

Wood Creek Water District
P.O. Box 726
London, Kentucky 40743-0726

RECEIVED

JUL 26 2005

PUBLIC SERVICE
COMMISSION

July 22, 2005

Beth O'Donnell, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Case No. 2005-00312

RE: Application for Certificate of Public Convenience and Necessity – Construction
Highway 25 North 2004 Sewer Project

Dear Ms. O'Donnell:

We hereby request a "Certificate of Public Convenience and Necessity – Construction"
for the referenced Project per your letter dated July 12, 2005.

The required filing information is enclosed herewith.

In your letter you state "Wood Creek Water District estimates 820 households to be
served through the proposed project". This number is incorrect. This Project will serve
512 households.

If you need additional information, please contact our office.

Sincerely,



Bradley Wilson
Projects Coordinator

Enclosures: per letter

Case No. 2005-00312

APPLICATION FOR:

Certificate of Public Convenience and Necessity – Construction

PER:

KRS 278.020 (1) and
807 KAR 5:001, Section 8 and 9(2)

APPLICANT:

Wood Creek Water District
P.O. Box 726
London, Kentucky 40743-0726

July 22, 2005



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
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psc.ky.gov

Gregory Coker
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

July 12, 2005

Mr. Paul Napier
Wood Creek Water District
Post Office Box 726
London, Kentucky 40743-0726

Dear Mr. Napier:

Commission Staff is in receipt of your letter of April 14, 2005 regarding the need for a certificate of public convenience for Wood Creek Water District's "Highway 25 North 2004 Sewer Project" that is planned for northern Laurel County, Kentucky.

Based upon your letter and other sources,¹ Commission Staff understands the facts as follows: Wood Creek Water District proposes to construct 163,152 linear feet of polyvinyl chloride ("PVC") sewer main in northern Laurel County, Kentucky. The estimated total cost of this project, including related appurtenances, is approximately \$2,000,000. Wood Creek Water District estimates 820 households to be served through the proposed project. The water district will not issue any evidences of indebtedness or securities to finance any portion of the construction nor does it intend to adjust existing rates for water service. It intends to finance the proposed project through grant funds from the Kentucky Infrastructure Authority. The proposed facilities will not provide wastewater treatment services in areas that other utilities are presently serving.

Your letter poses the following issue: Is Wood Creek Water District required to obtain a certificate of public convenience and necessity for the proposed extension?

KRS 278.020(1) provides:

No person, partnership, public or private corporation, or combination thereof shall begin the construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010, except retail electric suppliers for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course

¹ Commission Staff obtained additional information on the proposed project from the Water Resource Information System (<http://wris.ky.gov/wris/>). The project is listed as WRIS Project SX21125154.

of business, until such person has obtained from the Public Service Commission a certificate that public convenience and necessity require such construction.

Administrative Regulation 807 KAR 5:001, Section 9(3) further provides:

Extensions in the ordinary course of business. No certificate of public convenience and necessity will be required for extensions that do not create wasteful duplication of plant, equipment, property or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the commission that are in the general area in which the utility renders service or contiguous thereto, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.

Commission Staff is of the opinion that the proposed construction project would require a certificate of public convenience and necessity. According to its Annual Report for Calendar Year 2004, Wood Creek Water District's Wastewater Division had net utility plant of \$3,039,623. The proposed construction, therefore, represents an increase of 65.7 percent in Wood Creek Water District's sewer utility plant. Moreover, as of December 31, 2004, Wood Creek Water District had approximately 579 customers. Therefore, proposed project, which will add approximately 820 households, will more than double Wood Creek Water District's existing customer base. Such a large increase in net utility plant and customer base cannot be considered as ordinary. See, e.g., City of Covington v. Board of Commissioners of Kenton County Water District No. 1, 371 S.W.2d 20 (Ky. 1963).

Moreover, a law that the Kentucky General Assembly recently enacted does not remove the proposed project from the requirement for a certificate of public convenience and necessity. That law provides:

Water Districts and Water Associations: A water district created pursuant to KRS Chapter 74 and a water association created pursuant to KRS Chapter 273 that undertakes a **waterline extension or improvement project** shall not be required to obtain a certificate of public convenience and necessity pursuant to KRS 278.020(1) if the water district or water association is a Class A or B utility as defined in the Uniform System of Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the system of accounts prescribed for utilities in Kentucky, and either: (a) The water line extension or improvement project will not cost in excess of \$500,000; or (b) The water district or water association will not, as a result of the water line extension or improvement project, incur obligations requiring

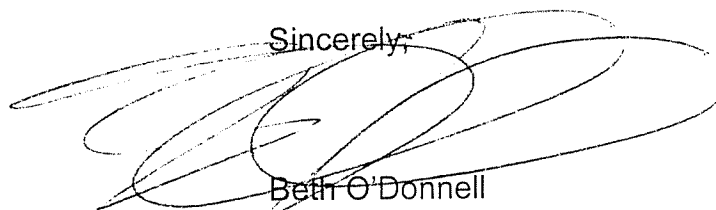
Mr. Paul Napier
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July 12, 2005

Public Service Commission approval pursuant to KRS 278.300. In either case, the water district or water association shall not, as a result of the water line extension or improvement project, increase rates to its customers.

2005 Ky. Acts Chapter 173 (emphasis added). As the law applies only to waterline extension or improvement project and does not expressly address sewer line extensions, the proposed project would not fall within the law's coverage.

This letter represents Commission Staff's interpretation of the law as applied to the facts presented. This opinion is advisory in nature and not binding on the Commission should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to Gerald Wuetcher, Assistant General Counsel, at (502) 564-3940, Extension 259.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and flourishes, positioned above the printed name.

Beth O'Donnell
Executive Director

Wood Creek Water District was formed pursuant to KRS Chapter 74, by Order of the Laurel County Court in April, 1964. A copy of the organizational documents as to the creation of Wood Creek Water District and the By-Laws of the District are included herein.

RESOLUTION

Exerpts from the Minutes of the duly held meeting of the WOOD CREEK WATER DISTRICT, London, Kentucky, held on the 8th day of February 1999, at the District's Office.

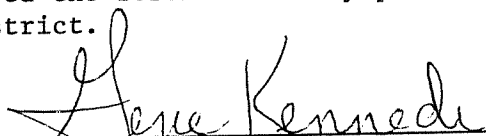
A motion to adopt the following resolution was made by Earl Bailey and seconded by Carl Keller.

NOW, THEREFORE, Be It Resolved that the District will operate a sanitary sewer system.

The vote on the resolution was as follows:

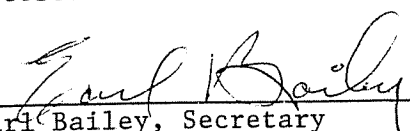
YEAS	NAYS
<u>Earl Bailey</u>	_____
<u>Carl Keller</u>	_____
<u>Gene Kennedy</u>	_____

WHEREUPON, the Chairman declared the resolution duly passed and adopted by the Wood Creek Water District.



Gene Kennedy, Chairman

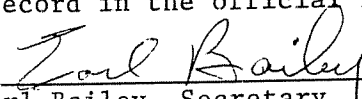
Attest:



Earl Bailey, Secretary

CERTIFICATE OF SECRETARY

I, Earl Bailey, hereby certify that I am duly qualified and acting Secretary of the Wood Creek Water District of Laurel County, KY., that the foregoing Resolution is a true copy of the Resolution duly adopted by the Commission of said District at a meeting held on February 8th, 1999 and that said Resolution appears as matter of public record in the official records of said District.



Earl Bailey, Secretary

SEAL OF DISTRICT

LAUREL COUNTY COURT

IN THE MATTER OF

ARNOLD F. COREY, ET AL,

PETITION FOR CREATION OF A WATER DISTRICT

VS: ORDER ESTABLISHING WOOD CREEK WATER DISTRICT .

WHEREAS, there has heretofore been filed a petition by Arnold F. Corey and others, freeholders and residents of an area lying in Laurel County, Kentucky, for the creation of a water district to be known as Wood Creek Water District, pursuant to Chapter 74 of the Kentucky Revised Statutes, and

WHEREAS, a notice of the filing of such petition was published in three issues in a newspaper of general circulation in Laurel County, Kentucky, by the Laurel County Court, and

WHEREAS, a period of thirty (30) days has expired after the publication of such notice, during which time all residents of the proposed district had an opportunity to file objections, and

WHEREAS, the Court, within the ten day period following the expiration of said 30-day period, set the case for a hearing on the 12th day of April, 1964, at nine o'clock A.M., and

WHEREAS, the court has found and does hereby find that the establishment of such district is reasonably necessary for the health, safety, convenience, fire protection and comfort of the residents within the area described in the petition as being the area to be established as Wood Creek Water District, and

WHEREAS, the court has determined and does hereby determine that such petition was signed by at least 75 resident freeholders of the proposed district,

IT IS THEREFORE, it is hereby ordered that there be

is hereby established the Wood Creek Water District, and such district shall be designated by the name of "Wood Creek Water District". It is further hereby ordered that the boundaries of said district shall be and are hereby determined to be as follows:

