

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DONNIE E. AND DELORES A. LOWERY)
)
COMPLAINANTS)
)
v.)
)
JESSAMINE-SOUTH ELKHORN)
WATER DISTRICT)
)
DEFENDANT)

RECEIVED
MAY 15 2006
PUBLIC SERVICE
COMMISSION
CASE NO. 2005-00544

**JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S
RESPONSE TO KENTUCKY PUBLIC SERVICE COMMISSION'S
FIRST DATA REQUEST**

Comes the above-named defendant, Jessamine-South Elkhorn Water District ("District"), and for its Response to the Kentucky Public Service Commission Staff's First Data Request in this proceeding, respectfully states:

1. In its Answer, Jessamine-South Elkhorn states that the Complainants have not applied for service. If the Complainants applied for service and agreed to pay the appropriate, fees, would Jessamine-South Elkhorn be willing to provide them with service? If no, explain.

RESPONSE: The District is unwilling to provide service to the Complainants for two reasons. First, the Complainants' dwelling is located outside the District's territory. Second, there is a source of water located on the property where the Complainants mobile home is located which is currently available to them (i.e., the City of Nicholasville). The Complainants were receiving service from the City until a break occurred in their service line and a large bill accrued. The City refused to reduce the bill and conditioned the resumption of service to the Complainants on payment of the bill and the repair of the service line. Currently, the Complainants are having water hauled by truck to a tank which serves the mobile home similar

to what many other Jessamine County residents are required to do to meet their water needs. Accordingly, this is not a case where the Complainants have no alternative aside from the District providing service. (Glenn T. Smith)

2. Explain why Jessamine-South Elkhorn conditioned service to Complainants upon the City of Nicholasville (“City”) agreeing to serve an un-served area on Bethany Road that is outside Jessamine-South Elkhorn’s territory.

RESPONSE: The un-served residents of Bethany Road were formerly part of the territory of the Spears Water Company. Spears Water Company was acquired by the City of Nicholasville. The City has no current plans to provide service to these residents who are located in Jessamine County, but outside the District’s territory. In an effort to further the goal of the Jessamine County Judge/Executive to make piped water available to all of the residents of the County, the District agreed to provide service to the Complainants, who, according to Nicholasville City officials, have been a constant problem for the City in the past, conditioned on the City permitting the District to serve not only the Complainants, but any other resident or future residents of the farm on which Complainants’ mobile home is located and conditioned on the City agreeing to serve the un-served residents of Bethany Road. The City declined to accept this proposal. (Glenn T. Smith)

3. In his affidavit, Glenn T. Smith states that he received a telephone call from a City official indicating that the City did not object to Jessamine-South Elkhorn serving the Complainants. Describe the terms, if any, under which the City indicated that it would not object to Jessamine-South Elkhorn’s provision of service.

RESPONSE: The City would only agree to the District serving the Complainants’ mobile home and only the Complainants’ mobile home. (Glenn T. Smith)

4. In his affidavit, Mr. Smith states that the City again contacted him and attempted to persuade Jessamine-South Elkhorn to accept the Complainants as a customer. State the reasons given by the City's official for making this offer.

RESPONSE: The Complainants, according to the City official, have been a constant problem for the City in that there have been numerous breaks in the service line to Complainants' mobile home thereby causing numerous requests by the Complainants for billing adjustments. The City has made numerous reductions to the Complainants' past bills. When the last break occurred to the Complainants' service line and a large bill was generated, the City demanded that the Complainants pay the entire bill and repair their service line as a condition to a resumption of service. Although the Complainants refused to pay the bill, a third party has now paid it. However, the Complainants still refuse to repair their service line. If the District agrees to provide service, the City can rid itself of a problem customer. It is the City's desire to shift its problem to the District. (Glenn T. Smith)

5. In his affidavit, Mr. Smith states that after investigating the matter he telephoned the City to advise that Jessamine-South Elkhorn was not interested in serving the Complainants. Describe the investigation and the reason for not wanting to serve the Complainants.

