

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

CARROLL COUNTY WATER DISTRICT NO.1)

COMPLAINANT)

VS.)

WHITEHORSE DEVELOPMENT CO.)

INTERVENING COMPLAINANT)

VS.)

CASE NO. 2007-00202

GALLATIN COUNTY WATER DISTRICT)

DEFENDANT)

**COMPLAINANT CARROLL COUNTY WATER DISTRICT NO.1'S
SUMMARY OF WITNESS TESTIMONY**

** ** * * * **

Comes now the Complainant Carroll County Water District No. 1, and for its summary of expected testimony of its witnesses states as follows:

1. James L. Smith, Manager, Carroll County Water District No. 1, P.O. Box 350, Ghent, Kentucky 41045; Phone (502) 347-9500. Mr. Smith is a chemical engineer by profession. He holds a bachelor of science degree in Chemical Engineering from Purdue University. After working six (6) years at the Dow Corning Corporation, he traveled to Saudi Arabia for nine (9) years where he was employed as General Manager of the Ras Tanura Refinery. He returned to Carroll County in 1980, and was appointed to the Carroll County Water District (hereinafter "District") as

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a Commissioner in 1982. After serving in that position for 12 years, he became Manager of the District in 1994.

Mr. Smith will testify about the current boundary of the District with the 1983 and 1998 boundary changes. He will establish for the record the physical boundaries of the District utilizing maps and charts previously filed with the Commission, and indicate where Gallatin County Water District ("GCWD") has intruded upon the District's boundaries with its water line extension. By way of background, he will explain the capabilities of the District and its financial investment in Gallatin County which was made in an effort to provide water at the request of the then-Gallatin County Judge Executive Clarence Davis to the area of the county that was not served with water. He will explain to the Commission that when the District boundary was enlarged to include a portion of Gallatin County by consent of the Carroll and Gallatin County Judge Executive, the District managing board was expanded to include voting members from Gallatin County.

Mr. Smith will confirm that the intrusion into the District boundaries was not known until November of 2006, and the efforts made by the District to resolve the matter without the necessity of litigation before the Commission. Mr. Smith will confirm that the District is ready, willing and able to serve the proposed commercial development with its four inch line. Mr. Smith will testify that GCWD extended its water line without a certificate of convenience and necessity from the Commission, and without the knowledge or consent of the District. He will confirm that the GCWD had a permit from the Kentucky Division of Water for the project, but that the District was not notified of the permit until after it was obtained. Further, despite the parties' Agreed Order not to continue construction during the pendency of this action, he will testify that he witnessed construction on going and photographed the equipment.

Mr. Smith will further discuss in his testimony the contacts with Adam Chaney of Chaney Land Development, LLC, a/k/a Whitehorse Development, and its failure to apply to the District for water service. He will furnish the Commission with information provided by Mr. Chaney which establishes the ability of the District to serve this customer.

2. Harold "Shorty" Tomlinson, Carroll County Judge-Executive, Carroll County Courthouse, 440 Main Street, Carrollton, Kentucky 41008; Phone (502) 732-7000. Judge Tomlinson is the duly elected and qualified county judge for Carroll County. He will testify to the efforts made to resolve the dispute between Gallatin County Water District and the Carroll County Water District No. 1 prior to the filing of this action, and will confirm the boundaries of the respective water districts.

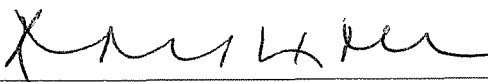
3. Donna Marlin, Branch Manager, Drinking Water Branch, Division of Water, Environmental and Public Protection Cabinet, 14 Reilly Road, Frankfort, Kentucky 40601; Phone (502) 564-2150. Ms. Marlin is the Branch Manager for the Drinking Water Branch of the Division ("Division") of Water with the Environmental and Public Protection Cabinet. She will testify that Gallatin County Water District filed plans and specifications to construct an eight (8) inch water line of approximately 3,970 feet which intrudes into the territorial boundaries of the District. She will confirm that the Division approved the GCWD's plans for the project with respect to its sanitary features of design and issued a waterline extension construction permit on or about April 10, 2007. She will testify that the GCWD is the only entity authorized to use that permit.

4. Darrell Lykins, 231 Ghent Eagle South Road, Ghent, Kentucky; Phone (502) 347-5690. Mr. Lykins owns a company called Lykins Construction. He was the successful bidder for a GCWD water line project that initially extended into the District's boundaries. He will testify concerning that project and what information he received to construct the project. At the time of the

construction, he will confirm that he was an employee of the District, but was working on the GCWD construction project in his capacity as an independent contractor. He will testify that the District did not give him 'permission' to work on the GCWD construction.

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By: 
Ruth H. Baxter

CERTIFICATE OF SERVICE

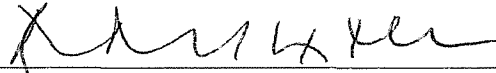
This is to certify that a true and correct copy of the foregoing Summary of Witness Testimony was mailed postage prepaid, on this the 22nd day of October, 2007, to:

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Carroll County Water District No. #1