BEGINNING at a point on Rockcastle River, said point being the intersection of the Jackson County-Rockcastle County-Laurel County line; thence meandering along Rockcastle River begin the Jackson County-Laurel County line in a southeasterly direction 74,600 feet ± to a point, said point being the intersection of the Jackson County-Laurel County line with a power transmission line; thence meandering along said power transmission line in a southwesterly direction 35,800 feet ± to a point, said point being the intersection of the said power transmission line with Kentucky State Highway No. 30; thence south 44 degrees 45 minutes E. 15,350 feet ± to a high point, elevation 1315 feet ±, said high point being northwesterly 500 feet ± from the Southard Cemetery; thence South 35 degrees 00 minutes West 8,550 feet ± to a high point elevation 1305 feet ±, said high point being northwesterly 1300 feet ± from the intersection of the Louisville and Nashville Railroad with the City of London corporate limits; thence north 71 degrees 00 minutes West 7,400 feet ± to a high point, said high point on which is located a Police radio tower; thence south 76 degrees 00 minutes West 15,375 feet ± to a high point, elevation 1,203 feet ±, said high point being southwesterly 4000 feet ± from Warrens Grove Church; thence north 72 degrees 00 minutes East 15,650 feet ± to a bench mark, elevation 1245 feet, said bench mark being in a southwesterly direction 6,500 feet ± from the Swiss Colony School; thence North 13 degrees 00 minutes West 23,500 feet ± to a high point, elevation 1350 feet, said high point being in a southwesterly direction 9,800 feet ± from the intersection of U.S. Highway No. 25 with Wood Creek; thence North 15 degrees 00 minutes East 11,150 feet ± to a point, said point being the intersection of the Rockcastle County-Laurel County line with the Rockcastle River; thence along the Rockcastle County line-Laurel County line in a northerly direction 15,000 feet ± to a point on the Rockcastle River; thence continuing along the Rockcastle River being the Rockcastle County-Laurel County line, in a northeasterly direction 45,000 feet ± to the point of Beginning.

This matter is passed for the further orders of
this court.

Witness my hand t is the 30 day of April, 1964.

Bruce B. Bost Judge
Laurel County Court.

It is certified that the above is a true and correct
copy of an order of the Laurel County Court as appears of record
in my office in Order Book V. at page 267.

This the 11 day of June 1964.

Henry Walden
Henry Walden, Clerk,
Laurel County Court.
By Bessie Bowling, D.C.

BY-LAWS, RULES AND REGULATIONS OF
THE "WOOD CREEK WATER DISTRICT"
OF LAUREL COUNTY, KENTUCKY, AS
ADOPTED ON NOVEMBER 8, 1976.

The Commission of the above-named Water District, at a meeting held on the date stated above, adopted the following By-Laws and Regulations:

ARTICLE 1. NAME. The name of the District is set out in the caption hereof. The principal office of this District shall be located at the place indicated below in this Article, but the District may maintain offices and places of business at such other places within the State as the Commissioners may determine.

The principal office and place of business of this District and the place where water bills shall be paid, shall be as follows:

Wood Creek Water District
122 West First Street
London, Kentucky 40741

ARTICLE 2. SEAL. The Seal of the District shall have inscribed thereon the name of the District and such other inscription as the Commissioners may designate and adopt. The Secretary of the District shall have custody of the Seal. Said Seal is affixed hereto at the place indicated in this Article. (Seal of District)

ARTICLE 3. MEMBERSHIP. The customers are the members of this District. The duties of the members are set out hereinafter.

ARTICLE 4. COMMISSIONERS. The Commission is a body corporate as provided by KRS 74.070 and is created and its powers and duties are coincident with applicable Kentucky Statutes. The business and affairs of the District shall be conducted by Commissioners who have been appointed pursuant to statute. In view of the present statutory requirements that the Commissioners of the District be selected by the County Judge of the County referred to in the caption hereof, the customers at the last monthly meeting held in the year prior to the selection of each Commissioner, may by motion of any customer, adopt a motion recommending the names of three or less members of the District for consideration by the County Judge (with the approval of the Fiscal Court), with the request that one of such members be selected as a Commissioner. Such meeting date shall be determined by the provisions of Article 5 of these By-Laws.

ARTICLE 5. MEETINGS. The Commissioners shall meet at least once every three months, or at such other regular time as may be fixed by Resolution of the Commission, and at such other times as necessary to conduct business. The Chairman, Secretary or any Commissioner may call such meetings by written notice to each member of the Commission, to each local newspaper of general circulation, to each news service and to each local radio or television station which has on file with the Commission a written request to be notified of special meetings of the Commission in accordance with KRS 61.805-991, mailed or delivered at least 24 hours in advance of such meeting.

ARTICLE 6. OFFICERS. Officers shall be elected annually at the first meeting of the fiscal year, but in the event the election is not so held, officers shall continue to hold office until an election is requested by one of the Commissioners.

ARTICLE 7. VACANCIES. Vacancies of the Commission shall be filled by the County Court.

ARTICLE 8. SECRETARY'S DUTY. The Secretary of the Commission shall keep and preserve all documents of the District, including all contracts, plans, specifications, and applications for governmental assistance, shall record the Minutes of proceedings of the Commission and perform all duties customarily performed by a Secretary of a public body.

ARTICLE 9. TREASURER'S DUTY. The Treasurer of the Commission shall pay out the funds of the Commission only upon presentation of warrants signed by the Chairman and countersigned by the Secretary of the Commission. As compensation for his services the Treasurer shall receive an amount fixed by the Commission, not to exceed two hundred dollars. He shall execute bond to the Commission in an amount fixed by the Commission.

ARTICLE 10. POWERS. The Commission may acquire and install pipe and water laterals, and operate a water system for any district. The Commission shall be a body corporate for all purposes, and may make contracts for the water district with municipalities and persons for a water supply, and for the sale of water and for all other purposes connected with its business. It may prosecute and defend suits, hire necessary employees including Commissioners for duties to which their salary limitation herein shall not apply, and do all acts necessary to carry on the work. It may establish and revise a fiscal year. The Commission shall have all powers granted to Water Districts by the Kentucky Revised Statutes including those set out in KRS Chapter 74 and KRS Chapter 106.

ARTICLE 11. RATES. The Commission may establish and revise water rates and make reasonable regulations for the dispositions and consumption of water.

ARTICLE 12. DISPOSITION OF ASSETS. In the event the District terminates business by reason of liquidation or sale of its assets, and in the event there is a sum of money remaining after the District has sold its property and paid its debts of every kind including all bonded indebtedness, then the District shall seek court approval of a distribution of the money based on the following plan:

(a) One-half of the said money shall be distributed to the original subscribers, their heirs, devisees and assigns in direct ratio to the connection fees paid by them prior to construction of the original line;

(b) One-half of the said money shall be distributed to each customer, his heirs, devisees and assigns, who has at any time purchased water from the District in direct ratio to the total water bill the customer paid during the entire operation of the system.

The District does not in any way represent that this means of disposing of the assets of the District in the event of liquidation or sale will be approved by the court.

ARTICLE 13. MISCELLANEOUS. The Commission may acquire a water line or system operating in the District as provided by KRS 74.100.

ARTICLE 14. CONDEMNATION. The Commission may condemn rights of way as provided in KRS 416.010 to 416.080 and KRS 106.220 and 106.240.

ARTICLE 15. CONSENT OF FHA REQUIRED TO CHANGE BOUNDARIES. So long as the United States is the owner or insurer of any bonds issued by the District, the Commission will not, without the consent of the Farmers Home Administration, United States Department of Agriculture, take any action with respect to diminishing the territorial limits of the District and will notify the Farmers Home Administration of any proposal or petition to diminish the territorial limits of the District as soon as the Commission has acquired knowledge thereof.

ARTICLE 16. TYPES OF BONDS. The Commission may finance the acquisition and the construction of authorized works of improvement by the issuance of (1) special assessment bonds, (2) revenue bonds, or (3) a combination special assessment and revenue bond, payable primarily from water revenue, supplemented when necessary by special assessments. If the combination special assessment and revenue bond is used, the special assessment will not be levied, nor will the lien thereof attach until such time as it is necessary to make up any deficit in the water revenue to meet annual obligations.

ARTICLE 17. REFUNDING BONDS. The Commission may issue refunding bonds as provided by KRS 74.320 and 74.330 and KRS Chapter 106.

ARTICLE 18. TIME RECORDS AS TO DISTRICT EMPLOYEES. The Commission shall keep an account of the time spent by all employees employed on an hourly basis and each item of expense incurred in connection with the District.

ARTICLE 19. FEES AND COMPENSATION OF DISTRICT OFFICERS. The fees of officers for services rendered in such capacity shall be the same as fees now allowed by law for similar services in other cases. Such fees shall be taxed as a part of the costs and paid on order of the court. Fees or compensation for any service not otherwise provided for shall be fixed and paid by the Commission.

ARTICLE 20. AWARD OF CONSTRUCTION CONTRACTS. The Commission shall let construction contracts as provided by KRS 74.260, KRS 74.270, KRS Chapter 106 and KRS Chapter 424.

ARTICLE 21. ARRANGEMENTS FOR WORK AND SERVICES RENDERED TO THE DISTRICT. The Commissioners shall secure personnel to repair and maintain water district property including mains, lines, meters, storage tanks, etc., when necessary, shall secure personnel to read meters and shall secure personnel to bill customers. The Commissioners shall retain an attorney to represent the District, and may enter into contracts for services, labor and materials as provided in KRS Chapters 74 and 106, for any of the purposes enumerated therein.

ARTICLE 22. CONTRACTS AND SERVICE ARRANGEMENTS. The Commission may make all provisions concerning contracts for sale of water, connection charges, and other disposition of District services and assets, including the plan of collecting proceeds thereof. The system manager may at his discretion discontinue delivery of water to any delinquent customer. The District will install, maintain and operate a main distribution pipe line or lines from the source of water supply and service lines from the main distribution pipe line or lines to the property line of each customer of the District, if the District Commission determines it is feasible to serve such customer, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the District shall be placed. The cost of service line or lines from the main distribution pipe line or lines of the District to the property line of each customer shall

be paid by the District or the customer, or both, in a manner to be determined by the Commission at the time of installation depending upon the length of the service line. The District will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the District and to be installed on some portion of the service line owned by the District. The District shall have the sole and exclusive right to the use and operation of such cut-off valve.

