

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RECEIVED

SEP 25 2006

PUBLIC SERVICE
COMMISSION

KENTUCKY DAM VILLAGE)
STATE RESORT PARK,)
KENTUCKY DEPARTMENT OF PARKS)
COMMERCE CABINET)

COMPLAINANT)

V.)

CASE NO. 2006-00365

NORTH MARSHALL)
WATER DISTRICT)

DEFENDANT)

ANSWER OF NORTH MARSHALL WATER DISTRICT
TO COMMISSION STAFF'S FIRST DATA REQUEST

Comes now the Defendant, North Marshall Water District, by and through the undersigned counsel, and files its Answer to the Commission Staff's First Data Request.

1. Provide a copy of all written agreements and contracts for service between Kentucky Dam Village State Park Resort ("Kentucky Dam Village") and North Marshall.

ANSWER: Please see attached.

2. Provide copies of minutes of all meetings of the Board of Commissioners at which service to Kentucky Dam Village was discussed.

ANSWER: N/A (none found)

3. Provide copies of all documents related to the provision of utility service to Kentucky Dam Village.

ANSWER: See answer to #1

4. State whether North Marshall Water agrees that the late penalty fee provisions of Finance Cabinet Policy FAP 110-10-00 are incorporated by reference into any contract between the Department of Parks and North Marshall for the provision of water service to Kentucky Dam Village.

ANSWER: This request calls for a legal conclusion.

5. Provide a copy of the bill for water service to Kentucky Dam Village that North Marshall rendered in April 2006.


ANSWER: The original bill was mailed to Kentucky Dam Village in April 2006. No duplicates were made and the stub was not returned with payment. No copy is available.

6. State the date in April 2006 on which North Marshall rendered its bill for water service to Kentucky Dam Village.

ANSWER: On or about April 25, 2006.

7. State the date on which the Department of Parks submitted its payment for the April 2006 bill.

ANSWER: On or about Mary 15, 2006.



JASON F. DARNALL
ASSISTANT MARSHALL CO. ATTORNEY
80 JUDICIAL DRIVE, UNIT 130
BENTON KY 42025
(270) 527-4730

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed by U.S. Mail on this the 21st day of September, 2006, to the following:

Beth O'Donnell
Executive Director
Public Service Commission
P O Box 615
Frankfort KY 40602

Catherine York
Deputy General Counsel
500 Mero Street
CPT 24th Floor
Frankfort KY 40601



JASON F. DARNALL
ASSISTANT MARSHALL CO. ATTORNEY

AGREEMENT

WHEREAS the North Marshall Water District, Benton, Kentucky, has the ability to and considers it economically beneficial to furnish the Commonwealth of Kentucky, Department of Parks, a supply of potable water sufficient to meet the needs and obligations of Kentucky Dam Village State Resort Park, Gilbertsville, Kentucky; and

WHEREAS the Commonwealth of Kentucky, Department of Parks, finds it economically unfeasible and operationally undesirable to continue producing said potable water supply at their present filter plant located within the park; and

WHEREAS said present water plant is incapable of providing potable water in sufficient quantities or of a satisfactory quality to meet the present and future demands of Kentucky Dam Village State Resort Park;

NOW THEREFORE, in consideration of the payments set out hereinafter and the mutual benefit of the parties hereto, the North Marshall Water District, Benton, Kentucky (hereinafter called the "District") hereby agrees to furnish the Commonwealth of Kentucky, Department of Parks (hereinafter called the "Department") a supply of potable water sufficient to meet the needs and obligations of the Department at their Kentucky Dam Village State Resort Park location under the following terms and conditions, on this the 25 day of June, 1969:

- 1.) District agrees to connect their 6 inch Transite pipe line to the Department's existing 6" cast iron pipe line at Cottage No. 111 with 6 inch Transite pipe of first quality material and workmanship, said connecting pipe and fittings to be installed complete and ready for service and properly backfilled but not seeded for \$4,554.00.

