

# Rubin & Hays

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CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

PARALEGAL  
MARY M. EMBRY

December 17, 2004

RECEIVED

DEC 21 2004

PUBLIC SERVICE  
COMMISSION

Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: McCreary County Water District - Public Service Commission Application for the  
Water System Improvements Project - Contract 29

*2004-00516*

Dear Ms. O'Donnell:

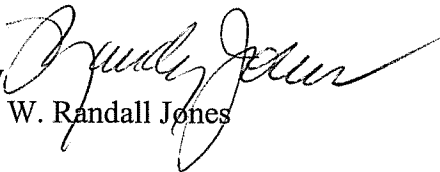
Enclosed please find the original and ten (10) copies of the Application of the McCreary County Water District for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project (Contract 29). The Project is being financed by a contribution from the U.S. Bureau of Prisons and a one year interim note with a local bank. Please be advised that the DOW approval letter addresses the entire water project, which includes the water line extensions in Contract 29.

Also enclosed are eleven (11) copies of the required exhibits and two (2) copies of the Final Engineering Report. The Plans and Specifications, as prepared by Monarch Engineers, is being forwarded by said Engineers.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:ilm  
Enclosures  
cc: Distribution List

**DISTRIBUTION LIST**

Account No. 156.0000

**Re: McCreary County Water District Public Service Commission Application -  
Contract 29**

Mr. Stephen T. Owens, Manager/Superintendent  
McCreary County Water District  
P.O. Box 488  
Whitley City, Kentucky 42653

Telephone: (606) 376-2540

Mr. Deron S. Byrne, P.E.  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, Kentucky 40342

Telephone: (502) 839-1310  
Fax: (502) 839-1373

W. Randall Jones, Esq.  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202

Telephone: (502) 569-7525  
Fax: (502) 569-7555

RECEIVED

DEC 2

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

APPLICATION OF THE McCREARY COUNTY )  
WATER DISTRICT FOR A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY )  
TO CONSTRUCT AN IMPROVEMENTS PROJECT )  
PURSUANT TO KRS 278.020 )

Case No. 2004-00516

APPLICATION

The McCreary County Water District (the "District"), by counsel, pursuant to KRS 278.020, petitions the Commission for a certificate of public convenience and necessity to construct a waterworks improvement project. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is P.O. Box 488, Whitley City, Kentucky 42653. Its principal officers are listed in its 2003 Annual Report, which is filed with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The water system expansion project phase III consists of the installation of approximately 21,590 linear feet of 12-inch ductile water transmission main and appurtenances beginning at the intersection of Ky highway 1651 and 700, near Marshes Siding, Kentucky and

extending south along Ky highway 1651 to the intersection of Ky highway 1651 and 92, near Stearns, Kentucky.

5. The total project cost is approximately \$1,280,000, as set forth in the Final Project Budget contained in the Final Engineering Report filed herewith;

6. The District has obtained all easements are required for the Project;

7. This service will not compete with any other utility in the area;

8. Based on these facts, the District believes that it is in the public interest that this certificate of public convenience and necessity be granted;

9. Copies of the certified bid tabulations are included in the Final Engineering Report filed herewith;

10. The following information is provided in response to 807 KAR 5:001 Section (8)(3);

a. Articles of Incorporation - None, District is a statutorily created water district under KRS Chapter 74;

11. The following information is supplied to 807 KAR 5:001 Section (9)(2);

a. Facts relied upon to show that the Project is in the public interest: the transmission main will benefit all users by increasing water supply during peak usage times.

b. No new franchises are required. Copies of the permits are attached hereto as

**Exhibit A;**

c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;

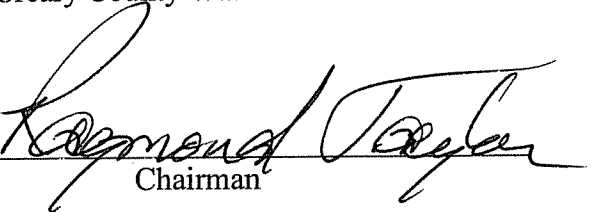
d. Three (3) maps of suitable scale showing location of the proposed facilities are filed with this Application;

e. The construction costs will be funded by (i) a United States Bureau of Prisons contribution in the amount of \$1,130,000; and (ii) an interim one year loan to the District from the Bank of McCreary County in the amount of \$150,000 (See **Exhibit B** attached hereto);


f. The estimated cost of operation of the system after construction is completed is attached hereto as **Exhibit C**;

**WHEREFORE**, the Applicant, McCreary County Water District requests that the Public Service Commission of Kentucky grant to the Applicant a Certificate of Public Convenience and Necessity permitting the Applicant to construct a water system improvement project.

McCreary County Water District

By   
Chairman

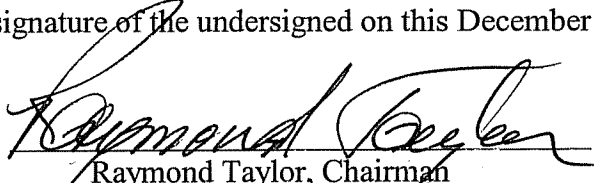
Rubin & Hays

By   
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
(502) 569-7525

COMMONWEALTH OF KENTUCKY    )  
  ) SS  
COUNTY OF McCREARY         )

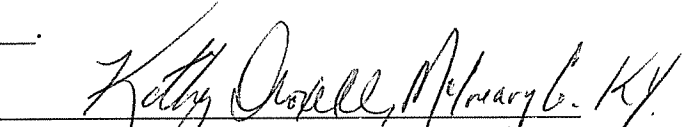
The undersigned, Raymond Taylor, being duly sworn, deposes and states that he is the Chairman of the McCreary County Water District, Applicant; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this December 16, 2004.