RESPONSE: Following the first call of Danny Johnson from the City, Mr. Smith verified the location of the Complainants mobile home and discovered that it is located outside the District's territorial boundary. Based on this discovery, Mr. Smith advised Mr. Johnson that the District would not serve the Complainants. When Mr. Smith received the second request from Tom Calkins, the City's Director of Public Utilities, he verified the City's history with the Complainants. He further discovered that there is another dwelling located on the farm where the Complainants' mobile home is placed. Nicholasville is currently providing water service to this site-built dwelling. The mobile home's service line is connected to this dwelling and it is this

line which needs repairing. Currently, potable water is delivered by truck to a storage tank from which the mobile home is served. The District's Board determined, after reviewing the matter, that it was not interested in accepting the City's "problem" customer unless the City was willing to make the accommodations discussed in Response No. 2. (Glenn T. Smith)

6. Describe the matters discussed in any telephone conversations between Mr. Smith and either of the Complainants.

RESPONSE: Mr. Smith recalls that he had two telephone conversations with a female, whom he believed to be Mrs. Lowery. The first conversation was a call from Mrs. Lowery advising Mr. Smith that a trench for the new service line had been excavated and she was ready to be connected to the District's main. Mr. Smith responded by advising Mrs. Lowery that her residence was not located within the District's territory and that the District could not serve her. The second conversation, also initiated by Mrs. Lowery, was essentially a call by her asking why the District would not serve her mobile home, to which Mr. Smith replied as he did in the first conversation.

7. Where is Jessamine-South Elkhorn's line located in relation to the Complainants' mobile home?

RESPONSE: The Complainants mobile home is located on the north side of and approximately 600 feet from Chrisman Mill Road. The District's watermain is located on the south side of Chrisman Mill Road and Chrisman Mill Road is the outer limit of the District's territorial boundary. (Glenn T. Smith)

8. State whether the Complainants have installed or are installing a water service line that, if connected to Jessamine-South Elkhorn's water main, would enable Complainants to receive water service from Jessamine-South Elkhorn

RESPONSE: The Complainants have excavated a trench for the construction of a service line from the mobile home to and under Chrisman Mill Road. To the District's best knowledge and belief, the Complainants have not yet installed the service line. However, the contractor, who excavated the trench, states otherwise. The Complainants have also not paid for this contractor's work. If the line is installed and the City and the District agree to the connection to the District's main, the Complainants would have a third source of potable water available to the mobile home. (Glenn T. Smith)

9. In its answer, Jessamine-South Elkhorn included a copy of pages 1 and 3 of the minutes of its Board of Commissioners' meeting of December 7, 2005. Provide page 2 of these minutes.

RESPONSE: See December, 2005 minutes attached. (Diana Clark)

10. Provide copies of any letters, bills, contracts for service, canceled checks, or other documents that relate to this matter and include copies of the minutes from all Board meetings during October and November 2005.

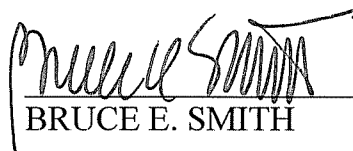
RESPONSE: See October and November, 2005 minutes attached. (Diana Clark)



BRUCE E. SMITH
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NICHOLASVILLE, KENTUCKY 40356
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**ATTORNEY FOR JESSAMINE- SOUTH
ELKHORN WATER DISTRICT**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Jessamine-South Elkhorn Water District's Response to Commission's First Data Request, was served by mailing same, postage prepaid, to Donnie E. and Delores A. Lowery, 2025 Chrisman Mill Road, Nicholasville, Kentucky 40356, this 12th day of May, 2006.



BRUCE E. SMITH

g:\...JSEWD\Lowery's\JSEWD Response 51006

December 7, 2005

The Board of Commissioners of the Jessamine South Elkhorn **Water** District met on December 7, 2005, with the following Commissioners present: Nick Strong, George Dale Robinson, John Blackford, Kenneth Noland, and Jerry Haws. Bruce Smith, Christopher Horne, John Horne, Tom Smith, and Diana Clark were also present.

