income tax returns filed with the federal and/or state government for year 1995, 1996, 1997, 1998, and 1999.

RESPONSE. The Complainant objects to this request as such documentation is not relevant tot his proceeding.

6.(5) All documents relating to or supporting your position that you should be entitled to be included in the current water project.

RESPONSE. None at present, but Complainant will supplement this request.

7.(6) All documents in your possession which would support your position that from an engineering standpoint it is practicable and efficient to complete a loop along

Aaron Barnett Road as set forth in Argument 4, on page 3 of your Complaint before the Public Service Commission.

RESPONSE. None at present, but Complainant will supplement this request.

8.(7) All documents which report your assertions in paragraph 3, on page 3 of your argument in your Complaint before the Public Service Commission that a reasonable estimate to add the water line which you are requesting is approximately \$40,000.00.

RESPONSE. None at present, but Complainant will supplement this request.

9.(8) Any and all documentation you have that indicates that the Board of Commissioners of the Water District has indicated that once this particular project is completed, it will be another "10 years" before the District pursues any further expansion plans.

RESPONSE. This statement was made to the Complainant's attorney at a meeting between representatives of the Complainant and Commissioners of the South Anderson Water District held on July 22, 1999.

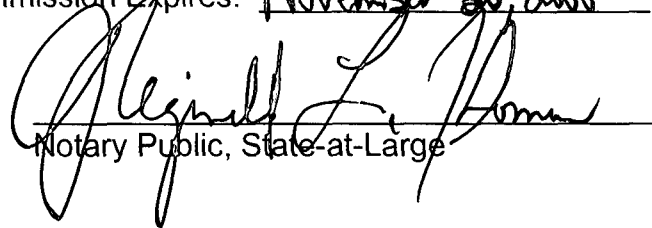


RUBEN BARNETT

STATE OF KENTUCKY)
)
COUNTY OF ANDERSON)

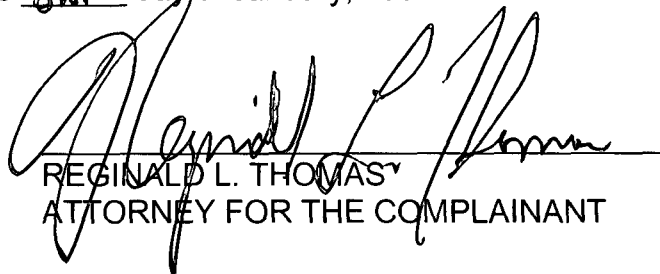
The foregoing COMPLAINANT'S ANSWERS TO DEFENDANT'S FIRST SET OF INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS PROPOUNDED TO COMPLAINANT was Subscribed, Sworn to, and Acknowledged before me by RUBEN BARNETT on this the 28th day of January, 2000.

My Commission Expires: November 20, 2000


Notary Public, State-at-Large

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing COMPLAINANT'S ANSWERS TO DEFENDANT'S FIRST SET OF INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS PROPOUNDED TO COMPLAINANT was personally served upon The Public Service Commission and the Honorable Ray Edelman, 150 South Main Street, Lawrenceburg, Kentucky 40342, Attorney for the South Anderson Water District, on this the 31st day of January, 2000


REGINALD L. THOMAS
ATTORNEY FOR THE COMPLAINANT

RECEIVED

JAN 31 2000

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

RUBEN BARNETT

COMPLAINANT

VS.

CASE NO. 99-431

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

ANSWERS OF DEFENDANT,
SOUTH ANDERSON WATER DISTRICT
TO COMPLAINANT'S FIRST SET OF
INTERROGATORIES AND REQUEST FOR
PRODUCTION OF DOCUMENTS

NEW A15
TS 1/2/00

Comes the Defendant, South Anderson Water District, and for its Answers to the First Set of Interrogatories and Request for Production of Documents, hereby states as follows:

INTERROGATORY NO. 1: What is the rationale behind the decision of the South Anderson Water District to construct water lines along only a portion of Aaron-Barnett (Willow Creek) Road?

ANSWER: The residential density along the south end of the road, when the original scope of the project was determined, was not high enough to make it economically feasible to extend the water line along the entire road. The petition for water service received from the residents along the north end of the road indicated 6.7 services per mile (10 meters in 1.5 miles)

and when the CDBG interviews were completed it changed to 7.2 meters per mile (13 meters in 1.8 miles) The house count along the remainder of the road was 2.3 meters per mile (3 meters in 1.3 miles), one of the houses was vacant and still is, and no petition for water service was received.

INTERROGATORY NO. 2: Please state both in terms of feet and in miles the length of the water lines that South Anderson Water District intends to construct along Aaron-Barnett (Willow Creek) Road?

ANSWER: The District intends to construct approximately 1.8 miles (9,650 feet) of four inch water line along Aaron Barnett (Willow Creek) Road.

INTERROGATORY NO. 3: How many current households does the South Anderson Water District intend to serve upon completion of its water line along Aaron-Barnett (Willow Creek) Road?

ANSWER: The District will make water service available to all sixteen residences along the 1.8 miles and would expect all sixteen to hook-on. Since the CDBG interviews were conducted three more house trailers have been set-up on the road.

INTERROGATORY NO. 4: What is the projected cost to the South Anderson Water District to construct the water line the Water District proposes to build along Aaron-Barnett (Willow Creek) Road?

ANSWER: \$71,550.00 (See Attached Breakdown)

INTERROGATORY NO. 5: Please state both in terms of feet and in miles the length of water lines that would be required of the South Anderson Water District to construct water lines entirely along Aaron-Barnett (Willow Creek) Road?

ANSWER: It would take approximately 3.1 miles (16,895 feet) of water line to completely loop Aaron Barnett (Willow Creek) Road.

INTERROGATORY NO. 6: What would be the projected cost to the South Anderson Water District to construct water lines entirely along Aaron-Barnett (Willow Creek Road)?

ANSWER: \$123,275.03 (See Attached Breakdown)

INTERROGATORY NO. 7: What is the present timetable of the South Anderson Water District to construct water lines along that section of Aaron-Barnett (Willow Creek) Road intended to be served by water under the proposed water expansion project?

ANSWER: The District anticipates construction of the Phase 5 Expansion Project to start during the summer of 2000 and to be completed by late summer of 2001. No schedule for specific segments of the project within the overall project have been contemplated.

INTERROGATORY NO. 8: Please state the number of gallons of water each day that will be run-off from the dead-end line constructed by the Water District along Aaron-Barnett (Willow Creek) Road?

ANSWER: The District will flush the water line twice yearly as it does all of its lines with approximately 3,000 gallons being used each time. No water will be "run-off" on a daily basis.

INTERROGATORY NO. 9: Has the engineer hired by the Water District to assist with this Phase 5 water expansion project performed any hydraulic testing and, if so, please describe in detail the findings of such hydraulic test?

ANSWER: To date no hydraulic analyses or computer modeling (we assume this is what is meant by test) have been performed for the Phase 5 Expansion Project. The engineer's knowledge of the existing system, familiarity with the area, and inspection of the USGS topographic maps of the service area were used to prepare the applications and preliminary engineering report.

INTERROGATORY NO. 10: For each of the following roadway projects that make up the Phase 5 water expansion project of the Water District that is (a) Gilberts Creek, (b) U.S. Highway 127 Bypass, (c) Cox Road, (d) Anderson City/Drydock/State Road 44 east of Glensboro/Buntain

School Road, (e) Burgin Road, (f) Fairview Spur/Lick Skillet Road/State Road 1291, (g) U.S. Highway 62 west of Johnsonville/State Road 248/State Road 3358 (Tanner Road), (h) Fox Creek Road, (i) Ballard/Dugansville Road/Hoophole/Puncheon Creek Road/Searcy School Road, (j) Willow Creek Road – Portion designated for water line expansion, (k) Ashby Road, (l) Wooldridge Road, (m) Rice Road, (n) State Road 44 west of Glensboro, (o) Dawson Ferry Road, (p) Bear Creek Road, (q) Dennis Road, (r) Ashby Road-off State Road 248, (s) Burke Road, and (t) Mays Branch/Leathers Road, please provide the following information:

- a. the length of the water lines to be built along each roadway in terms of actual feet and in terms of miles;
- b. the number of customers to be served along each roadway;
- c. the per capita income of residents along each roadway; and
- d. the total costs of construction of water lines along each roadway.

ANSWER: Given below is the appropriate information for roadways listed as (a) through (n), which make up the base project. No information is given on the per capita income of the residents along each roadway as the specific income information obtained for the CDBG application was obtained from the residents with an assurance of confidentiality. (See copy of 1/28/00 letter from CDGB Project

Administrator to Mr. Thomas.) It should suffice to say that each of the roads except for Fox Creek Road qualified for funding under the CDBG program which requires that a majority of the residents along that road live in a household with a low, very low or extremely low income.

No information is given for the roadways listed as (o) through (t) as no construction is currently scheduled to take place along these roads at this time. These roads were only included in the environmental review to facilitate construction along them in case there are monies remaining after the base project is completed. Prior to this occurring the roads would have to be driven, the need along each road confirmed and the feasibility of each assessed.