Each service line shall connect with the District's water system at the nearest available point to the place of desired use by the customer if the District's water system shall be of sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the District's water system shall be inadequate to permit the delivery of water through a service line installed at such point without interfering with the delivery of water through a prior service line, then such service line shall be installed at a point to be designated by the Commission. Each customer will be required to install and own the service line from the meter to the place of use on his premises and to maintain such portion of the service line.

Each customer shall be entitled to purchase from the District pursuant to such agreements as may from time to time be provided and required by the Commission such water as the customer may desire, subject, however, to the provisions of these By-Laws and to such rules and regulations as may be prescribed by the Commission, provided, however, that should a customer sell or dispose of a portion of his property or subdivide the same, he or the new owner of each such new tract may not demand water and taps without paying connection fees for each such tract to be served.

In the event the total water supply shall be insufficient to meet all the needs of the customers or in the event there is a shortage of water, the Commission may prorate the water available among the various customers on such basis as is deemed equitable by the Commission, and may also prescribe a schedule of hours covering use of water and require adherence thereto or prohibit the use of water for specified purposes.

ARTICLE 23. INSURANCE. The Commission is authorized to secure insurance on storage tanks, if any, and such other properties as the District owns, against fire, windstorms and other calamity and liability insurance, in such amounts and with such companies as other privately-owned water systems ordinarily carry.

ARTICLE 24. DISTRICT OWNERSHIP OF LINES AND METERS. The District shall own all lines and meters held by or for it, in the absence of a written agreement to the contrary.

ARTICLE 25. ENGINEERING SERVICES; INSPECTIONS AND REPORTS. The Commission shall secure engineering services for an annual engineering inspection and report dealing with operation and maintenance practice if the Commission desires or if so required by any bondholder or the Federal Government as insurer of the bonds.

ARTICLE 26. CONTRACTS FOR SALE OF WATER. The Commission may contract with any person or entity for the sale of water and if such person or entity is metered within the District boundaries, he or it is a customer of the District for such time as he or it pays the District bills pertaining to such metered connection.

ARTICLE 27. RESTRICTIONS ON AMENDMENTS TO BY-LAWS. The By-Laws shall not be amended without the permission of the majority of holders of outstanding bonds, plus the Farmers Home Administration, United States Department of Agriculture, so long as the United States is the owner or insurer of any bonds issued by the District and so long as any of the bonds remain unpaid.

ARTICLE 28. KENTUCKY LAWS INCORPORATED BY REFERENCE. All applicable Kentucky Statutes which now or may hereafter exist are incorporated herein and made a part of these By-Laws, and the Commissioners may use any powers therein contained in addition to those herein set out. Any provision herein in violation of the Kentucky Revised Statutes which is now or may hereafter be in effect is null and void, the remainder of these By-Laws to continue in full force and effect.

ARTICLE 29. AUDITS. An annual audit on a fiscal year basis will be made of the books and accounts pertinent to said project by competent auditor. No later than 60 days after the close of each fiscal year copies of such audit reports certified by such accountant shall be promptly mailed to the Farmers Home Administration without request and to any bondholder that may have requested same in writing.

ARTICLE 30. RULES AND REGULATIONS. The following rules and regulations are hereby adopted, subject to change by the Commission at any time. These rules and regulations are intended to supplement the Bond Resolution, the Rate Resolution and the By-Laws.

- A. All taps and connections to the mains of the District shall be made by and/or under the direction and supervision of District personnel.
- B. Water service may be discontinued by the District for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:
 - 1. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.
 - 2. Failure to report to the District additions to the property or fixtures to be supplied or additional use to be made of water.
 - 3. Resale of water.
 - 4. Waste or misuse of water due to improper or imperfect service pipes and/or failure to keep in suitable state of repair.
 - 5. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.
 - 6. Connection, cross-connection, or permitting the same, of any separated water supply to premises which receive water from the District.
 - 7. Non-payment of bills.

- C. Any customer desiring to discontinue the water service to his premises for any reason must give notice of discontinuance in writing at the business office of the District; otherwise, a customer shall remain liable for all water used and service rendered by the District until said notice is received by the District.
- D. Bills and notices relating to the conduct of the business of the District will be mailed to the customer at the address listed on the users agreement unless a change of address has been filed in writing with the District; and the District shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performance required in said notice.
- E. 1. Bills for water service are due and payable at the office of the District, or to any designated agent, on the date of issue. The past due date shall be the tenth day after the date of issue. Bills will be dated and mailed on the first day of each month.
2. All bills not paid on or before the past due date shall be deemed delinquent. The district may serve a customer a written final notice of said delinquency. If delinquent bill is not paid within ten days after date of such final notice, the water supply to the customer may be discontinued without further notice.
- F. Where the water supply to the customer has been discontinued for nonpayment of delinquent bills, a charge of \$10.00 will be made for reconnection of water service, but the reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the District have been paid.
- G. The District reserves the right to request a nominal sum to be placed on deposit with the District for the purpose of establishing or maintaining any customer's credit.
- H. All meters shall be installed, renewed, and maintained at the expense of the District and the District reserves the right to determine the size and type of meter used.
- I. Upon written request of any customer, the meter serving said customer shall be tested by the District. Such test will be made without charge to the customer if the meter has not been tested within 12 months preceding the requested test; otherwise, a charge of \$2.00 will be made and then only if the test indicates meter accuracy within the limits of 2%. If a meter is inaccurate in excess of 2%, adjustments shall be made for the two preceding months prior to test according to the inaccuracy in excess of 2%.
- J. Where a meter has ceased to register, or meter reading could not

be obtained, the quantity of water consumed will be based upon an average of the prior six months consumption and the conditions of water service prevailing during the period in which the meter failed to register.

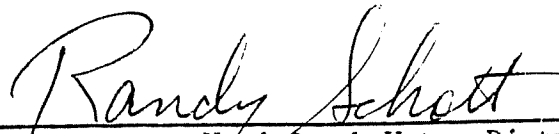
- K. The District shall make all reasonable efforts to eliminate interruption of service and when such interruptions occur will endeavor to reestablish service with the shortest possible delay. When the service is interrupted all consumers affected by such interruption will be notified in advance whenever it is possible to do so.
- L. The District shall in no event be held responsible for any claim made against it by reason of the breaking of any mains or service pipes or by reason of any other interruption of the supply of water caused by the failure of machinery or stoppage for necessary repairs. No person shall be entitled to damages nor for any portion of a payment refunded for any interruption of service which in the opinion of the District may be deemed necessary.
- M. Customers having boilers and/or pressure vessels receiving a supply of water from the District must have a check valve on the water supply line and a vacuum valve on the steam line to prevent collapse in case the water supply from the District is discontinued or interrupted for any reason, with or without notice.
- N. The premises receiving a supply of water and all service lines, meters and fixtures, including any fixtures within said premises, shall at all reasonable hours be subject to inspection by the District.
- O. Piping on the premises of a customer must be so installed that connections are conveniently located with respect to the District lines and mains. The customer shall provide a place for metering which is unobstructed and accessible at all times.
- P. The customer's service line shall be installed and maintained by the customer at his own expense in a safe and efficient manner and in accordance with the District rules and regulations and with the regulations of the Department of Health.
- Q. If any loss or damage to the property of the District or any accident or other injury to persons or property is caused by or results from the negligence or wrongful action of the customer, member of his household, his agent or employee, the cost of the necessary repairs or replacements shall be paid by the customer to the District and any liability otherwise resulting shall be that of the customer.
- R. Water furnished by the District may be used for domestic consumption by the customer, member of his household, and employees only. The customer shall not sell the water to any other person.
- S. All customers shall grant or convey, or shall be caused to be granted

or conveyed, to the District a perpetual easement and right-of-way across any property owned or controlled by the customer whenever said easement or right-of-way is necessary for the District water facilities and lines so as to be able to furnish service to the customer.

- T. Complaints may be made to the operator of the system whose decision may be appealed to the Commission of the District within ten days; otherwise, the operator's decision will be final.

I, the undersigned Secretary of the Wood Creek Water District, do hereby certify the foregoing to be a true and accurate copy of the By-Laws, Rules and Regulations of said District as adopted by its Commission.

WITNESS my hand this 8th day of November, 1976.


Secretary, Wood Creek Water District

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
- CONSTRUCTION**

Division Responsible: Engineering

Law / Regulation: 807 KAR 5:001: Section 9(2)

- (a) The facts relied upon to show that the proposed new construction is or will be required by public convenience or necessity.

Facts: Excerpts from the approved Regional Facilities Plan for Wood Creek Water District are attached.

Facts: Excerpts from the Source Water Assessment Summary for Laurel County, Wood Creek Water District (PWSID 0630477, WW 0753) are attached.

These facts show that the proposed new construction is and will continue to be required by public convenience and necessity.

I. EXECUTIVE SUMMARY

The Wood Creek Water District planning area consists of approximately 28.69 square miles located in the north central portion of Laurel County. The planning area is bound by Highway 80 and is dissected on the east by Interstate 75. The communities of East Bernstadt and Pittsburg are located within its boundaries. The primary purpose of developing a plan was to provide for the environmental protection of the Wood Creek watershed and protect the quality of the water in Wood Creek Lake. Wood Creek Lake was constructed in 1969 as a water supply for the current and future customers of the Wood Creek Water District. Land was purchased for the lake, allowing for the construction of a water treatment plant and the impoundment of 720 acres of water supply.