Jason Banks and Barry Mangold, **Barker Farm**, addressed the Board with a request for water service. This extension will be two tracts, each developed by separate owners, Mr. Mangold and C.V. Ethington. A motion to approve the extension contingent on the hydraulic analysis was made by Mr. Haws, seconded by Mr. Noland - approved.

Barry Mangold, **Forest Hills**, addressed the Board with a request for the relocation of the new **tank site**. Mr. Mangold agreed to give the District another suitable piece of property and reimburse the District for expenses already incurred on the existing lot. Mr. Horne recommended that the District consider the request and respond back to Mr. Mangold.

Rachel King, **Stonebridge**, addressed the Board with a request for water service. A motion to approve the extension was made by Mr. Blackford, seconded by Mr. Haws - approved. This extension will solve the problem of serving the Bradshaw property and looping to end of Pacer.

Mr. Sawyer and Mr. Elder, addressed the Board with a concern on an invoice issued for repair of an air relief valve in **Legacy Estates**. After a discussion the Board agreed since the valve was within the box and damage was caused by Sawyer and Elder, they will be responsible for the amount invoiced.

Mr. Smith was instructed to write Sam Sternberg, **Legacy Estates**, a letter giving thirty days to complete the items on the punchlist or the District will make the repairs and bill the developer.

Mr. Strong reported that he was still working on the insurance coverage for the Commissioners.

Mr. Smith reported that the tariff and water user agreements had been worked on by the staff, but drafts would not be completed for at least another month.

Mr. Horne reported that Judge's position was the City should serve Bethany Rd and he would press the City to serve that area.

There was a discussion on the Lowry property on Chrisman Mill and their request for water service. The City currently serves this property. It was suggested that the District serves provided the City releases the entire farm and the City serve Bethany Rd within a reasonable length of time. Mr. Horne suggested before serving that an agreement be signed that one meter serves one house and the Lowry's pay an individual tap fee plus any required extra cost for running a service line to

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the property. Mr. Smith was instructed to first contact the City for an agreement. A motion to cover the above conditions was made by Mr. Blackford, seconded by Mr. Robinson - three Commissioners voted yes, two voted no.

A motion to clarify the October motion on Territory Deletion to the **City of Wilmore**, as follows:

It is moved that the boundary agreement between the District and the City of Wilmore, as described by the attached description and as depicted upon the attached diagram, be adopted as an amendment to the November and December, 2003, resolutions of this Board, and further moved that the District's counsel prepare and pursue a Petition to Delete Territory with the Jessamine County Judge-Executive to give effect to this boundary agreement after a formal agreement with Wilmore has been signed.

was made by Mr. Blackford, seconded by Mr. Haws - approved. (See attachments to Minutes)

There was a brief discussion on the **Darley Farm** loop easements. It was suggested that the District perform a pressure test on Tashamingo before the beginning of the project for comparison once the project is completed.

There was a discussion on the District's participation of over-sizing the line in **Forest Hills** to accommodate for the new tank. Mr. Smith is to revise the agreement.

Jeff Peters, **Cave Run Estates**, addressed the Board with a request for approval of the final plat. A motion to authorize the signing of the plat was made by Mr. Blackford, seconded by Mr. Robinson - approved.

There was a brief discussions on setting the fire hydrant on Troy Seale's property.

A motion to approve the minutes of the November meeting was made by Mr. Haws, seconded by Mr. Blackford - approved.

The Commissioners were given the following reports for review: Water loss, Income Statement, Balance Sheet, contractual payables for pre-approval, and Customer Accounts spreadsheet. A motion to approve the November bills and December contractual payables was made by Mr. Robinson, seconded by Mr. Noland - approved.

Mr. Horne reported that the design for the **Unserviced Rural Water** project would be completed by spring of 2006.

Mr. Haws stated that Lake Water District in Mercer Co. had approached him with a request to serve River Road. After a discussion it was recommended by Mr. Horne to release the River Rd territory and Mr. Haws was given the authority to notify that district to proceed with a formal request.