A. Gilberts Creek

- a) 6,000 feet (1.14 miles)
- b) 10
- c)
- d) \$41,000.00

B. U.S. Highway 127 Bypass

- a) 5,500 feet (1.04 miles)
- b) 7
- c)

d) \$36,800.00

C. Cox Road

a) 6,000 feet (1.14 miles)

b) 9

c)

d) \$42,350.00

D. Anderson City/Drydock/State Road 44 east of

Glensboro/Buntain School Road

a) 49,900 feet (9.45 miles)

b) 63

c)

d) \$367,800.00

E. Burgin Road

a) 7,200 feet (1.36 miles)

b) 10

c)

d) \$58,900.00

F. Fairview Spur/Lick Skillet Road/State Road 1291

a) 40,800 feet (7.73 miles)

b) 74

c)

d) \$320,800.00

G. U.S. Highway 62 west of Johnsonville state Road

248/State Road 3358 (Tanner Road)

a) 35,300 feet (6.69 miles)

b) 46

c)

d) \$259,850.00

H. Fox Creek Road

a) 9,500 feet (1.80 miles)

b) 8

c)

d) \$77,400.00

I. Ballard/Dugansville Road/Hoophole/Puncheon Creek

Road/Searcy School Road

a) 54,000 feet (10.23 miles)

b) 77

c)

d) \$427,850.00

J. Willow Creek Road – Portion designated for water line expansion

- a) 9,650 feet (1.80 miles)
- b) 15
- c)
- d) \$71,550.00

K. Ashby Road

- a) 6,000 feet (1.14 miles)
- b) 8
- c)
- d) \$43,600.00

L. Wooldridge Road

- a) 4,300 feet (0.81 miles)
- b) 7
- c)
- d) \$28,200.00

M. Rice Road

- a) 6,100 feet (1.16 miles)
- b) 6
- c)

c)

d) \$53,650.00

N. State /Road 44 west of Glensboro

a) 6,375 feet (1.21 miles)

b) 10

c)

d) \$51,150.00

INTERROGATORY NO. 11: Will the proposed water expansion project of Water District provide water to any non-Anderson County residents and, if so, please identify:

- a) the roadways that will provide such water to non-Anderson County residents; and
- b) the actual number of non-Anderson County households per each roadway that will be served with water.

ANSWER: The following three (3) roads will make water service available to residences in Mercer or Washington Counties in addition to Anderson County.

- a) Lick Skillet Road – eight (8) residences in Washington County.
- b) Fairview Spur – two (2) residences and possibly one church in Washington County.

c) Cox Road – six (6) in Mercer County.

INTERROGATORY NO. 12: Did the Water District find the presence of pneumonia bacteria in the water along Aaron-Barnett (Willow Creek) Road, and if the answer to this question is in the affirmative, please state:

- a) the source of this finding;
- b) the quantitative laboratory results, and
- c) the incidence of sickness or death as a result of the presence of pneumonia bacteria.

ANSWER: No.

REQUEST FOR PRODUCTION OF DOCUMENTS

REQUEST NO. 1. Please provide two (2) copies of all maps prepared by Water District outlining the Phase 5 water expansion project.

ANSWER. There have been delivered to Ray Edelman's Law Office two copies of the county map, USGS topographic maps, FEMA floodplain maps and soil maps used in the CDBG application, RD application and environmental review.

REQUEST NO. 2. Please provide all preliminary and final engineering reports prepared on behalf of the Water District which discuss or relate to the Phase 5 water expansion project.

ANSWER. There is a copy of the preliminary engineering report prepared on behalf of South Anderson Water District as it relates to the Phase 5 Water Expansion Project at the Law Office of Ray Edelman. The final engineering report will not be prepared until the construction is bid.

REQUEST NO. 3. Please provide two (2) copies of all hydraulic tests performed by the engineer hired by the Water District which tests relate to the Phase 5 water expansion project.

ANSWER. See response to Interrogatory No. 9.

REQUEST NO. 4. Please provide two (2) copies of ALL graphs, charts, reports, spreadsheets, or other similar documents which delineate the roadways to be served by the Phase 5 water expansion project and describe (1) the actual length of the water lines to be constructed along each roadway, (2) the costs of the water line construction along each roadway, (3) the health hazards present in the water along each roadway, and (4) the per capita income of the residents along each roadway.


ANSWER. There are at Ray Edelman's Law Office certain spreadsheets which delineate the roadways to be served, one copy of which was submitted with the CDBG grant and there was also a combined spreadsheet on the CDBG and Rural Development project. The actual length of the water lines to be constructed along each roadway is referred to in Answer to Interrogatory No. 10, along with the costs of the waterline construction along each roadway. The health hazards present are included in the project overview, a copy of which is at the Law Offices of Ray Edelman, which was submitted with the CDBG Block Grant, and the per capita income of the residents along each roadway is unavailable. (See copy of letter from Bryan Kirby, CDBG Project Administrator, to Attorney for Complainant, dated January 28, 2000, attached as an exhibit hereto.)

REQUEST NO. 5. Please provide a copy of any health studies or reports completed within the last five years (1995 to present) which delineate health hazards in the water for any area to be served by water pursuant to the Phase 5 water expansion project of the Water District.

ANSWER. See copy of the CDBG application on page 11, IV, discussing project overview regarding need for water, the problems of sickness as it regards to water quality in wells or cisterns in a discussion

a discussion of that on pages 13 and 14, a copy of which has been produced at Ray Edelman's Law Office.


Respectfully submitted,



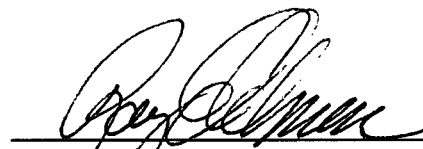
Ken Taylor, Engineer
South Anderson Water district

Subscribed, sworn to and acknowledged before me, a Notary Public, by Ken Taylor, of Kenvirons, Inc., Engineer for South Anderson Water District, on this January 31, 2000.

My commission expires June 1, 2002.




Notary Public, State of Kentucky



Ray Edelman, Attorney at Law
150 South Main Street
Lawrenceburg, KY 40342
502-839-5111
Attorney for Defendant
South Anderson Water District

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing Answers of Defendant, South Anderson Water District, to Complainant's First Set of Interrogatories and Request for Production of Documents to Defendant, South Anderson Water District was served by U.S. Mail, postage prepaid, on this January 31, 2000, on the Honorable Reginald L. Thomas, Attorney for Complainant, P.O. Box 1704, Lexington, KY 40588-1704, the original of which has been filed with the Public Service Commission.



Ray Edelman
Attorney for Plaintiff

Word/P/Interrogatories/South Anderson Water District (Ruben Barnett)

**UPDATED COST ESTIMATE
WILLOW CREEK (AARON BARNETT) ROAD
JANUARY, 2000**

CONSTRUCTION ITEMS

1. 6" x 4" Wet Tap	1 Ea. @ \$1,000.00/Ea.	=	\$1,000.00
2. 4" SDR-21 PVC Pipe	9,650 L.F. @ \$4.50/L.F.	=	43,425.00
3. 4" Bored and Cased	40 L.F. @ \$55.00/L.F.	=	2,200.00
4. 4" Gate Valve	3 Ea. @ \$400.00/Ea.	=	1,200.00
5. Leak Detection Meter	1 Ea. @ \$330.00/Ea.	=	330.00
6. 4" Blow-Off Assembly	1 Ea. @ \$450.00/Ea.	=	450.00
7. 4" Creek Crossing	60 L.F. @ \$55.00/L.F.	=	3,300.00
8. Meter Settings	15 Ea. @ \$275.00/Ea.	=	4,125.00
9. Individual PRV's	12 Ea. @ \$100.00/Ea.	=	1,200.00
10. Service Tubing	675 L.F. @ \$2.75/L.F.	=	1,856.25
11. Air Release Valve	1 Ea. @ \$500.00/Ea.	=	500.00

Estimated Total Construction Cost	\$59,586.25
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Design and Inspection (12.5%).....	\$7,448.25
Legal, Administration, Etc.....	\$4,515.50

TOTAL ESTIMATE	\$71,550.00
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**COST ESTIMATE
 COMPLETE LOOP OF WILLOW CREEK
 (AARON BARNETT) ROAD
 JANUARY, 2000**

CONSTRUCTION ITEMS

1. 6" x 4" Wet Tap	2 Ea. @ \$1,000.00/Ea.	=	\$2,000.00
2. 4" SDR-21 PVC Pipe	16,895 L.F. @ \$4.50/L.F.	=	76,027.50
3. 4" Bored and Cased	80 L.F. @ \$55.00/L.F.	=	4,400.00
4. 4" Gate Valve	6 Ea. @ \$400.00/Ea.	=	2,400.00
5. Leak Detection Meter	2 Ea. @ \$330.00/Ea.	=	660.00
6. 4" Blow-Off Assembly	1 Ea. @ \$375.00/Ea.	=	375.00
7. 4" Creek Crossing	110 L.F. @ \$55.00/L.F.	=	6,050.00
8. Meter Settings	21 Ea. @ \$275.00/Ea.	=	5,775.00
9. Individual PRV's	16 Ea. @ \$100.00/Ea.	=	1,600.00
10. Service Tubing	945 L.F. @ \$2.75/L.F.	=	2,598.75
11. Air Release Valve	2 Ea. @ \$500.00/Ea.	=	1,000.00
			\$102,886.25
	Estimated Total Construction Cost		\$102,886.25
	Design and Inspection (12.5%).....		\$12,860.78
	Legal, Administration, Etc.....		\$7,528.00
			\$123,275.03
	TOTAL ESTIMATE		\$123,275.03

**Community & Economic Development Associates, Inc.***Grant and Loan Planning, Packaging and Administration*

January 28, 2000

Mr. Reginald L. Thomas
P.O. Box 1704
Lexington, KY 40588-1704

RE: South Anderson Water District
Response to Request for Documents

Dear Mr. Thomas,

I am in receipt of an interrogatory inquiry on the aforementioned Project and shall respond as follows:

Request: Did the Water District find the presence of pneumonia bacteria at Willow Creek?