Several moderate to high population density areas exist within the watershed without the benefit of public sewage facilities. These homes and businesses utilize septic systems and leach fields for the disposal of sanitary sewage. Soil reports from the U.S. Soil Conservation Service indicate most soils found in the planning area are poorly suited for use with conventional subsurface disposal techniques. Although little physical evidence currently exists to locate individual "straight pipe" discharges and failing septic systems, the result has been shown in the declining water quality in the lake.

FACT

The conclusion based upon the existing environment was that wastewater disposal problems within the Wood Creek watershed can only worsen with continued use of the already inadequate subsurface techniques currently being employed. Further study has revealed that the only logical approach to providing an environmentally sound and cost effective solution to wastewater disposal needs for the planning area is to construct adequate collection and transport systems to handle the wastewater flows to the end of the planning period.

A location map showing the planning area is shown in Figure 1 on Page 2. A preliminary layout of the proposed wastewater collection and transport system is shown in Figure 2 on page 3.

Following an initial screening process, final treatment alternatives selected for a detailed evaluation were: (A) oxidation ditch complete with secondary

collected via these tributaries and eventually runs into the Wood Creek Lake. Wood Creek Lake discharges into Wood Creek and eventually the Rockcastle River -- portions of which are designated as a federal Wild and Scenic River.

B. EXISTING FACILITIES

No public or municipal sewer systems currently exist within the boundaries of the Wood Creek Regional Facilities planning area. Residential sewer treatment consists solely of individual septic tanks with leach fields. In some cases, "straight pipe" discharge from residential units into streams and ditch lines is highly suspected.

Although several industrial and commercial businesses exist within the planning area boundary, only two package sewer treatment plants are currently in operation. The remaining businesses and commercial operations in the planning area utilize septic systems for their sewage treatment needs. Since some of the remaining businesses include a meat processor, a pre-school center and a medical clinic, the need for a public sanitary sewer system is intensified.

C. NEED FOR THE PROJECT

No public or municipal sewer system currently exists so there are no court or enforced orders. Individual property owners maintain their own sanitary sewer facilities in the form of septic tanks, drain fields, and package treatment plants. According to soil maps obtained through Soil Survey documentation, the soil configurations within the watershed of Wood Creek Lake are unsuitable for septic tanks for homes and businesses in a densely developed situation. Located immediately adjacent to the City of London, the two major communities within the watershed, Pittsburg and East Bernstadt, have continued to grow despite the lack of public sewer service. Adding complication to the situation, the Wood Creek Lake, surrounded by picturesque forest lands and rolling green grassland has become a prime location for the development of subdivisions and new home construction. As a result, the soils have become overburdened with the septic tank discharge

FACT

FACT CONTINUED

load, adding to decreased water quality in Wood Creek Lake. This decrease in water quality has become so severe that the Wood Creek Lake has been listed in the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water's 1996 Kentucky Report to Congress on Water Quality as a lake partially supporting its intended use as a domestic water supply. The cause for the lake's limitation is an increased level of nutrients directly associated to malfunctioning septic tanks.

The Wood Creek Lake provides the sole source of treated water for the Wood Creek water treatment plant and distribution system. The Wood Creek distribution system provides water for cooking, drinking and bathing to over 32,000 people each and every day. It is imperative that the lake be kept clean and protected from further damage by septic tank discharge.

1. Compliance Status

Since no public sewerage facilities currently exist within the boundaries of the Wood Creek Regional Facilities planning area, a KPDES permit does not exist for the Wood Creek Water District - - Sewer Division. Furthermore, since future sewage treatment will be provided by the City of London Wastewater Treatment Facilities, a KPDES permit will not be required for the implementation of the proposed sewer system extension into the Wood Creek planning area.

Although a KPDES permit does not exist for any municipal or governmental entities within the planning area, two permits are held for package sewer plants owned and operated by private interests.

TABLE 1
EXISTING TREATMENT FACILITIES

Package Plant Owner	KPDES Permit Number
Institutional Distributors	KY0074209
Colony Elementary School	KY0101036

Compliance with two existing KPDES permits is monitored by the Kentucky Division of Water Field Office located in London, Kentucky. The locations of these facilities are shown in Appendix B, Page 3.

2. Orders

There are currently no known enforcement orders against communities within the Wood Creek planning area.

FACT

3. Water Quality Problems

The Kentucky Natural Resources and Environmental Protection Cabinet Division of Water in its 1996 Kentucky Report to Congress on Water Quality, provides a water quality assessment of rivers, streams and lakes within the Commonwealth. Of particular concern, the report indicates the Wood Creek Lake as partially supporting its intended use as a Domestic Water Supply. The cause for the lake's limitation is an increased level of nutrients directly associated to malfunctioning septic tanks.

As discussed in the Water Quality Report 305(b), increased nutrients can stimulate growth of algae, creating taste and odor problems. These problems directly add increased cost and difficulty to the water treatment processes of the Wood Creek Water District. Of further concern from a conservation and environmental standpoint, increased algae growth can lower the level of dissolved oxygen in the lake thereby adversely impacting the healthy support of normal fish populations. In extreme cases, algae growth can even stimulate microbial respiration and may result in fish kills. For this reason, the Wood Creek Water District has chosen to aggressively pursue providing sewer service within the watershed boundary of the lake.

4. Future Environment Without the Proposed Project

As the London area continues to attract new industry and experiences an influx of new jobs and elevated wages, the development of subdivisions and the clearing of land for additional home sites is expected to increase in the area immediately surrounding the shoreline of Wood Creek Lake. Plans are currently underway by developers in the area for at least two new subdivisions. Plans for further development are being made and taking place despite the fact that public sewer is not available.

With the well documented evidence of the soil limitations in the planning area, the proposed housing developments, the existing residential

and commercial sewage problems and the potential growth factors, no evidence suggests the possibility for improvement in the water quality of Wood Creek Lake without the installation of a public sewer system.

On a yearly average, the Wood Creek Water District makes an excess of 100 new taps per year for water service within the planning area boundary and the immediate surrounding area. With the water quality of the lake documented as impaired under existing conditions, it is fully reasonable to expect a continual increase in nutrient levels in the lake, resulting in a continued decrease in water quality.

The Wood Creek Water District is responsible for and committed to providing a safe and quality water supply to an excess of 11,700 customers. Each year, through the Wood Creek Water District and its wholesale customers an average of 400 to 600 new taps are added. Considering that over 32,000 people now drink, cook and bathe every day with water processed and distributed by the Wood Creek Water District from the Wood Creek Lake, it is imperative that every effort be made to protect the water quality of the lake for the future.

5. Septic Tanks

Phase 1 of the Wood Creek Water District sewer project has targeted providing sewer service to a potential of 400 customers based upon funds available and preliminary engineering calculations. Since public sewers or other alternatives are not readily available, each of these potential sewer customers should be utilizing septic systems. Visual observation by water district staff during routine maintenance calls estimate that at least 20% of the observed systems show signs of failure. Although, in many cases "straight pipe" discharge is suspected, verification is difficult to obtain without physical inspection of the home owner's property. Furthermore, local health departments are hesitant to identify problem areas since, without the availability of public sewer, few affordable alternatives exist.

Although little "hard" evidence currently exists to support the actual number of "straight pipe" and failing septic systems within the planning area boundary, the final result of such system failure is evident in the declining water quality in the lake.

Source Water Assessment Summary for Laurel County

WOOD CREEK WATER DISTRICT (PWSID 0630477, WW 0753)

Activities and land uses upstream of Wood Creek Water District's source of water can pose potential risks to your drinking water. Under certain circumstances contaminants could be released that would pose challenges to water treatment or even get into your drinking water. These activities, and how they are conducted, are of interest to the entire community because they potentially affect your health and the cost of treating your water. Activities immediately upstream of your water supply intake are of special concern because they provide little response time to the water system operators. An analysis of the susceptibility of the Wood Creek water supply to contamination indicates that this susceptibility is high. Recommendations from Wood Creek are: (1) The Wood Creek Water District Wastewater Division was started in 2000 to install sanitary sewer lines in the watershed to eliminate straight pipes and failing septic systems; the Division is continually working to seek funding to provide coverage to the whole watershed; (2) In 2002, we sponsored a lake cleanup day, along with the local Fiscal Court, we intend to make this an annual event; (3) We work with the local Health Department and report any known straight piping and failing septic systems to them; (4) Continue work with the County Solid Waste Coordinator in reporting dumpsites in the watershed; (5) Continue to have on payroll, a Water patrol officer, to patrol the lake and shores for any illegal activities; (6) Continued work with Congressman Rogers' Pride program; and (7) Continued work with and report any violations to all the appropriate Federal, State, and local agencies.