  
Raymond Taylor, Chairman  
McCreary County Water District

Subscribed and sworn to before me by Raymond Taylor, Chairman of the McCreary County Water District, on this December 16, 2004.

My Commission expires 7/13/06.

  
Notary Public, in and for said County and State



JAMES E. BICKFORD  
SECRETARY



PAUL E. PATTON  
GOVERNOR

COMMONWEALTH OF KENTUCKY  
**NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
FRANKFORT OFFICE PARK  
14 REILLY RD  
FRANKFORT KY 40601

April 24, 2002

McCreary County Water District  
Box 488  
Whitley City, Kentucky 42653

RE: DW #0740276-02-004  
Water Line Extension  
Phase II Expansion  
for US Bureau of Prisons  
McCreary County, Kentucky

Dear Sirs:

We have reviewed the plans and specifications for the above referenced project. The plans include approximately 1,800 feet of 18-inch DI water line and 64,500 feet of 16-inch DI water line. This is to advise that plans and specifications covering the above referenced subject are APPROVED with respect to sanitary features of design as of this date with the following stipulations:

1. Upon completion of construction, disinfection shall be strictly in accordance with the procedure designated in the State Regulations, which reads as follows:

"A water distribution system, including storage distribution tanks, repaired portions of existing systems, or all extensions to existing systems, shall be thoroughly disinfected before being placed into service. A water distribution system shall disinfect with chlorine or chlorine compounds, in amounts as to produce a concentration of at least fifty (50) ppm and a residual of at least twenty-five (25) ppm at the end of 24-hours (24) and the disinfection shall be followed by a thorough flushing."





New or repaired water distribution lines shall not be placed into service until bacteriological samples taken at the points specified in 401 KAR 8:150 Section 4 (2) are examined and are shown to be negative following disinfection.

2. All dead end lines must be provided with a properly sized blow-off assembly, flush hydrant or fire hydrant for flushing purposes. Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. Fire hydrants shall not be installed on lines less than six inches in diameter or served by other lines less than six inches in diameter. No flushing device shall be directly connected to any sewer.
3. A minimum pressure of 30 psi must be available on the discharge side of all meters. All water mains, including those not designed to provide fire protection, shall be sized after a hydraulic analysis based on flow demands and pressure requirements. The system shall be designed to maintain a minimum pressure of 20 psi (140 kPa) at ground level at all points in the distribution system.
4. Water mains shall be laid at least 10 feet horizontally from any existing or proposed sewer. A sewer is defined as any conduit conveying fluids other than potable water. The distance shall be measured edge to edge. In cases where it is not practical to maintain a 10 foot separation, this office may allow deviation on a case-by-case basis, if supported by data from the design engineer. Such deviation may allow installation of the water main closer to a sewer, provided that the water main is laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water main is at least 18 inches above the top of the sewer. This deviation will not be allowed for force mains.

Water mains crossing sewers shall be laid to provide a minimum vertical distance of 18 inches between the outside of the water main and the outside of the sewer. This shall be the case where the water main is either above or below the sewer. At crossings, one full length of the water pipe shall be located so both joints will be as far from the sewer as possible. Special structural support for the water and sewer pipes may be required.

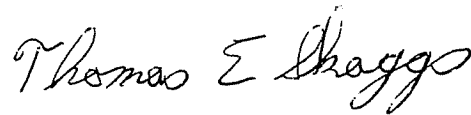
5. Chlorinated water resulting from disinfection of treatment facilities and new, repaired, or extended distribution systems shall be disposed in a manner which will not violate 401 KAR 5:031.
6. Pipe joint materials which are resistant to permeation of petroleum products, shall be used within a 200-foot radius of oil or gasoline lines, underground storage tanks, petroleum storage tanks, or pumping stations.
7. At high points in water mains where air can accumulate provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur.
8. Pursuant to a conversation with Devon Byrne April 23, 2002, the applicant shall abide by red line additions to Sheet HP-1.
9. When this project is completed, the owner shall submit a written certification to the Division of Water that the above referenced water supply facilities have been constructed and tested in accordance with the approved plans and specifications and the above stipulations. Such certification shall be signed by a licensed professional engineer.

This approval has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this approval does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies.

Phase II Expansion  
0740276-02-004  
April 24, 2002  
Page four

Unless construction of this project is begun within one year from the date of approval, the approval shall expire. If you have any questions concerning this project, please contact Stephanie Rich at 502/564-2225, extension 422.

Sincerely,



*for* John S. Thomson, PE  
Supervisor, Plan Review Section  
DOW/Drinking Water Branch

JST:SSR:lm

Enclosures

C: Monarch Engineering, Inc.  
McCreary County Health Department  
Public Service Commission  
London Regional Office  
Drinking Water Files





P.O. Box 160 • Whitley City, KY 42653 • (606) 376-5031 • Fax: (606) 376-5036 • MEMBER FDIC

December 3, 2004

RE: Loan to McCreary County Water District

To Whom It May Concern:

The Bank of McCreary County hereby agrees to loan \$150,000 to the McCreary County Water District to complete Phase III of the 12" water transmission main per contract 29.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Johnson", is written over the word "Sincerely,".

Jim Johnson  
Senior Vice President



ESTIMATED COST OF OPERATION  
WATER SYSTEM EXPANSION  
FOR THE  
FEDERAL BUREAU OF PRISONS FACILITY

CONTRACT 29 - WATER TRANSMISSION MAIN - PHASE III  
McCREARY COUNTY WATER DISTRICT

ITEM	ANNUAL COST
SALARIES & WAGES	\$ 3,800.00
MATERIALS & SUPPLIES	2,000.00
TRANSPORTATION	<u>1,200.00</u>
<b>TOTAL ANNUAL COST</b>	<b>\$ 7,000.00</b>