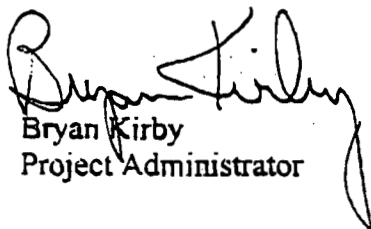
Response: Page 11 of the CDBG application indicates the presence of pneumonia bacteria in Area L, Rice Road, not Willow Creek. Section IV-A-4 shows a lower case "L" that looks like a lower case "I", so I can understand the confusion.

Request: Provide per capita income of residents along each roadway.

Response: The CDBG application I have already provided you has a summary of income characteristics for each road/area to be served (pages 56-68), with characteristics for Willow Creek (Area I) on page 64. Once you review these pages, you will notice that the income characteristics are for only the road/area, not individual residents. The income surveys collected for the Project ask for the gross household income, not per capita income, therefore, this information is not available. Even if it was available, I am not at liberty to disclose any of this confidential information as per Open Record laws. Individual road/areas were selected by their collective eligibility for the CDBG Program, not from individual eligibility. I cannot fathom what use this information would be to your inquiry and I stand firm in my resolve to keep it confidential.

If I can provide any further information, do not hesitate to contact our office.

Sincerely,



Bryan Kirby
Project Administrator

RECEIVED
JAN 20 2000
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

RUBEN BARNETT

COMPLAINANT

VS.

CASE NO. 99-431

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

COMPLAINANT'S FIRST SET OF INTERROGATORIES
AND REQUEST FOR PRODUCTION OF DOCUMENTS
TO DEFENDANT, SOUTH ANDERSON WATER DISTRICT

Comes the Complainant, by and through his counsel, and pursuant to the Order of the Public Service Commission dated January 7, 2000 hereby propounds the following interrogatories to the South Anderson Water District ("Water District"). These interrogatories are to be answered separately and fully under oath within ten (10) days of the date service certified herein. The Complainant also requests of the Water District to produce the documents sought herein within ten (10) days of the date of this request at the office of Ray Edelman, 150 South Main Street, Lawrenceburg, Kentucky 40342.

INSTRUCTIONS

1. "You" and "your" as used herein refers to the Defendant, South Anderson Water District ("Water District") and all other persons acting his behalf.
2. "Complainant" as used herein refers to the Plaintiff, Ruben Barnett, and all other persons acting on his behalf.
3. "Document" as used herein means any medium of any type or description upon which intelligence or information is recorded or from which intelligence or information can be recorded, without limitation, which is in your possession, custody, or control.
4. As used herein the terms "describe" or "state" with respect to a fact means to state fully and with specificity each and every fact, act, event, transaction or occurrence, including the time, place and substance of each, and each item of information and reasoning which explains the response to be given, including, but not limited to, an identification of all documents relating or referring thereto; an identification of all persons having knowledge thereof; an identification of all communications on the subject; and a statement of the substance of all acts or events relating in any way to the subject matter of the interrogatory.
5. Whenever in these interrogatories there is a request to identify a statement, state: (a) the date and place of the statement; (b) the identity of each person who was present at or who participated in the communication; (c) whether the statement was written or oral; (d) the medium through which such statement was made; (e) the specific substance of the statement; and (f) the identity of each document which sets forth the statement.
6. Each interrogatory answer should specify each document relied upon which forms a basis for the answer given or in any way corroborates the answer given or the substance of the answer given.

7. Each interrogatory stated herein shall be construed to include any supplement information, knowledge or data responsive to it which is later discovered by you.

8. With respect to any communication, information or documents otherwise responsive to these interrogatories which you withhold or refuse to divulge on the claim of privilege, provide a statement signed by your attorney setting forth as to each item, information or document: (a) the name of all parties to, and the date of the communication; (b) a general description of the nature and subject matter of the communication; (c) the statute, rule or decision which is claimed to give rise to the privilege; (d) if a document, the name of the sender, author and recipient of the document; (e) the date of the document, or if no date appears, the date on which it was prepared; (f) a general description of the nature and subject matter of the document; and (g) the name of person who has custody of the document.

INTERROGATORIES

The Defendant is hereby requested to answer the following interrogatories:

INTERROGATORY NO. 1: What is the rationale behind the decision of the South Anderson Water District to construct water lines along only a portion of Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 2: Please state both in terms of feet and in miles the length of the water lines that South Anderson Water District intends to construct along Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 3: How many current households does the South Anderson Water District intend to serve upon completion of its water line along Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 4: What is the projected cost to the South Anderson Water District to construct the water line the Water District proposes to build along Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 5: Please state both in terms of feet and in miles the length of water lines that would be required of the South Anderson Water District to construct water lines entirely along Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 6: What would be the projected cost to the South Anderson Water District to construct water lines entirely along Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 7: What is the present timetable of the South Anderson Water District to construct water lines along that section of Aaron-Barnett (Willow Creek) Road intended to be served by water under the proposed water expansion project?

ANSWER:

INTERROGATORY NO. 8: Please state the number of gallons of water each day that will be run-off from the dead-end line constructed by the Water District along Aaron-Barnett (Willow Creek) Road?

ANSWER:

INTERROGATORY NO. 9: Has the engineer hired by the Water District to assist with this Phase 5 water expansion project performed any hydraulic testing and, if so, please describe in detail the findings of such hydraulic test?

ANSWER:

INTERROGATORY NO. 10: For each of the following roadway projects that make up the Phase 5 water expansion project of the Water District that is (a) Gilberts Creek, (b) U.S. Highway 127 Bypass, (c) Cox Road, (d) Anderson City/Drydock/State Road 44 east of Glensboro/Buntain School Road/, (e) Burgin Road, (f) Fairview Spur/Lick Skillet Road/State Road 1291, (g) U.S. Highway 62 west of Johnsonville/State Road 248/State Road 3358 (Tanner Road)/, (h) Fox Creek Road, (i) Ballard/Dugansville Road/Hoophole/Pucehon Creek Road/Searcy School Road, (j) Willow Creek Road - Portion designated for water line expansion, (k) Ashby Road, (l) Woolridge Road, (m) Rice Road, (n) State Road 44 west of Glensboro, (o) Dawson Ferry Road, (p) Bear Creek Road, (q) Dennis Road, (r) Ashby Road - off State Road 248, (s) Burke Road, and (t) Mays Branch/Leathers Road, please provide the following information:

- a. the length of the water lines to be built along each roadway in terms of actual feet and in terms of miles;
- b. the number of customers to be served along each roadway;
- c. the per capita income of residents along each roadway; and
- d. the total costs of construction of water lines along each roadway.

ANSWER:

INTERROGATORY NO. 11: Will the proposed water expansion project of Water District provide water to any non-Anderson County residents and, if so, please identify:

- a. the roadways that will provide such water to non-Anderson County residents;
and

- b. the actual number of non-Anderson County households per each roadway that will be served with water.

ANSWER:

INTERROGATORY NO. 12: Did the Water District find the presence of pneumonia bacteria in the water along Aaron-Barnett (Willow Creek) Road and, if the answer to this question is in the affirmative, please state:

- a. the source of this finding;
- b. the quantitative laboratory results, and
- c. the incidence of sickness or death as a result of the presence of pneumonia bacteria.

ANSWER:

REQUEST FOR PRODUCTION OF DOCUMENTS

REQUEST NO. 1. Please provide two (2) copies of all maps prepared by the Water District outlining the Phase 5 water expansion project.

REQUEST NO. 2. Please provide all preliminary and final engineering reports prepared on behalf of the Water District which discuss or relate to the Phase 5 water expansion project.

REQUEST NO. 3. Please provide two (2) copies of all hydraulic tests performed by the engineer hired by the Water District which tests relate to the Phase 5 water expansion project.

REQUEST NO. 4. Please provide two (2) copies of ALL graphs, charts, reports, spreadsheets, or other similar documents which delineate the roadways to be served by the Phase 5 water expansion project and describe (1) the actual length of the water lines to be constructed along each roadway, (2) the costs of the water line construction along each roadway, (3) the health hazards present in the water along each roadway, and (4) the per capita income of the residents along each roadway.

REQUEST NO. 5. Please provide a copy of any health studies or reports completed within the last five years (1995 to present) which delineate health hazards in the water for any area to be served by water pursuant to the Phase 5 water expansion project of the Water District.