FACT

Below are the Management Recommendations for land and coverage: (1) Monitor to ensure compliance with Forestry Conservation Act; and (2) Require BMP (Best Management Practices) implementation per the Forest Landowners Handbook. Agriculture: (1) Monitor annually to ensure compliance with Agriculture Water Quality Act (AWQA); (2) Encourage implementation of voluntary Best Management Practices (BMPs) above the minimum required by the AWQA. BMP manuals for specific types of operations are available; (3) Monitor annually to ensure implementation of Nutrient Management Plans (NMPs); (4) Encourage development and implementation of Resource Management Systems (RMS) on agricultural operations per USDS-Natural Resource Conservation Service (NRCS) specifications; and (5) No storage or use of pesticides. Highway maintenance and runoff/Railroads: (1) Require the adoption and application of highway maintenance and runoff BMPs (Best Management Practices); (2) Limit highway construction or avoid waterways. Modify designs to limit runoff, especially drain-spouts on bridges to minimize salt de-icing runoff to waterways; and (3) Encourage posting of signs indicating presence of source water protection area on major roads. Permitted Wastewater Point Sources: (1) Eliminate permitted sewage systems (such as package treatment plants) with a history of noncompliance with permit requirements; (2) Review existing sewage systems biannually to ensure compliance with all applicable Departmental of Environmental Protection (DEP) permitting requirements; (3) Monitor systems biannually to ensure proper ongoing maintenance and operation; (4) Seek regionalization of all wastewater discharges or elimination of other discharges to eliminate point sources, to the extent possible (if they exist); and (5) Discharge or ban any new wastewater point source discharges. Onsite/Decentralized/Septic Systems, Straight Pipes: (1) Eliminate and prevent new straight pipes and failing septic systems; (2) Prepare and implement Groundwater Protection Plan; conduct monitoring activities to assess effectiveness; (3) Connect properties with failing onsite systems to sanitary sewers where feasible; (4) Ensure proper maintenance of systems; (5) Replace failing onsite systems with systems that are most appropriate/protective of the environment; (6) Reduce generation of wastewater; (7) Conduct education and training for local officials, contractors and/or the general public regarding onsite wastewater issues; and (8) Adopt region or county-wide sanitation district for planning and management wastewater. Landfills, Dumps, Landfarms: (1) No new permitted landfills or landfarms; (2) Review existing operations biannually to ensure compliance with all

FACT

applicable DEP permitting requirements (e.g., KPDES, Groundwater Protection Plans, Solid Waste Landfills, etc.); and (3) Cleanup all dumps. Waste Storage Tanks/Storage Tank Leaks Petroleum/Chemical (Above ground) (Underground): (1) Remove existing and prevent new installation of above-or underground waste storage tanks.

The Kentucky Division of Water conducts a water quality assessment of streams, rivers, reservoirs and lakes by watershed, on a rotating schedule. Water bodies are evaluated to determine their suitability for various uses including: Aquatic Life Support; Fish Consumption; Primary Contact Recreation; Secondary Contact Recreation; and Drinking Water Supply. Water bodies are then categorized as Fully Supporting, Partially Supporting or Not Supporting in the context of intended use. From a protection standpoint, the true source of impairment is what needs to be considered in determining the potential threat that these impaired water bodies present to source water. The presence of impaired water bodies within a watershed may indicate that conditions detrimental to source water quality may already exist. There are water quality impairments all around Wood Creek Water District's intake. These impairments are created by excess nutrients. Two general sources of nutrients in Wood Creek's water are derived from natural and man-made sources. Natural sources include input from atmospheric deposition and a slight amount of nutrients leached from the soils. A much larger portion of the nutrients that enter area waterways are created by human and animal sources such as commercial fertilizers, livestock manure, industrial discharges, and human sewage. Nutrients are either dumped directly into waterways or swept through the areas when rain washes over the land and creates polluted runoff.

FACT

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
- CONSTRUCTION**

Division Responsible: Engineering & Legal

Law / Regulation: 807 KAR 5:001: Section 9(2)

- (b) Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the commission.

Plans for the proposed project were submitted to the Facilities Construction Branch of the Kentucky Division of Water on April 12, 2005 and are pending approval. A copy of the proposed permit will be submitted to the Kentucky Public Service Commission as soon as it is received.

REGIONAL FACILITIES PLAN

The Wood Creek Water District, Sewer Division operates under a Regional Facilities Plan approved by the Environmental Protection Agency on March 9, 1999 (attached) With an approval letter from the State of Kentucky sent May 10, 1999 (attached).

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

May 10, 1999

Mr. Gene Kennedy, Chairman
Wood Creek Water District (WCWD)
P. O. Box 726
London, Kentucky 40743

RE: 201 Facilities Plan for WCWD
London, Kentucky

Dear Chairman Kennedy:

The facilities plan and environmental documents entitled WCWD 201 Facilities Plan of May 1998 for WCWD Kentucky has been reviewed by this division for conformance with state and federal planning requirements. Approval is hereby given based on the State Planning and Environmental Assessment Report (SPEAR) issued on April 27, 1999, by this department.

If you have any questions, please contact Hamid Beykzadeh of this office at (502) 564-2225, extension 517.

Sincerely,

A handwritten signature in black ink, appearing to read "W.B. Gatewood".

William B. Gatewood, P.E., Manager
Facilities Construction Branch
Division of Water

W/BG/HB/dcf

Attachment

cc: Kenvirons, Inc.
London Regional Office
Mike D. Tipton, DOW



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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

MAR - 9 1999

FINDING OF NO SIGNIFICANT IMPACT

Approval of Facilities Plan for
Wood Creek Water District (WCWD), Kentucky

The National Environmental Policy Act requires federal agencies to determine whether a proposed major agency action will significantly affect the environment. One such major action, defined by section 511(c)(1) of the Clean Water Act, is Environmental Protection Agency (EPA) approval of a facilities plan prepared pursuant to section 201 of that Act. In making this determination, EPA assumes that all facilities and actions recommended by the plan will be implemented, whether or not EPA grants are issued to fund construction of any of the facilities. If our analysis concludes that implementing the plan will not significantly affect the environment, EPA issues a Finding of No Significant Impact (FNSI).

The WCWD is an unsewered community and, therefore, this approval is for the first 201 Facilities Plan ever done for this area.

Attached is an Environmental Assessment containing detailed information supporting this action in the following sections: A) Proposed Facilities and Grant Status; B) Existing Environment; C) Existing Wastewater Facilities; D) Need for Proposed Facilities; E) Alternative Analysis; F) Environmental Consequences and Mitigative Measures; and G) Public Participation and Sources Consulted.

Comments supporting or disagreeing with this proposed EPA action should be sent in writing to:

Dorothy L. Rayfield, Chief
Construction Grants and State Revolving Fund Loan Section
Water Management Division
U. S. Environmental Protection Agency
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8960

Comments received within 30 days of the date of this FNSI will be evaluated before we make a final decision to proceed.

Sincerely,

John H. Hankinson, Jr.
Regional Administrator

Attachment

MAR 12

ORDINANCE NO. 221.11

An Ordinance relating to and providing for orderly waste water collection and treatment planning for Laurel County by requiring residences and business' to connect to and use approved on-site waste water systems or when reasonably available a public sewer system.

WHEREAS, the Laurel County Fiscal Court has deemed it advisable and necessary in order to protect the public health and promote the general welfare of the people of Laurel County, that all sources of flowable sewage be connected to an approved, appropriately functioning, on-site sewer system if available; and

WHEREAS, Laurel County has unsewered areas located outside the City of London that would benefit from sewer service, and some of these unsewered areas contain numerous households with malfunctioning septic systems; and

WHEREAS, Laurel County is poised to grow and prosper with the development of economic opportunities including recreation and tourist activities, and this development would be best served by public sewer facilities to help protect water quality and to provide a healthier environment for the residents of the County, and this Ordinance is designed to serve those purposes; and

WHEREAS, the Laurel County Fiscal Court, through its utility partners is interested in extending collection sewers into the unserved areas of the County to serve existing and new residential and commercial customers; and

WHEREAS, the Laurel County Fiscal Court must make legal provision requiring use of such sewers when reasonably available to allow the County to obtain grants and loans for such projects; and

WHEREAS, the Laurel County Fiscal Court has jurisdiction over these matters in the County, and in the best interest of all County citizens, is interested in having all households and commercial establishments located within reasonable proximity to a public sewer, connect to such sewer when it becomes available, according to the following provisions.

NOW THEREFORE, be it ordained by the County of Laurel, Commonwealth of Kentucky:

SECTION 1: PURPOSE

The purpose of this ordinance is to protect and promote the health and general welfare of the people of Laurel County by requiring proper disposal of residential and commercial waste water and when reasonably available, hookup to and use of public sewer systems.

SECTION 2: SCOPE

This ordinance shall apply to the operation of all wastewater facilities serving areas within Laurel County. To the extent that an ordinance of a recognized city regulates the use of the waste water facilities within the corporate boundaries of that city, then that ordinance shall prevail and be applicable to the service of any waste water system within that city. In no instance shall the existence of this Ordinance be used as a tool through which to negotiate or mandate the annexation of areas into the corporate limits of any city regardless of whether the wastewater facility serving county areas is owned by, operated by or located within a city.

SECTION 3: PROHIBITED FACILITIES

A. From the effective date of this Ordinance, it shall be unlawful for any person owning any occupied building within the County to construct, install, use or maintain any straight pipe, privy, cesspool, sinkhole, or other receptacle for the purpose of discharging from or receiving sewage on such premises.

B. The construction, installation, use, or maintenance of any such straight pipe, privy, cesspool, sinkhole, or other receptacle for receiving sewage on premises within the County shall be deemed and is hereby declared to be a public nuisance, is unlawful, and an owner of such facility shall be subject to the penalties set out herein.

SECTION 4: WHERE PUBLIC SEWER IS NOT AVAILABLE

A. From the effective date of this Ordinance, where a public sewer system is not available, the property owner shall be responsible to connect or have connected any and all newly constructed and/or substantially renovated, occupied buildings to an onsite wastewater disposal system. The type, capacity, location and layout of any and/or all onsite sewer systems shall comply with the provisions of the Laurel County Health Department and/or other applicable local and state regulations, including KRS 211.350 relating to certification of an approved on-site sewer system and KRS 224 regarding the permit requirements of the Kentucky Pollutant Discharge Elimination Systems.