- 2.) District agrees to install a 4 inch Compound Meter of first quality construction with valves, bypass and fittings, complete in a concrete structure and ready for service, for \$3,237.00. This meter will be installed at the end of the District's line, across Highway 641 from the Department's nearest Executive Cottage.
- 3.) District agrees to operate the Department's existing 100,000 gallon tank "in series" with other tanks and to provide and install an altitude valve (with electrical equipment and wire connection to the pump) to prevent overflowing said tank. This shall be done at the District's expense.
- 4.) District agrees to inspect the Department's water lines, valves and hydrants, and to adjust and flush same as needed, at the District's cost.
- 5.) District agrees to maintain the Department's existing pumping plant on an emergency stand-by basis at District's cost. Minor repairs, adjustments and general maintenance of the plant shall be performed by the District at their cost. Major repairs shall be performed by District only with the Department's prior approval and at a cost to the Department equal to District's actual labor and material cost plus a 10% supervision charge. Major repairs include, but are not necessarily limited to: broken pipe; joint leaks; and extensive valve, or fitting repairs.
- 6.) District agrees to maintain the Department's existing water line system. Minor repairs, adjustments, and general maintenance of the system shall be performed by the District at its cost. Major repairs shall be performed by District only with the Department's prior approval and at a cost to the Department equal to District's actual labor and material cost plus a 10% supervision charge. Major repairs include, but are not necessarily limited to:

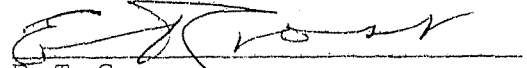
broken pipe; joint leaks; and extensive valve, or fitting repairs.

- 7.) District shall plan and supervise any major work done on the Department's existing 100,000 gallon water tank at an amount equal to the District's actual labor and materials cost plus a 10% supervision charge.
- 8.) The District shall supply the Department pure, clean, potable water in sufficient quantity to meet the Department's needs and obligations at the rate of thirty five (35) cents per 1,000 gallons, through a master meter which will be read and billed monthly.
- 9.) District agrees to review the rates charged for water under 8.) above at the end of three (3) years and make any necessary adjustments thereto, except that no increase in the rate payable hereunder shall be made without prior approval of the Department, which approval shall not be unreasonably withheld.
- 10.) District agrees to review the rates charged for maintenance costs under 5.), 6.) and 7.) above at the end of one (1) year and make any necessary adjustments thereto, except that no increase in the rate payable hereunder shall be made without prior approval of the Department, which approval shall not be unreasonably withheld.

IN WITNESS WHEREOF the parties hereto have set their
hand the day and year first above written.

NORTH MARSHALL WATER DISTRICT

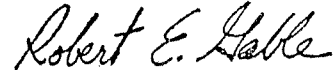
BY:


E. T. Cross

Chairman of Commissioners

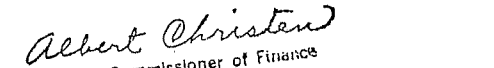
COMMONWEALTH OF KENTUCKY
DEPARTMENT OF PARKS

BY:



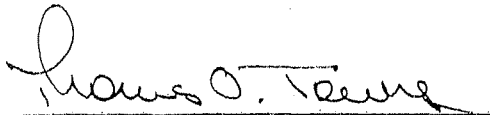
Robert E. Gable, Commissioner

APPROVED:

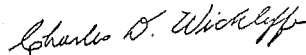

Commissioner of Finance

Albert Christen, Commissioner
Department of Finance

APPROVED:

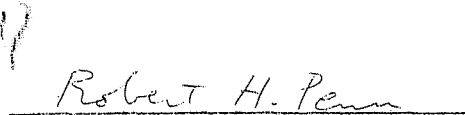


Thomas Townes, Director
Division of Properties
Department of Finance



Charles Wickliffe, Attorney
Department of Finance

PREPARED BY:



Robert H. Penn, Attorney
Department of Parks