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing COMPLAINANT'S FIRST SET OF INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS TO DEFENDANT, SOUTH ANDERSON WATER DISTRICT was personally served upon The Public Service Commission and the Honorable Ray Edelman, 150 South Main Street, Lawrenceburg, Kentucky, Attorney for the South Anderson Water District, on this the 20th day of January, 2000.


REGINALD L. THOMAS
ATTORNEY FOR THE COMPLAINANT

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JAN 20 2000
PUBLIC SERVICE
COMMISSION

In the Matter of:

RUBEN BARNETT)

COMPLAINANT)

v.)

SOUTH ANDERSON WATER DISTRICT)

DEFENDANT)

CASE NO.99-431

**DEFENDANT'S FIRST SET OF
REQUEST FOR PRODUCTION OF DOCUMENTS
PROPOUNDED TO COMPLAINANT**

Pursuant to Order of the Public Service Commission, the Defendant requests from the Complainant the following:

1. All documents identified in or supporting your answers to the Interrogatories propounded to you of same date.

RESPONSE.

2. All photographs, slides, motion pictures, video tapes, drawings, schematics, and any other depiction relating to the issues raised in your Complaint before the Public Service Commission.

RESPONSE.

3. All field notes, calculations, reports, and any other material of any nature whatsoever prepared by any witness, investigator, or expert relating to the issues raised in your Complaint before the Public Service Commission.

RESPONSE.

4. All income tax returns filed with the federal and/or state government

for year 1995, 1996, 1997, 1998, and 1999.

RESPONSE.

6. All documents relating to or supporting your position that you should be entitled to be included in the current water project.

RESPONSE.

7. All documents in your possession which would support your position that from an engineering standpoint it is practicable and efficient to complete a loop along Aaron Barnett Road as set forth in Argument 4, on page 3 of your Complaint before the Public Service Commission.

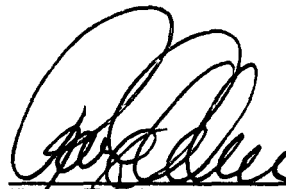
RESPONSE.

8. All documents which report your assertions in paragraph 3, on page 3 of your argument in your Complaint before the Public Service Commission that a reasonable estimate to add the water line which you are requesting is approximately \$40,000.00.

RESPONSE.

9. Any and all documentation you have that indicates that the Board of Commissioners of the Water District has indicated that once this particular project is completed, it will be another "10 years" before the District pursues any further expansion plans.


RESPONSE.



Ray Edelman
150 South Main Street
Lawrenceburg, KY 40342
(502) 839-5111
Attorney for Defendant
South Anderson Water District

CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing was served via U.S. Mail, on this the 20th day of January, 2000, upon Honorable Reginald L. Thomas Attorney for Ruben Barnett, Complainant, P.O. Box 1704, Lexington, KY, 40588-1704, the original of which has been filed with the Public Service Commission.



Ray Edelman
Attorney for South Anderson Water District

a/pleading#6: SAWD-Bar.req

RECEIVED
JAN 20 2000
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RUBEN BARNETT)
)
COMPLAINANT)
)
v.) CASE NO.99-431
)
SOUTH ANDERSON WATER DISTRICT)
)
DEFENDANT)

DEFENDANT'S FIRST SET OF
INTERROGATORIES PROPOUNDED
TO COMPLAINANT

Pursuant to the Order of the Public Service Commission, the Defendant, South Anderson Water District, does hereby propound unto the Complainant, which shall be answered fully, in writing, under oath, and pursuant to the Commission's Order, the following Interrogatories:

INTERROGATORY NO. 1. Identify by name, address, telephone number, and relationship to you all persons who prepared or assisted you in preparing your response to these Interrogatories.

ANSWER:

INTERROGATORY NO. 2. Identify by name, address, and telephone number each person other you having facts or information as to any allegation in your Complaint before the Public Service Commission, and for each such person so identified, furnish with your answer a complete written narrative

setting forth the facts and information known to such person.

ANSWER:

INTERROGATORY NO. 3. State the name, address, telephone number, employer, and employer's address and qualifications of each person you expect to call as an expert witness at the hearing; the subject matter on which the expert is expected to testify; the substance of the facts and opinions to which the expert is expected to testify; and a summary of the grounds for each opinion.

ANSWER:

INTERROGATORY NO. 4. Name all individuals you intend to use as a witness at this hearing, and please give their address and telephone number.

ANSWER:

INTERROGATORY NO. 5. If any part of the facts or opinions of any expert is based upon information acquired from published documents or other materials, identify all such documents and materials by date, name, address, occupation and place of employment of the authors; and provide names, addresses, occupations and places of employment of the custodians of such documents and/or materials.

ANSWER:

INTERROGATORY NO. 6. Identify specifically each and every action which each such expert has testified as an expert witness by deposition or in court, and state for which party each such expert was a witness.

ANSWER:

INTERROGATORY NO. 7. State the name, address, telephone number, employer, and employer's address, and qualifications of each expert who has

been retained, especially employed, or otherwise consulted by you in anticipation of litigation or preparation for a trial, who is not expected to be called as a witness at trial.

ANSWER:

INTERROGATORY NO. 8. Have you or anyone acting on your behalf obtained or received a written or recorded statement from any individual or entity regarding the allegations or incidents alleged in your Complaint with the Public Service Commission? If so, please state the name, address, and telephone number of the individual or entity from whom the statement was obtained and produce a copy of the written or recorded statement.

ANSWER:

INTERROGATORY NO. 9. Do you or anyone acting on your behalf know of any photographs, films or videotapes depicting any place, object or individual concerning the allegations contained in your Complaint before the Public Service Commission? If so, please produce same and give the name, address, and telephone number of the individual having custody of said photographs, films or videotapes, aforementioned.

ANSWER:

INTERROGATORY NO. 10. How many separately owned residences or property owners were on Aaron Barnett Road in August of 1998?

ANSWER:

INTERROGATORY NO. 11. How many separately owned residences or property owners are on Aaron Barnett Road in January, 2000?

ANSWER:

INTERROGATORY NO. 12. List each property owner that existed on

Aaron Barnett Road in August, 1998.

ANSWER:

INTERROGATORY NO. 13. For each such property owner, as of August, 1998, list the following:

- (a) Address;
- (b) Telephone number;
- (c) Date they acquired title to the property;
- (d) The name of the person they acquired the property from;
- (e) The number of acres owned by said property owner;
- (f) What type of improvements are located on said property (a residence, mobile home, or other--please designate).

ANSWER:

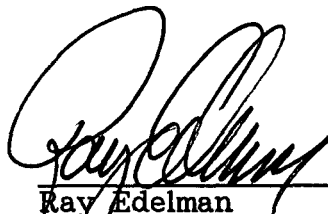
INTERROGATORY NO. 14. List each property owner that existed on Aaron Barnett Road as of January, 2000.

ANSWER:

INTERROGATORY NO. 15. For each such property owner, as of January, 2000, list the following:

- (a) Address;
- (b) Telephone number;
- (c) Date they acquired title to the property;
- (d) The name of the person they acquired the property from;
- (e) The number of acres owned by said property owner;
- (f) What type of improvements are located on said property (a residence, mobile home, or other--please designate).


ANSWER:



Ray Edelman
150 South Main Street
Lawrenceburg, KY 40342
(502) 839-5111
Attorney for Defendant
South Anderson Water District

CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing was served via U.S. Mail, on this the 20th day of January, 2000, upon Honorable Reginald L. Thomas Attorney for Ruben Barnett, Complainant, P.O. Box 1704, Lexington, KY, 40588-1704, the original of which has been filed with the Public Service Commission.



Ray Edelman
Attorney for South Anderson Water District

a/pleading#8: SAWD-Bar.Int



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

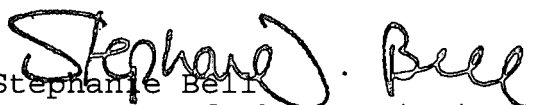
January 7, 2000

To: All parties of record

RE: Case No. 1999-431

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,


Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

Alton Warford
Manager
South Anderson Water District
246 Court Street
P. O. Box 16
Lawrenceburg, KY 40342

Honorable Reginald L. Thomas
Attorney for Ruben Barnett
P.O. Box 1704
Lexington, KY 40588 1704

Mr. Ruben Barnett
Complainant
1560 Aaron-Barnett Road
Lawrenceburg, KY 40324

Honorable Ray Edelman
Attorney for South Anderson Water
150 South Main Street
Lawrenceburg, KY 40342

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RUBEN BARNETT

COMPLAINANT

v.

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

CASE NO. 99-431

Procedural
Order

ORDER

Defendant having answered the complaint, and the Commission, finding that issues of fact are in dispute and that a procedural schedule should be established to ensure the prompt resolution of this matter, HEREBY ORDERS that:

1. A formal hearing in this matter shall be held on March 9, 2000 at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, and shall continue until completed.
2. On or before January 20, 2000, each party may serve upon any other party an initial request for production of documents and written interrogatories to be answered by the party served within 10 days of service.
3. On or before February 14, 2000, each party shall file with the Commission in verified form the direct testimony of each witness that it expects to call at the formal hearing.

4. On or before February 28, 2000, each party shall file with the Commission in verified form the testimony of each rebuttal witness that it expects to call at the formal hearing.