B. The property owner shall operate and maintain the onsite sewer disposal system in a sanitary manner at all times. Discharge of septic tank effluent or effluent of any other approved sewage disposal system to any open drain, ditch, stream, or well penetrating water-bearing formations shall be prohibited.

C. No statement contained in the ordinance shall be construed to interfere with any other requirements that may be imposed by applicable local or state laws or regulations.

SECTION 5: WHERE PUBLIC SEWER IS AVAILABLE

A. Improved Premises currently accessible to a public sewer system:

i. All persons owning property within the County, upon which there is any existing, occupied building, which property is accessible to a public sewer system shall, at their own expense, make a sewer service connection to the public sewer system, in accordance with the provisions of this Ordinance.

ii. Said connection shall be made in a timely manner so as not to interrupt the schedule of construction or within three (3) months from the date such sewer line is installed and placed in operation, whichever is more appropriate.

iii. Premises are deemed accessible to a public sewer if the System's sewer line is located within reasonable proximity of the property boundary. Reasonable proximity will generally be defined as a public sewer line located within 100 feet of the property line, however, in all cases an alternate determination may be made by the General Manager, or his designated representative of the wastewater facility after consultation with the Laurel County Health Department, on a case-by-case basis taking into consideration engineering feasibility and cost.

iv. The property owner's sewer line material and manner of connection must comply with the regulations governing same as the System may establish by ordinance.

v. Failure to connect to a public sewer system under the conditions outlined above is hereby declared to be unlawful and to constitute a nuisance.

B. Improved Premises which subsequently become accessible to a public sewer system:

i. All persons owning any occupied building within the County upon premises which in the future become accessible to a public sewer system shall, at their own expense, make a sewer service connection to the public sewer system, in accordance with the provisions of this Ordinance and according to regulations and procedures as the System may establish by ordinance.

ii. Said connection shall be made within three (3) months from the date such sewer line is installed and placed in operation.

iii. Premises are deemed accessible to a public sewer if the System's sewer line is located within reasonable proximity of the property boundary. Reasonable proximity will generally be defined as a public sewer line located within 100 feet of the property line, however, in all cases an alternate determination may be made by the designated representative of the System after consultation with the County Health Department, in a case-by-case basis taking into consideration feasibility and cost.

iv. Failure to connect to a public sewer system under the condition outlined above is hereby declared to be unlawful and to constitute a nuisance.

C. New construction on properties accessible to a public sewer system:

i. All persons owning any premises within the County that are accessible to a public sewer system, and upon which an occupied building is subsequently erected shall, at their own expense, make a sewer service connection to the public sewer system, in accordance with the provisions of this Ordinance.

ii. Said connection shall be made at the time the building is erected. All sewer service connections to the public sewer system shall be made in accordance with the requirements and established procedures of said System.

iii. Premises are deemed accessible to a public sewer if the System's sewer line is located within reasonable proximity of the property boundary. Reasonable proximity will generally be defined as a public sewer line located within 100 feet of the property line, however, in all cases an alternate determination may be made by the designated representative of the System after consultation with the County Health Department, in a case-by-case basis taking into consideration feasibility and cost.

iv. Failure to connect to a public sewer system under the conditions outlined above is hereby declared to be unlawful and to constitute a nuisance.

D. Permanency of connection:

i. Once a property is served by a specific public sewer system and connection is made to said system the owner may not remove, disconnect, or otherwise interrupt the flow of sewage to that system for the purpose of constructing or installing an alternative onsite treatment system or connecting to another sewer system unless so directed by the System and County Health Department or the Division of Water, Kentucky Cabinet for Natural Resources and Environmental Protection.

SECTION 6: PUBLIC SEWER CONNECTION WAIVER

Any persons owning property within the County upon which there is any existing, occupied building, which is accessible to a public sewer system, or any persons owning any occupied building within the County upon premises which at a future date becomes accessible to a public sewer system can apply for a waiver of service if said person can document s/he has a permitted, functioning septic tank, wetlands, aerator system, or other system approved by the County Health Department or permitted by the Division of Water. Said person must provide documentation from the health department that their operating system is permitted and functioning. If such documentation is provided, said persons will receive a one-time waiver to serve the site(s) in question until the on-site system fails and the permit for same is revoked. Once the operating system fails and the

permit is revoked, said person must comply in full with the provisions of this Ordinance and no other waiver will be provided. However, regardless of failure or condition, the waiver will expire five (5) years from the date of notice of sewer service availability. Thereafter, connection must be accomplished within ~~twelve (12)~~ (7) months of notice from the System.

SECTION 7: EXCLUSION OF STORM WATER RUNOFF

- A. The discharge of storm water runoff or other surface water into a public sewer system is hereby prohibited.
- B. All persons proposing to connect to the public sewer system shall provide adequate means for excluding storm water runoff such as from roof drains or foundation drains, or other surface waters from being discharged into the sewer system.
- C. No person once connected to a public sewer shall subsequently connect any roof drain or foundation drain thereto or permit any such drains to remain connected thereto, nor shall he permit, allow or cause to enter into any public sewer any other surface water from any other source.

SECTION 8: PENALTIES

Any person, firm, or corporation violating any of the provisions of this ordinance, or failing or refusing to comply with same shall be fined not less than fifty dollars (\$50.00) nor more than five hundred dollars (\$500.00) for each offense. Each day such person, firm or corporation fails or refuses to comply with the specific directions of this ordinance, shall constitute a separate offense.

SECTION 9: NON-INTERFERENCE WITH FUTURE REGULATIONS

No statement contained in this Ordinance shall be construed to interfere with any other requirements that may be imposed by applicable local or state laws or regulations. If any court of competent jurisdiction shall rule any clause, provision or section of this Ordinance void or unenforceable, the remainder of this Ordinance shall be enacted and shall be in force and effect notwithstanding.

SECTION 10: AUTHORIZATION TO FILE

Following the adoption of this Ordinance, the County Judge/Executive is hereby authorized and directed to file a certified copy of this Ordinance with the County Clerk of Laurel County.

SECTION 11: NON-CONFLICT WITH OTHER REGULATIONS

All ordinances, resolutions and orders and parts thereof, and particularly any ordinances heretofore adopted that are in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 12: SEWER SYSTEM'S POLICY AND PROCEDURES

The Laurel Fiscal Court working in conjunction with the Systems shall adopt Sewer Policy and Procedures documents, consistent with all applicable laws and regulations including those of the Laurel County Health Department and the Kentucky Division of Water, setting forth all procedures to be followed in implementing this Ordinance. Said documents shall be reviewed periodically and updated by the Court as circumstances may require.

SECTION 13: AGREEMENTS

It is understood that the Laurel County Fiscal Court, the City of London, the City of Corbin, the Laurel County Health Department and the Utility Systems serving the county may adopt whatever mutual agreements and ordinances that may be necessary to implement this Ordinance.

SECTION 14: EFFECTIVE DATE

This ordinance shall become effective immediately upon its adoption, approval and publication as provided by law.

First Reading: April 24, 2003

Public Advertisement: April 9, 2003

Amendment: _____

Public Advertisement: _____

Second Reading
And Adoption: May 22, 2003

Public Advertisement: June 13, 2003

LAUREL COUNTY FISCAL COURT

Lawrence Kuhl
Laurel County Judge/Executive

ATTEST:

Melissa Moore
Laurel County Fiscal Court Clerk

KIMOP



KENTUCKY
INTER-MUNICIPAL
OPERATIONAL PERMIT

PERMIT

PERMIT NO. KYP000063

AUTHORIZATION TO OPERATE A WASTEWATER SYSTEM

Pursuant to Authority in KRS 224,

Wood Creek Water District
P.O. Box 726
London, Kentucky 40743

is authorized to operate a facility (wastewater collection system) for further transportation to receive ultimate treatment and disposal at

London Utility Commission
London Wastewater Treatment Plant
801 North Main Street
London, Laurel County, Kentucky

in accordance with all applicable provisions of said Statute and all rules and regulations hereto and hereafter issued by the Department.

This permit is issued for the period from June 1, 2005 to May 31, 2010.

Issued at Frankfort, Kentucky this the 31st day of May 2005.

May 31, 2005
Date Signed

A handwritten signature in black ink, appearing to read 'David W. Morgan'.