There was a discussion on the salary for Commissioners and what had been approved by Fiscal Court.

There was a discussion on **Legacy Estates**. A letter was sent from District #1 stating they were ready to take over this extension. Mr. Smith is going to review the agreement.

There was a question asked if the Commissioners were bonded. Mr. Smith will review this issue.

A motion to re-elect the present officers by acclamation was made by Mr. Haws, seconded by Mr. Robinson - approved - Mr. Blackford voted against the motion.

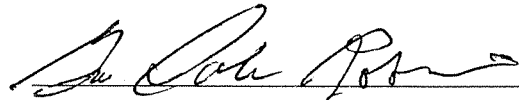
There was a brief discussion on obtaining an office building for the District.

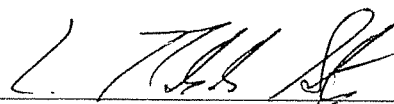
A motion to pay the Treasurer an extra \$200 for services was made by Mr. Haws, seconded by Mr. Strong - approved.

The Commissioners went into Executive Session to discuss Christmas bonuses for the District's employees.

There being no further business to come before the Board, meeting adjourned.

ATTEST:





Chairman

November 1, 2005

The Board of Commissioners of the Jessamine South Elkhorn **Water** District met on November 1, 2005, with the following Commissioners present: Nick Strong, John Blackford, Kenneth Noland, and Jerry Haws. Bruce Smith, Christopher Horne, John Horne, Tom Smith, and Diana Clark were also present.

Jason Banks, Bruce Simpson, Don Shannon, Tom Kelley, **Clays Crossing**, addressed the Board with a request for water service. A Request for an Extension was given to the representatives. A motion contingent on the submittal of the Request and signing of the Interim Agreement to approve water service was made by Mr. Haws, seconded by Mr. Blackford - approved.

Mr. Claggett, **Hunters Ferry Rd**, addressed the Board with an update on water service.

Jim Martin and Rusty Thompson, **Darley at Jonabel**, addressed the Board with a response to the District's proposal for a loop through the farm. A Request for an Extension was given to the representatives. It was suggested that a bid for their line proposal and a bid for the District's proposal be submitted and compared. A motion to approve the extension contingent on the submittal of the Request was made by Mr. Haws, seconded by Mr. Blackford - approved.

Ken Larish and Mr. Sewell, **500 Bellerive Blvd**, addressed the Board with a request for water service.

Mr. Smith reported that the **Troy Seale** settlement order had been accepted by the PSC. He also stated that payment would be made when the fire hydrant is set.

Work session for the PSC tariff was set for December 5th, 1:00 PM.

There was a discussion on **Stephenson's** bill. The Board approved the October billing with the exception of one duplicate charge and one charge for locating a line.

The Commissioners were given the following reports for review: Water loss, Income statement, Balance sheet, A/P's for pre-approval, contractual payables for pre-approval, and Customer accounts spreadsheet. A motion to approve the November payables and the was made by Mr. Blackford, seconded by Mr. Noland - approved.

A motion to accept the minutes of the October meeting was made by Mr. Noland, seconded by Mr. Blackford - approved.

The Request for an Extension and the Hydraulic Analysis were presented for **The Oaks** at Cave Springs.

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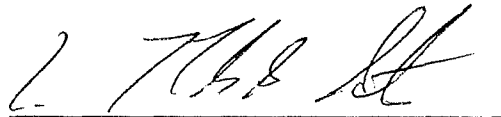
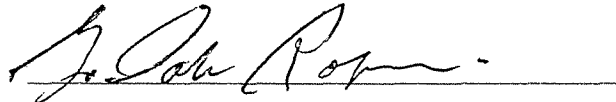
Mr. Horne stated that the plat for **Forest Hills** did not acknowledge that the District owns an acre lot for an elevated tank which adjoins the development. He is going to send a letter to the contractor and developer to correct the plat so future homeowners are aware of the future tank site.