5. Direct examination of witnesses shall be limited to the authentication and adoption of that written testimony. No summarization of written testimony by the witness shall be permitted.

6. Witnesses who have filed written direct and rebuttal testimony shall present that testimony at the same sitting. Opposing parties may cross-examine such witnesses on both direct and rebuttal testimonies.

7. No opening statements shall be made at the hearing in this matter.

8. Within 15 days of the filing of the hearing transcript with the Commission, any party may submit a written brief. Briefs shall not exceed 25 pages in length.

9. Copies of all documents served upon any party shall be served on all other parties and filed with the Commission.

10. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. To be timely filed with the Commission, a document must be received by the Secretary of the Commission within the specified time for filing, except that any document shall be deemed timely filed if it has been transmitted by United States express mail, or by other recognized mail carriers, with the date the transmitting agency received said document from the sender noted by the transmitting agency on the outside of the container used for transmitting, within the time allowed for filing.

12. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

13. As the Complainant bears the burden of proof in this matter, his failure to appear at the formal hearing and to present proof in support of his complaint may result in the dismissal of his complaint with prejudice.

14. The failure of Defendant to appear at the formal hearing may result in the entry of an Order granting the Complainant's requested relief.

Done at Frankfort, Kentucky, this 7th day of January, 2000.

By the Commission

ATTEST:


Executive Director

RECEIVED

NOV 19 1999

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RUBEN BARNETT

COMPLAINANT

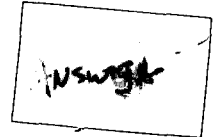
v.

SOUTH ANDERSON WATER DISTRICT

DEFENDANT

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CASE NO. 99-431



ANSWER OF DEFENDANT

Comes the Defendant, South Anderson Water District ("South Anderson") and for its Answer to the formal Complaint filed by the Complainant herein on October 20, 1999, states that it vehemently objects to the request of the Complainant to enjoin the District from going forward with this expansion project unless all of Aaron Barnett Road (formerly Willow Creek) is included in this project.

South Anderson further has provided the Commission with a paragraph by paragraph response, along with an Affidavit of Publication, which are all attached in the collective "Exhibit A" attached hereto. South Anderson, in addition to its paragraph by paragraph response, would like to make by way of response and answer, the following a part of its Answer to the Complaint filed herein:

(1) It should be noted that Complainant did not attend a public hearing held on August 18, 1998, which was duly advertised and which reviewed the activities of the District, the applications filed, and which hearing solicited

public comment on the roads and portions of roads to be included within the project.

(2) South Anderson considered Complainant's portion of Aaron Barnett Road (formerly Willow Creek) for inclusion in this project, but it was found to be unfeasible for inclusion because there were only two residences along the portion of this road, which consisted of approximately a mile where Complainant's property is located.

(3) South Anderson did not treat the Complainant any differently than other residents on other roads in the project where only portions of certain roads were included due to economic feasibility considerations. These roads include:

- (a) Tanner Road;
- (b) Ashby Road;
- (c) Burgin Road;
- (d) Glensboro Road;
- (e) Searcy School Road;
- (f) Hungry Road Road;
- (g) Dugansville Road;
- (h) Lick Skillet Road;
- (i) Cox Road;
- (j) Gilbert's Creek Road.

(4) South Anderson's rationale for omitting certain portions of certain roads from the project was based upon low number of customers per mile, or per customer construction cost, all in conjunction and consultation with its engineer.

(5) Complainant is attempting to "privately develop" his real estate (farm) and sell large lots to potential buyers. The "real" reason Complainant is pursuing this matter is not one of discrimination, but an attempt to personally gain in developing his property at the cost of a water project which would serve 340 future customers in rural Anderson County, Kentucky.

5 ↑ 3

(6) A copy of South Anderson's August 19, 1999 "Minutes" are attached hereto. At that meeting, Complainant, his attorney, and his real estate agent were present. The Minutes reflect the following:

"Mr. Thomas requested that the Water Board hold up its project and add Mr. Barnett's property on Willow Creek Road. Mr. Barnett wants water so he can sell his lots. The Board explained that Mr. Barnett had the opportunity a year and a half ago to sign up, but at that time he only had three houses and it wasn't feasible to run the water one mile for three houses, so it was not included in the project. We explained that we could not hold up our 340 customers that had been waiting a year or so for water and take the chance of losing our grant money of \$900,000.00 and having the whole project fall through. We explained that there are a lot of others who want water, but will have to be put in the next project due to the amount of money we have to do this one only at this time."

(7) South Anderson has secured a Community Development Block Grant (CDBG) in excess of \$900,000.00. According to the terms of the grant this project must be bid by April, 2000. If not, the District could lose the grant and a major project to extend water service to an additional 340 customers in rural Anderson County, Kentucky, could collapse.

(8) The District is in line to receive a "USDA-Rural Development" loan in excess of one million dollars. If this project is enjoined by the Public Service Commission, then South Anderson could very well not meet the "letter of conditions" to be issued by Rural Development, lose the loan monies and the project would collapse.

(9) South Anderson has complied with all requirements to obtain the "grant" and "loan". South Anderson is attempting to make water available at a reasonable rate to all customers within the District's service area.

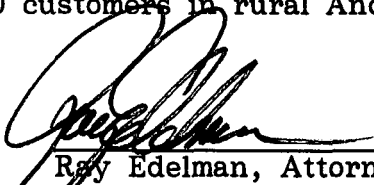
(10) The project, with the help of the Commonwealth of Kentucky, through the "CDBG Grant" and the Federal Government, through the "Rural

Development Loan" would allow South Anderson to construct and expand its system to serve an additional 340 customers in rural Anderson County, Kentucky.

(11) South Anderson, in consultation with its engineer, had to make hard, but "fair" choices about the scope of this project. It did so by having public hearings, listening to public comment, and actually driving the roads to determine customers per mile and feasibility of construction. It should be noted that Complainant did not attend the aforementioned public hearing.

(12) Complainant admits that he is privately developing his land. While this might be an admirable goal for Complainant, it is not the goal of South Anderson. It would have been inappropriate and irresponsible for South Anderson to have included Complainant's property in its application for public monies given the lack of feasibility and customers per mile at the time of the application.

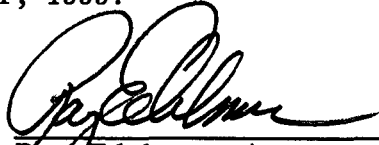
South Anderson requests the Public Service Commission to enter an Order denying the Petitioner's demand for an injunction and dismiss this Complaint and to permit the District to continue this project so that the "CDBG Grant" in excess of \$900,000.00 and the "Rural Development Loan" in excess of \$1,000,000.00 are not jeopardized and are used to construct and supply water service to an additional 340 customers in rural Anderson County, Kentucky.



Ray Edelman, Attorney at Law
750 South Main Street
Lawrenceburg, KY 40342
Telephone: 502-839-5111
Fax: 502-839-3834
ATTORNEY FOR SOUTH ANDERSON
WATER DISTRICT

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Answer and attachments was served upon the Petitioner, by mailing a true copy thereof to his attorney of record, Reginald L. Thomas, P.O. Box 1704, Lexington, KY 40588-1704, on this the 19th day of November, 1999.



Ray Edelman, Attorney at Law
Attorney for South Anderson
Water District

a/pleading#8: SAWD-RB.Ans

"Exhibit A"

South Anderson Water District
PSC Case No. 99-431
Ruben Barnett Complaint

RESPONSES TO PETITIONER'S STATEMENTS OF FACT

Response to Paragraph 1. - No dispute or correction.

Response to Paragraph 2. - The foundation for this project was laid with the District's last major expansion project, which was started in 1990. Many of the potential customers in this project requested service through that project but the District was unable to secure sufficient funding to reach them. Some had even requested service in the District's earlier expansion projects.

A rural water district is not eligible to receive Community Development Block Grant (CDBG) funding directly from the state; this funding must come through either the County Fiscal Court or a City. On August 5, 1998, the Anderson County Fiscal Court placed a public notice in The Anderson News with the heading PUBLIC HEARING NOTICE SOUTH ANDERSON WATER DISTRICT EXPANSION PROJECT. The notice went on to give information on the CDBG Program; state that information on the program would be available at the office of the County Judge Executive from August 4 through August 17th, 1998; inform the public that the County would hold a Public Hearing on August 18th, 1998, prior to the submission of any application; and that a copy of the CDBG Application would be on file at the County Judge Executive's Office for citizen review and comment from August 18th through August 25th, 1998. The notice indicated the purpose of the hearing was to "...review proposed activities, review any proposed applications, solicit public comments...". This

application clearly showed the areas of the county including the portion of Willow Creek Road, which was to be served and a large map was used at the public hearing to inform those in attendance. Mr. Barnett did not make his desire for water service known to the County or water district during any of this. (Attached copy of Publisher's Affidavit, Published Notice and minutes of public hearing.)

Response to Paragraph 3. While the District did receive some contact from citizens in response to the October 7, 1998 Notice, none was received from Mr. Barnett. The District is not required to obtain Fiscal Court approval for construction projects.