David W. Morgan, Director
Division of Water

Lloyd R. Cress
Commissioner

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Division of Water, Frankfort Office Park, 14 Reilly Road, Frankfort, Kentucky 40601
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KIMOP - Renewal
 Wood Creek Water District Wastewater Collection
 Subject Item Inventory

Activity ID No.: APE20050001

Subject Item Inventory:

ID	Designation	Description
AIOO44332		
MNPT1		Transfer Point to London WWTP

KEY

ACTV = Activity
 AREA = Area
 EQPT = Equipment
 PERS = Personnel
 STOR = Storage
 TRMT = Treatment

AIOO = Agency Interest
 COMB = Combustion
 MNPT = Monitoring Point
 PORT = Transport
 STRC = Structure

EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Subject Item: Transfer Point to London WWTP

MNPT0000000001:

Such discharges shall be limited and monitored by the permittee as specified below:

Parameter	Discharge Limitations							Monitoring Requirements			
	Quantity / Loading Average	Quantity / Loading Maximum	Quantity / Loading Units	Conc. / Quality Minimum	Conc. / Quality Average	Conc. / Quality Maximum	Conc. / Quality Units	Frequency	Sample Type	Which Months	
<i>Flow, In Conduit Or Thru Treatment Plant see comments (T)</i>	*****	*****	*****	*****	Report Monthly average (AV)	Report Daily maximum (MX)	population served	quarterly	measurement	All Year	
<i>Population Served see comments (T)</i>	Report Monthly average (AV)	Report Daily maximum (MX)	MGD (MA)	*****	*****	*****	*****	quarterly	measurement	All Year	
<i>Precipitation Volume see comments (T)</i>	*****	*****	*****	*****	*****	*****	*****	two times per month	measurement	All Year	

KIMOP - Renewal
 Wood Creek Water District Wastewater Collection
 Facility Requirements

Activity ID No.: APE20050001

Submittal/Action Requirements:

Condition No.	Item ID	Condition
S-1	MNPT1	The permittee shall submit permit application for renewal: Due 1 calendar day before permit expiration date. [401 KAR 5:005 Section 27]
S-2	MNPT1	Discharge Monitoring Report (DMR): The permittee shall submit analytical results on quarterly Discharge Monitoring Report (DMR) : Due quarterly, by the 28th of January, April, July, and October to the Division of Water. [401 KAR 5:065 Section 1(12)(d)]

Narrative Requirements:

Condition No.	Item ID	Condition
T-1	MNPT1	<p>Monitoring Requirements:</p> <ol style="list-style-type: none"> 1. All wastewater flow exiting your collection system shall be measured. This includes bypasses, overflows, spills and flow transferred to another wastewater collection system (exit points). 2. Measurement of flows shall be taken by a continuous recording device. Total, average, maximum and minimum daily flow shall be determined. 3. The permittee shall measure the rainfall in the confines of their city, by means of a continuous recording device. 4. The permittee shall maintain accurate records of population served by the system. 5. The permittee shall maintain accurate records of industrial contributors to the system. [401 KAR 5:005 Section 26]
T-2	MNPT1	<p>Record keeping:</p> <p>The permittee shall maintain records of all monitoring information, including calibration and maintenance records, original chart recordings for continuous monitoring devices, plans and specifications of the system including size and length of service lines, location of manholes, service connections and population served. [401 KAR 5:005 Section 26]</p>

KIMOP - Renewal
Wood Creek Water District Wastewater Collection
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Condition No.	Item ID	Condition
T-3	MNPT 1	<p>Standard Permit Conditions - KIMOP:</p> <ol style="list-style-type: none">1. This permit authorizes operation only of the wastewater collection and transfer system described in the permit in the manner and under the conditions described in the "application for permit", plans and specifications, and other data submitted by the permittee to obtain this permit.2. This permit shall not be construed as authorizing any operation which is otherwise in contravention of any law, regulation, ordinance or order of any governmental unit.3. Nothing herein shall be construed to authorize the creation or maintenance of a nuisance, or to relieve the permittee from any penalty for violation of any law or regulation.4. This permit has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal and local agencies.5. This permit shall be subject at all times to revocation or modification by the Kentucky Environmental and Public Protection Cabinet as set forth in KRS 224.6. This permit does not authorize any discharges to the waters of the Commonwealth.7. This permit is issued to the applicant and the permittee shall remain the responsible party for compliance with all applicable statutes and administrative regulations until a notarized change in ownership certification is submitted and acknowledged by the cabinet.8. Provisions of 401 KAR 5:005, Sections 8 & 9 shall apply which may effect the approval of sewer line extensions due to system overload conditions. [401 KAR 5:005 Section 26]

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
- CONSTRUCTION**

Division Responsible: Engineering

Law / Regulation: 807 KAR 5:001: Section 9(2)

- (c) A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.

Description of the proposed location, route, or routes of the new construction or extension:

The proposed location, route, or routes of the new construction or extension is on the roads shown in the table below and as shown on the map in the next item of this submittal.

U.S. Highway 25	Filter Plant Road
Rocky Branch Road	Canyon Park Road
Allen Lewis Road	Arnold Lamp Road
Cliffs Edge Road	Cliffs Fork Road
Lakeview Road	Old Highway 25
Norwood Drive	Cottonwood Street
Rosewood Street	Lake Road
Bill Burge Road	Fishermans Cove Road
Left Fork Fishermans Cove Road	Chaney Ridge Road
Helvetia Road	Slate Lick Road
Kentucky Highway 30	Old Highway 30
Old Crab Orchard Road	Kentucky Highway 490
Maple Avenue	Lynhurst Road
Bridgestone Road	Kentucky Hollow Road

Description of the manner in which same will be constructed:

The proposed project will be constructed of 2" to 6" polyethylene (PE) pressure pipe, individual grinder pump installation and various appurtenances.

Individual sanitary sewer service connections will include the individual grinder pump, electrical connections, and pressure pipe with appurtenances tied into the pressure main. The home owner will be responsible for using a certified plumber to connect to the service lateral and to disconnect and/or abandon their septic tank.

Names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete:

There are no known public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
- CONSTRUCTION**

Division Responsible: Engineering

Law / Regulation: 807 KAR 5:001: Section 9(2)

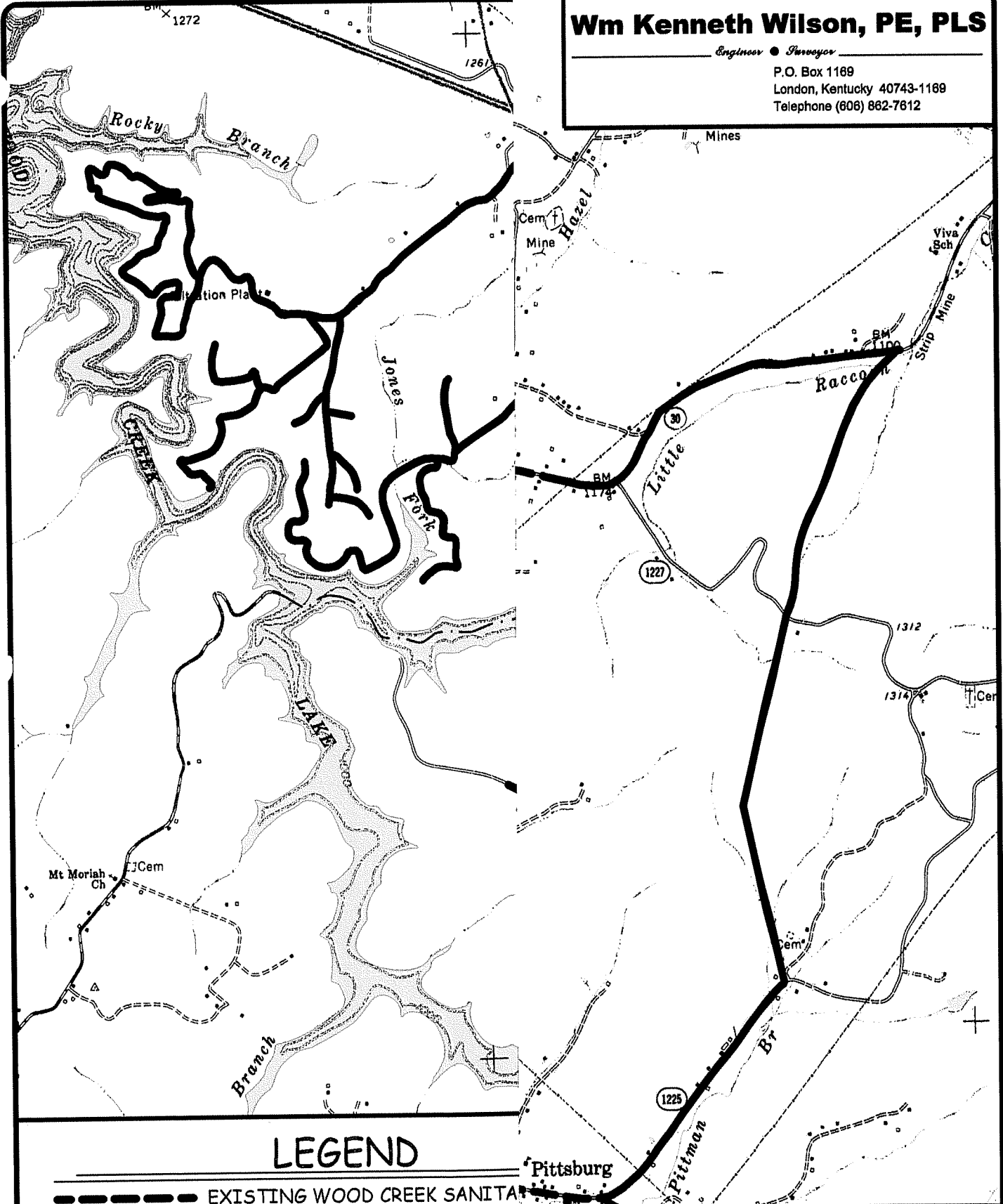
- (d) Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.

Three maps which meet the aforesaid law / regulation follow.

Wm Kenneth Wilson, PE, PLS

Engineer • Surveyor

P.O. Box 1189
London, Kentucky 40743-1189
Telephone (808) 862-7812



LEGEND

- EXISTING WOOD CREEK SANITARY SEWER
- PROPOSED WOOD CREEK SANITARY SEWER

NOTE: THERE ARE NO OTHER KNOWN SEWER FEEDERS ANYWHERE WITHIN THIS MAP AREA.

DRAWN BY
W.K.W.