There was a discussion on a maintenance agreement for the telemetry system. The Board agreed that the agreement was not necessary.

After a discussion of line items, a motion to approve the **2006 Budget** was made by Mr. Blackford, seconded by Mr. Noland - approved.

There being no further business to come before the Board, meeting adjourned.

ATTEST:



Chairman

October 5, 2005

The Board of Commissioners of the Jessamine South Elkhorn **Water** District met on October 5, 2005, with the following Commissioners present: George Dale Robinson, Nick Strong, John Blackford, and Kenneth Noland. Bruce Smith, Christopher Horne, John Horne, Steve Stephenson, Tom Smith, and Diana Clark were also present.

John Horne presented a map of the boundary between JSEWD and **City of Wilmore**. City of Wilmore is requesting a release of a portion of the District's territory which is not being served by the District at this time. A motion to release the remaining portion of the Talbott Farm and amend the agreed boundary was made by Mr. Robinson, seconded by Mr. Blackford - approved.

Christopher Horne presented the results of the hydraulic analysis on **Darley at Jonabel**. There was a discussion on the proposal of running a loop through the farm and placing meters at each end to serve the farm.

Two representatives of Countrytyme, **Cave Run Estates**, addressed the Board with the corrected plat. There was a discussion on who was to sign the Interim Agreement. The plat was signed and would be held until the Interim Agreement is signed by Larry Wilcox.

Jim Martin and a representative of **Darley at Jonabel** addressed the Board to discuss the proposal for a loop running through the farm and the placement of meters and possible fire hydrants.

Teresa Reece, 4261 Sulphur Well Rd, addressed the Board with a request for water service and to be set up on a payment plan to cover the previous 12-month minimum billing charge. Mrs. Reece agreed to pay \$100 and sign an agreement to pay the balance within twelve months.

Rick Moore, **Renaissance Run Estates**, addressed the Board with a request for an extension. No action was taken until the hydraulic analysis is completed.

The Chairman's report on insurance coverage was tabled until the November meeting.

Mr. Smith reported that Mr. Marshall had not prepared the **Troy Seale** settlement order.

There was a discussion on the revised User Agreement.

There was a discussion on the backflow certification. A motion for both Tom and Larry to take and be compensated for the training at their regular salary rate was made by Mr. Blackford, seconded by Mr. Robinson - approved.

There was a discussion on the **Stephenson** contract. A motion to approve the contract was made by Mr. Blackford, seconded by Mr. Robinson - approved.

The work session for the PSC tariff will be held before the December meeting.

The November meeting was rescheduled to Tuesday, November 1st.

There was a brief discussion on the salary documentation from Jessamine Co Fiscal Court.

There was a discussion on the **Tom Wheeler** water service. A motion to sign the easement was made by Mr. Robinson, seconded by Mr. Noland - approved.

A motion to approve the minutes of the September meeting was made by Mr. Blackford, seconded by Mr. Noland - approved.

There was a discussion on the deposit tariff. It was suggested to form a criteria to waive the deposit for ownership of property or providing a letter of credit from a previous utility showing no more than two late payments over the past twelve months.

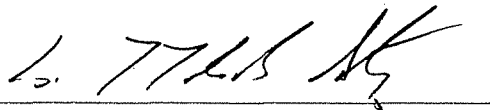
The Commissioners were given the following reports for review: Water loss, Income statement, Balance sheet, A/P's for pre-approval, contractual payables for pre-approval, and Customer accounts spreadsheet. A motion to approve the October payables was made by Mr. Robinson, seconded by Mr. Noland - approved.

The Commissioners were given a copy of the Kentucky Open Records and Open Meetings Act provided by Judge Cassity.

A motion to authorize the Chairman to sign the paperwork for the **Rural Unserved Project** was made by Mr. Blackford, seconded by Mr. Robinson - approved. Mr. Smith took the packet to fill in the blanks to submit with his letter.

There being no further business to come before the Board, meeting adjourned.

ATTEST:



Chairman