Response to Paragraph 4. When this notice was published in the newspaper, both the Community Development Block Grant and Rural Development-Rural Utility Service loan applications had already been completed and submitted to the appropriate government agencies. The primary purpose of the notice was to provide "Public Notification for Informing the Public of Possible Impact to an Important Land Resource." It was not intended as a forum to increase the size of the proposed project. Basically, the scope of the project had been set months earlier with the appropriate input of the citizens. It should also be noted that Willow Creek Road is only one of seven roads listed in the notice, which are not proposed for total service and using Mr. Barnett's reasoning several miles would have to be added to the project if only six (6) additional people, one from each of the other roads, contacted the Public Service Commission.

Response to Paragraph 5. SAWD disputes the claim that Mr. Barnett is being treated inequitably in the project. Mr. Barnett is actually being treated the same as everyone else by the District. The waterline as currently proposed serves the customers on Willow Creek Road who had a spokesperson contact the District prior to submittal of the applications requesting service. At that time, the section of Willow Creek Road Mr. Barnett lives on was driven by representatives of the District and found to be unfeasible for inclusion because there were only two (2) residences within the mile. Other entire roads and portions of roads were also omitted from the project because of the low number of customers per mile or per customer construction cost.

Response to Paragraph 6. It should be noted that Mr. Barnett's representatives at this meeting included two (2) real estate agents who were there to complain that they were having trouble selling Mr. Barnett's lots because of a lack of public water.

Response to Paragraph 7. No dispute or correction.

RESPONSES TO PETITIONER'S ARGUMENTS

Response to Argument 1. The public notice Mr. Barnett refers to was not intended to give the opportunity to add to the project. The scope of the proposed project was set prior to the submission of the funding application months earlier after the appropriate opportunities for public input. The February, 1999 Notice gave the roads which "will be affected by this project"

and the fact that the project "may impact important farm land and designated flood plain". As stated in the notice, it was "to inform the public of this possible result and to request comments concerning (1) the impacts of the proposed location of farmland and flood plain, (2) alternative sites or actions that would avoid these impacts, and (3) methods that could be used to reduce these impacts".

Response to Argument 2. Aaron Barnett Road is actually less than 3.5 miles long and the District is proposing to run less than two (2) miles of waterline along the more densely populated end of the road. The number of potential customers (2) living along the remaining portion of the road at the time the scope of the project was set precluded its inclusion. The District cannot repay loans with potential future customers that will only exist if Mr. Barnett sells his lots.

Response to Argument 3. The Community Development Block Grant application requested the maximum amount of grant funds allowable under the program. Therefore, the additional funding would have to be almost 100% loan money. This in effect would be requiring the other SAWD customers to take out and repay a loan to develop Mr. Barnett's property. This is not something the District would or should do.

Response to Argument 4. The hydraulic benefits of looping Willow Creek Road do not justify the cost of completing the loop.

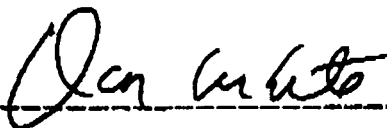
Response to Argument 5. Kentucky 1291 runs from KY 53 at the Blue Grass Parkway to US 62 near Western Anderson School and the residents along this road are all within Anderson County. A portion of KY 1291 is also named Fairview Road and Fairview Road turns off KY 1291 to the community of Fairview. All but three or four of the potential customers along this road are in Anderson County. Fairview Road is the county line for approximately 0.25 mile just before it reaches and crosses over the Blue Grass Parkway. Any users along the west side of the 0.25 miles would be in Washington County. Mr. Barnett may have actually meant to refer to Lick Skillet Road in this argument. Lick Skillet Road runs from Fairview Road at Fairview to US 62 near Sparrow and is the county line from Fairview to where it crosses Beaver Creek. The proposed project will run a water line along this road a distance of approximately 1.3 miles. Land on the northeast side of the road is in Anderson County, while land on the southwest side is in Washington County. Most of the existing residences along this road are in Washington County.

Response to Argument 6. The goal of the Commissioners of the South Anderson Water District is to make public water available at a reasonable rate to everyone within the District's service area as soon as possible. Once funding for the currently proposed project is in place, the District will start working on the preliminary phases of the next expansion project as it has in the past. The Commissioners of the South Anderson Water District have never indicated to anyone it would be another ten years before the District pursues any further expansion plans.

a/pleading#6: SAWD-RB.resp

AFFIDAVIT

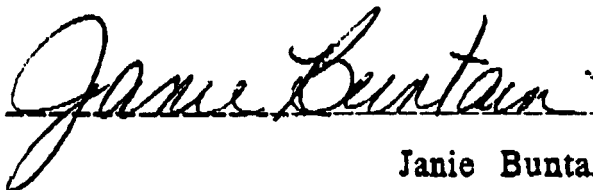
Don White, publisher of The Anderson News, being a publication with the greatest circulation in Lawrenceburg, Kentucky hereby declares that a public notice relating to the expansion project by the South Anderson Water District and accepting applications under the 1998 Community Development Block Grant ran in the August 5, 1998 issue.



Don White, Publisher, The Anderson News

Subscribed and sworn to before me, a Notary Public within and for the State of Kentucky and County of Anderson, by Don White, Publisher of The Anderson News, to me personally known, this 5th day of August, 1998.

My commission expires the 15th day of March, 2002.



Janie Buntain

Notary Public, State at Large

able to take care of it at any time."

Social Security's toll-free number, (800) 772-1213, provides automated services around the clock, Schuler said. You can apply for a Social Security number, request a "Personal Earnings and Benefit Estimate Statement," verify your benefits, find out the location of the nearest Social Security office, request publications or receive general

early in the week and early in the month, so if your business can wait, it's best to call at other times. However, if you are planning to file for benefits, you should call us as soon as possible," Schuler said.

"When you call, have your Social Security Number handy, a list of questions you want to ask, any recent correspondence you received from us and a pencil and paper to record information and answers to your questions."

ban program) If aggregate principal amount not exceeding \$117,000,000.

II. Summary

The Supplement supplements the Resolution by approving the delivery of a bond insurance policy by ACA Financial Guaranty Corporation, a Maryland stock insurance company, to be

NOTICE

The Lawrenceburg National Bank is currently accepting sealed bids for the purchase of a 1995 Chevy Corsica. Seller reserves the right to bid. This vehicle will be sold without any warranty or fitness for a particular purpose. Purchaser will pay all taxes and transfer fees. Bids will be received until 4:00 p.m. Friday, August 14, 1998. Call 839-2600 for more information.

PUBLIC HEARING NOTICE SOUTH ANDERSON WATER DISTRICT EXPANSION PROJECT

To all interested citizens of Anderson County, Kentucky, the Kentucky Department for Local Government is accepting applications under the 1998 Community Development Block Grant (CDBG) Program. The following information concerning the CDBG Program is available for public inspection.

- A. Amount of funds available and range of activities that may be undertaken.
- B. Estimated amount of funds proposed to be used for activities benefiting persons of low to moderate income.
- C. Plans for minimizing displacement persons as a result of activities assisted with CDBG funds and plans for providing assistance to those persons to be actually displaced as a result of CDBG funded activities.
- D. Records regarding the past use of CDBG funds.
- E. A summary of those important program requirements.

The above information is available at the office of the County Judge Executive from August 4th through August 17th, 1998, during regular business hours.

The County will hold a Public Hearing prior to submission of any application. The Public Hearing will be held on August 18th, 1998, 6:00 p.m., at the Anderson County Courthouse's District Courtroom, South Main Street, Lawrenceburg, Kentucky. The purpose of this hearing is to obtain views on housing, economic development and community development needs, review proposed activities, review any proposed applications, solicit public comments and inform citizens that technical assistance is available to help groups representing low and moderate income persons in developing proposals.

COMMENTS ON APPLICATIONS

A copy of the CDBG application will be on file at the County Judge Executive's Office for citizen review and comment during regular business hours from August 18th through August 25th, 1998. Comments on the proposed application may be submitted to the attention of the County Judge Executive until August 28th, 1998. TDD# for the hear-

INVITATIO

30' X 70' OFFICE AND

Alton Water & Sewer District is a tion office and storage building. The South and adjacent to the fire station obtained at the Alton Water and Sewer District, Lawrenceburg, KY. All bids Water and Sewer Office by 10:00 opened and read aloud at that time reflect any and all bids and to wa interest of the Alton Water and Sewer

NOTICE TO CREDITORS APPOINTED BY ANDE DURING MONTE

All persons having claims against Deceased, 331 South Main Street, must file same with Phyllis J. Pak, Kentucky 40342, through Honora Law, 250 West Main Street, Suite 1743, on or before January 1, 1999.

All persons having claims against Sparks, Deceased, 1204 Jenny Lill, Kentucky 40342, must file same with Linda 1212 Jenny Lillard Road, Lawrenceburg, Kentucky 40342, on or before January 15, 1999.

All persons having claims against Deceased, 305 Saffell Street, Law must file same with Katherine K. Com Road, Lawrenceburg, Kentucky Patrick, Post Office Box 178, Kentucky 40342, on or before January 15, 1999.

All persons having claims against Deceased, 1100 Kays Road, Lawre same with N. Daine Wairford, E Lawrenceburg, Kentucky 40342, Post Office Box 178, Lawrenceburg, Kentucky 40342, on or before January 15, 1999.