SHEET
1 of 1

LOCATION MAP OF PROPOSED AND EXISTING SANITARY SEWERS WOOD CREEK WATER DISTRICT

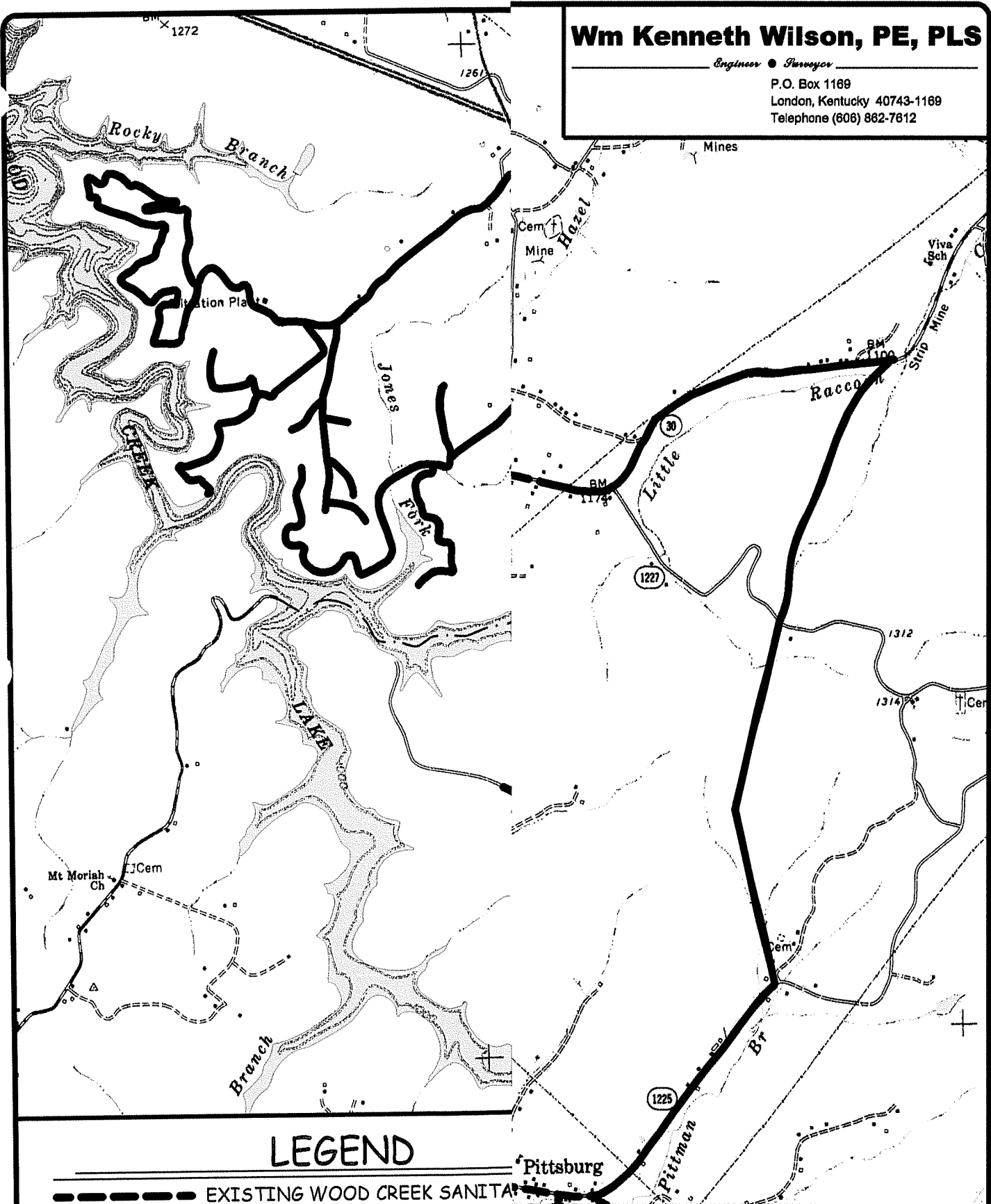
Wm Kenneth Wilson, PE, PLS

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London, Kentucky 40743-1169

Telephone (606) 862-7812



LEGEND

- EXISTING WOOD CREEK SANITARY SEWER
- PROPOSED WOOD CREEK SANITARY SEWER

NOTE: THERE ARE NO OTHER KNOWN SEWER FACILITIES ANYWHERE WITHIN THIS MAP AREA.

DESIGNED BY
M.K.W.

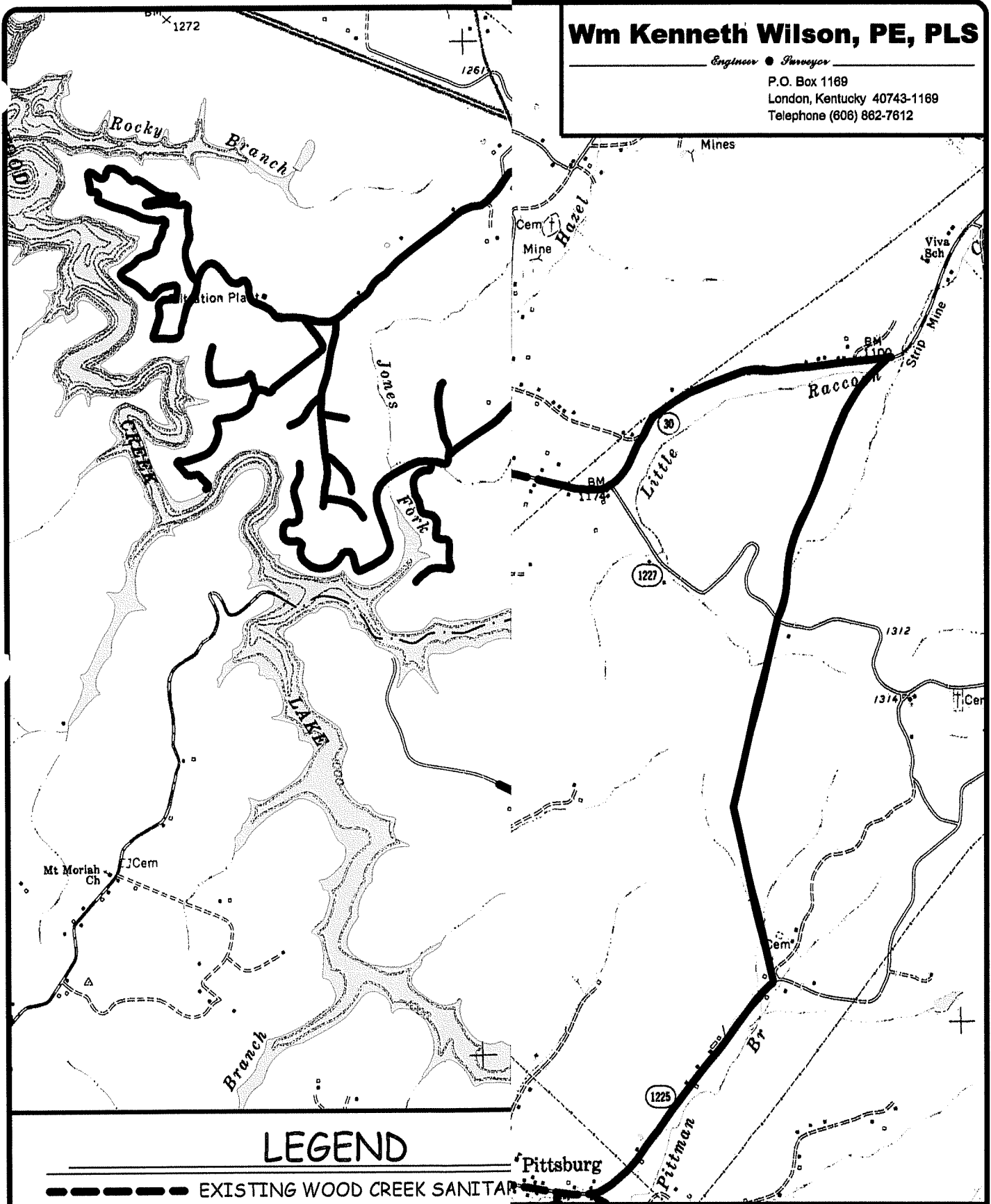
SCALE
1" = 100'

LOCATION MAP OF PROPOSED AND EXISTING SANITARY SEWERS WOOD CREEK WATER DISTRICT

Wm Kenneth Wilson, PE, PLS

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LEGEND

- EXISTING WOOD CREEK SANITARY SEWERS
- PROPOSED WOOD CREEK SANITARY SEWERS

NOTE: THERE ARE NO OTHER KNOWN SEWER FACILITIES ANYWHERE WITHIN THIS MAP AREA.

DRAWN BY
W.K.W.

SCALE
1" = 100'

LOCATION MAP OF PROPOSED AND EXISTING SANITARY SEWERS WOOD CREEK WATER DISTRICT

Proposed financing of project

Project Costs:

Materials (pipe & appurtances)	\$2,000,000
Construction labor	512,000
Engineering	140,000
	<u>\$2,652,000</u>

Funding:

Ky. Infrastructure Authority (grant)	\$2,000,000
Customer tap on fees (proposed 512 @ \$1000)	512,000
Wood Creek Sewer Division contribution	140,000
	<u>\$2,652,000</u>

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
- CONSTRUCTION**

Division Responsible: Engineering & Financial Analysis

Law / Regulation: 807 KAR 5:001: Section 9(2)

(f) An estimated cost of operation after the proposed facilities are completed.

Estimated cost of operation after the proposed facilities are completed:

The estimated cost of operation (annually) after the proposed facilities are completed is shown in the following table:

<u>Item</u>	<u>Estimated Cost</u>
Collection / pumping labor O & M	\$ 30,000.00
Chemicals	10,000.00
Replacement Cost / Escrow	10,000.00
Treatment Cost	\$ 51,600.00
	<hr/>
TOTAL ANNUAL COST OF OPERATION	\$ 101,600.00