All persons having claims against Hawkins, Deceased, 1305 Ande Kentucky 40342, through Betty Jo H Lawrenceburg, Kentucky 40342, on or before January 15, 1999.

All persons having claims against Deceased, 1484 Bonds Mill Road, must file same with Carolyn Harris, Bonds Mill Road, Lawrenceburg, Kentucky 40342, on or before January 22, 1999.

All persons having claims against Jr., Deceased, 430 Saffell Street, must file same with Roger Michael Indiana 47001 and William Edward Lawrenceburg, Kentucky 40342, in St. Clair Street, Post Office Box 52, Lawrenceburg, Kentucky 40342, on or before January 22, 1999.

**ANDERSON COUNTY CDBG PUBLIC HEARING
SOUTH ANDERSON WATER EXPANSION PROJECT
AUGUST 18, 1998, 6:00 p.m.**

The Public Hearing was opened by Bryan Kirby of Community & Economic Development Associates, the Project Consultant. Mr. Kirby welcomed those in attendance and distributed an agenda for the hearing. After discussing all items on the agenda which related to the KYCDBG Program, he distributed a large map which indicated the location of the water lines the County and District were proposing to construct. Several residents of these areas asked about the size of lines, positioning, etc. which was addressed in full by Mr. Alton Warford, the Water District Manager. Mr. Wayne Todd asked about the source of water for the proposed areas since the City had publicly stated that the District would not be able to purchase more water from the City due to the capacities of the Water Treatment Plant. Mr. Warford and Mr. Kirby explained the bulk water purchase agreement and the provision of a 8" distribution line which would connect the District to the Frankfort Plant Board's system near the County line. There being no further questions or comments, the Public Hearing was adjourned by Mr. Kirby.


Bryan Kirby

SOUTH ANDERSON WATER DISTRICT
246 COURT STREET
P.O. BOX 16
LAWRENCEBURG, KY 40342

SOUTH ANDERSON WATER DISTRICT
MINUTES FROM AUGUST 19, 1999

THE AUGUST METING OF THE SOUTH ANDERSON WATER DISTRICT WAS CALL TO ORDER BY CHAIRMAN BOB KINCER. MINUTES OF THE PREVIOUS MEETING WERE READ AND A MOTION BY JANET TO APPROVE THE MINUTES AS READ.

THE BOARD REVIEWED WARRANT #282. BOB KINCER MADE A MOTION TO PAY ALL BILL LISTED IN WARRANT #282, SECOND BY GEORGE KINNE, MOTION CARRIED.

BOB WELCOMED OUR GUESTS, MR. JOHN CUNNINGHAM (REALTOR), MR. REUBIN BARNETT (PROPERTY OWNER), & MR. REGINALD L. THOMAS, ATTORNEY FOR MR. BARNETT.

MR. THOMAS REQUESTED THAT THE WATER BOARD HOLD UP ITS WATER PROJECT AND ADD MR. BARNETT'S PROPERTY ON WILLOW CREEK ROAD. MR. BARNETT WANTS WATER RAN SO HE CAN SELL HIS LOTS. THE BOARD EXPLAINED THAT MR. BARNETT HAD THE OPERATUNITY A YEAR AND A HALF AGO TO SIGN UP BUT AT THE TIME HE ONLY HAD THREE (3) HOUSES AND IT WASN'T FEASSABLE TO RUN WATER ONE (1) MILE FOR (3) HOUSES SO IT WAS NOT INCLUDED IN THE PROJECT. WE EXPLAINED THAT WE COULD NOT HOLD UP OUR 340 CUSTOMERS THAT HAVE BEEN WAITING A YEAR OR SO FOR WATER AND TAKE THE CHANCE OF LOOSING OUR GRANT MONEY OF NINE HUNDRED THOUSAND DOLLARS (\$900,000) AND HAVING THE WHOLE PROJECT FALL THRU. WE EXPLAINED THAT THERE ARE A LOT OF OTHERS WHO WANT WATER, BUT WILL HAVE TO BE PUT IN THE NEXT PROJECT DO TO THE AMOUNT OF MONEY WE HAVE TO DO THIS ONE ONLY AT THIS TIME.

CHAIRMAN BOB KINCER MADE A MOTION TO GO AHEAD WITH OUR PROJECT AND NOT DELAY IT. MOTION 2ND BY GEORGE KINNE, MOTION CARRIED.

THE BOARD VOTED TO ADOPT A RESOLUTION TO ENTER IN THE KENTUCKY PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN FOR ITS EMPLOYEES (COPY ATTACHED).

KEN TAYLOR (DISTRICT ENGINEER) UPDATED THE BOARD ON OUR PROJECT. HE SAID THAT THE MONEY MIGHT COME SOONER THAN EXPECTED. HE ALSO SAID THAT AN ENVIRONMENTAL GROUP WOULD HAVE TO CHECK OUR WATER LINE ROUTE BEFORE WE START THE PROJECT.

KEN TOLD THE BOARD THAT A MEETING IS SET UP FOR AUGUST 26, 1999 @ 1:00P.M. TO CLOSE THE PAPERWORK ON THE TANK PROJECT.

WITH NO OTHER BUSINESS, THE MEETING WAS ADJOURNED.

**** NEXT MEETING WILL BE SEPTEMBER 16, 1999 @ 7:30P.M.****

PRESENT AT MEETING

JOHN CUNNINGHAM, REBEN BARNETT, REGINALD L. THOMAS, KEN TAYLOR, JANET BRYANT, ALTON WARFORD, BOB KINCER, RAY EDELMAN, GEORGE KINNE

ROADS RECEIVING PARTIAL WATER

8/19/99

TANNER ROAD
WILLOW CREEK ROAD
ASHBY ROAD
BURGIN ROAD
GLENSBORO ROAD (HWY 44)
SEARCY SCHOOL ROAD
HUNGRY RUN ROAD
DUGANSVILLE ROAD
LICK SKILLET ROAD
COX ROAD
GILBERTS CREEK ROAD

South Anderson Water District

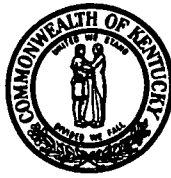
AGENDA

August 19, 1999

- ✓ 1. MEETING CALLED TO ORDER
- ✓ 2. WELCOME GUEST:
REGINALD L. THOMAS, ATTORNEY FOR REUBEN BARNETT
DUDLEY SHRYOCK, CPA
- ✓ 3. READING AND APPROVAL OF MINUTES FROM
PREVIOUS MEETING
- ✓ 4. READING AND APPROVAL OF WARRANT #282
- ✓ 5. UPDATE ON PROJECT AND TANK FROM KEN TAYLOR
6. ANY OTHER BUSINESS
7. MEETING ADJOURN

**** NEXT MEETING WILL BE HELD ON****

THURSDAY, SEPTEMBER 16, 1999 @ 7:30 PM



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

October 29, 1999

Alton Warford
Manager
South Anderson Water District
246 Court Street
P. O. Box 16
Lawrenceburg, KY. 40342

Honorable Reginald L. Thomas
Attorney for Ruben Barnett
P.O. Box 1704
Lexington, KY. 40588 1704

Mr. Ruben Barnett
Complainant
1560 Aaron-Barnett Road
Lawrenceburg, KY. 40324

RE: Case No. 99-431
SOUTH ANDERSON WATER DISTRICT
(Complaints - Service) OF RUBEN BARNETT

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received October 20, 1999 and has been assigned Case No. 99-431. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sh

RECEIVED

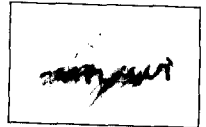
OCT 20 1999

COMMONWEALTH OF KENTUCKY

PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:



RUBEN BARNETT

(Your Full Name)

COMPLAINANT

No. 99-431

VS.

SOUTH ANDERSON WATER DISTRICT

(Name of Utility)

DEFENDANT

COMPLAINT

The complaint of RUBEN BARNETT (Your Full Name) respectfully shows:

(a) RUBEN BARNETT (Your Full Name)

1560 AARON-BARNETT ROAD: LAWRENCEBURG, KY 40324 (Your Address)

(b) SOUTH ANDERSON WATER DISTRICT (Name of Utility)

246 COURT STREET: P.O. BOX 16; LAWRENCEBURG, KY 40324 (Address of Utility)

(c) That: See Attachment (Describe here, attaching additional sheets if necessary,

the specific act, fully and clearly, or facts that are the reason

and basis for the complaint.)

Formal Complaint

RUBEN BARNETT vs. SOUTH ANDERSON WATER DISTRICT

Page 2 of 2

Wherefore, complainant asks See Attachment
(Specifically state the relief desired.)

Dated at Lawrenceburg, Kentucky, this 20th day
(Your City)

of October, 1999.
(Month)

Ruben Barnett
(Your Signature)
Reginald L. Roman
(Name and address of attorney, if any)
P.O. Box 1704
Lexington, KY 40588-1704

ATTACHMENT PARAGRAPH 1(C) TO THE COMPLAINT

This pleading represents an appeal to the Public Service Commission from determinations by the South Anderson Water District and the Anderson County Judge Executive denying Ruben Barnett the opportunity to be included in a proposed water expansion project of the South Anderson Water District.

I. STATEMENT OF FACTS

The facts of this case are as follows. The petitioner herein, Ruben Barnett, resides at 1560 Aaron-Barnett Road (formerly Willow Creek Road) in rural Anderson County. Mr. Barnett's family consist of two small children whom he is raising by himself. His home and land are not located on a water line and therefore in order to provide water to his family he must constantly transport water to his home. Mr. Barnett has resided at his present location for the past thirty-six (36) years and has lived on Aaron-Barnett Road for all but one (1) year of his life.

In or about the summer of 1998 the Board of Commissioners of the South Anderson Water District ("District") decided to initiate an expansion project to add more water lines throughout the District. On August 18, 1998 the Anderson County Community Development Block Grant Program sponsored a meeting to discuss the proposed South Anderson Water District expansion project. Although this meeting was described as a public hearing, it is not clear whether the South Anderson Water District issued a public notice about the meeting prior to its occurrence. In any event, following this meeting the South Anderson Water District prepared a preliminary engineering report describing the proposed water expansion project. This report was completed on September 30, 1998 and on October 1, 1998 the Board of Commissioners agreed to submit an application to the United State Department of Agriculture - Rural Development Office for federal funding. A public notice indicating an intent by the South Anderson Water District to file an application for federal funds in connection with its proposed expansion was published in The Anderson News on October 7, 1998.

This October, 1998 public notice issued by the South Anderson Water District did not mention the areas to be served by the proposed water expansion project, but the notice merely stated that a public meeting would be held in the future. Also, near or around the same time as the District submitted an application with the United States Department of Agriculture, the Anderson County Fiscal Court sought companion community development block grant funds to supplement the proposed project. The cooperation and assistance of the Anderson County Fiscal Court was essential for the District because Chapter 74 of the Kentucky Revised Statute requires the Anderson County Fiscal Court to approve any construction projects planned by the District.

The first public notice outlining the areas to be included in the water expansion project of the South Anderson Water District was published in February, 1999. This notice announced that:

The specific areas to be served by the project include the following roads/communities: Ballard, Dugansville, Rd., Hoophole, Puncheon Ck. Rd., and Searcy Sch. Rd.; Fairview, Lick Skillet Rd., and Ky Hwy 1291; Drydock, Anderson City, Buntain Sch. Rd., and Ky 44 east of Glensboro; US 62 west of Johnsonville, KY Hwy 248 and KY Hwy 3358 (Tanner Rd.); Burgin Rd.; US 127 Bypass from Sidney to US 127; Cox Rd.; Willow Ck. Rd.; Ky Hwy 44 west of Glensboro; Ashby Rd.; Gilberts Ck. Rd.; Woolridge Rd.; and Fox Ck. Rd. (emphasis supplied.)

Mr. Barnett saw this notice and reasonably believed that all of Willow Creek Road (now Aaron-Barnett Road) was to be served by the proposed water expansion project. Because the public notice did not stipulate that only a segment of Willow Creek Road was included within the proposed District project, Mr. Barnett did not attend the public hearing.

In early June, 1999 Mr. Barnett learned for the first time that the proposed water expansion project of the South Anderson Water District did not include his residence or land. In fact, Mr. Barnett discovered at this time that the proposed water lines along Aaron-Barnett Road stopped at his property line. Because he felt that he had been misled by the public notice of the District and was being treated inequitably under the proposed project, Mr. Barnett immediately contacted the South Anderson Water District to voice concern about his exclusion from the project. Shortly thereafter on June 24, 1999 he filed a formal motion with the Board of Commissioners of the District requesting that the District modify its construction plans to include ALL of Aaron-Barnett Road (formerly Willow Creek Road) within the expansion project as has been publicized in the public notice.

An informal meeting between members of the Board of Commissioners of the South Anderson Water District and representatives of Ruben Barnett took place in the law office of the attorney for the District on July 22, 1999. Mr. Barnett was unable to attend this meeting because he was hospitalized. Although it was hoped that some compromise could be reached between the parties, the meeting failed to achieve a satisfactory resolution. Subsequently, an official meeting was held by the Board of Commissioners on August 19, 1999 to formally consider Mr. Barnett's motion for the District to modify its proposed water expansion project to incorporate all of Aaron-Barnett Road within the project. Mr. Barnett's motion was unanimously defeated by the District's Board of Commissioners.

On August 23, 1999 Mr. Barnett appealed this decision of the Board of Commissioners of the South Anderson Water District to the Anderson County Fiscal Court. In a letter dated September 7, 1999 from Anthony D. Stratton, County Judge/Executive of Anderson County, Mr. Barnett was notified that his request for a hearing before the Anderson County Fiscal Court was being denied. As a result this appeal ensued.

II. ARGUMENT OF RUBEN BARNETT

Mr. Barnett asks the Public Service Commission to exercise its oversight responsibilities and order the South Anderson Water District to modify its proposed water expansion project to include all of Aaron-Barnett Road in said project. Mr. Barnett believes that such an order is justified for the following reasons:

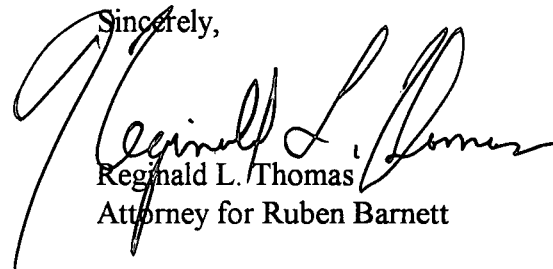
1. The public notice promulgated by the South Anderson Water District listing the roads which would be included in the water expansion project was misleading and defective. The notice clearly stated that Willow Creek Road (now Aaron-Barnett Road) would be served by new water lines without any qualification that a portion of said road was to be excluded from the project. A reasonable person reading the notice would believe that water lines along the entire roadway of Willow Creek Road would be installed under the project. Because this was not the intent of the project and because the public notice misrepresented such intent, the proposed water expansion project of the South Anderson Water District should be ordered to hold another public hearing which fairly informs every South Anderson County resident of the areas to be served by the proposed project and which reconsiders the scope of the project.
2. Secondly, it is inequitable and grossly unfair for the proposed water expansion project of the South Anderson Water District not to include Mr. Barnett's property. Aaron-Barnett Road in rural southern Anderson County is approximately 3.0 miles long. The current proposal of the South Anderson Water District calls for construction of new water lines along 1.7 miles of Aaron-Barnett Road. The proposed project expansion stops water line construction at Mr. Barnett's property line. There is no reasonable or logical basis to cease water line construction at this point along Aaron-Barnett Road rather than completing construction along the remaining 1.3 miles of Aaron-Barnett Road.
3. The cost to construct an additional 1.3 miles of water line along Aaron-Barnett Road is relatively inexpensive. A reasonable estimate to add this water line to the project is around Forty Thousand Dollars (\$40,000). The total cost of the expansion project proposed by the South Anderson Water District is in excess of Two Million Dollars (\$2,000,000). Consequently, to finish water line construction entirely along Aaron-Barnett Road would only account for two percent (2%) of the construction budget.
4. Fourthly, it is practical and efficient from an engineering standpoint to complete a "loop" along Aaron-Barnett Road, that is, to attach the water line on Aaron-Barnett Road at both ends of the Road to the water line which currently exists on U.S. Highway 62. The establishment of a water "loop" enhances the flow and movement of water throughout a system of lines. The current proposed expansion

project which would construct water lines along part of Aaron-Barnett Road does not create a water "loop".

5. The proposed water expansion project of the District has an inherent inequity in that the project intends to construct a water line along a roadway in southern Anderson County which water would serve exclusively Washington County residents. The proposed project plans to construct water lines along Lick Skillet Road between Fairview and U.S. Highway 62 on which only one(1) Anderson County resident would benefit from said installation. In contrast, there are eight Anderson County residents living on the 1.3 miles of Aaron-Barnett Road not presently incorporated within the water expansion project. This particular water line expansion runs contrary to the legal mission of the South Anderson Water District to serve the residents of Anderson County.
6. Finally, Mr. Barnett is the sole caretaker and provider for his two young children. It is no secret that several areas of Kentucky, including Anderson County, experienced severe water shortages in 1999. The prospect of continuing water shortages in Anderson County in the near future remains an ominous possibility. The Board of Commissioners of the South Anderson Water District have indicated that once this water expansion project is completed, it will be another ten years before the District pursues any further expansion plans. In light of this reality to require Mr. Barnett to have to transport water to his home for the next ten years as the only means of providing water to his family would be unconscionable.

Based upon the aforementioned reasons, Mr. Barnett asks the Public Service Commission for the following relief (1) to immediately enjoin the South Anderson Water District from beginning construction on the proposed water expansion project, and (2) to continue such injunction until the District revises its expansion project to include all of Aaron-Barnett Road within the project. Please be advised that Mr. Barnett is prepared to have a hearing before the Public Service Commission to substantiate the claims made herein.

Sincerely,



Reginald L. Thomas
Attorney for Ruben Barnett

File # 99-431

This file is accessioned
in R 2000-141 BX 51
at LOCATION V-E-308.

It was returned for refiling,
however, additional case material
was added and it will no
longer fit in the original box.

Please create a new
accession for this file.

Any questions please call
me at 564-3617

Thanks! Steve