



Steven L. Beshear  
Governor

David L. Armstrong  
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Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
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James Gardner  
Vice-Chairman

John W. Clay  
Commissioner

William Duncan  
Center Ridge Water District No. 2  
69 Marguerite Blvd  
Newconcord, KY 42076

July 17, 2008

RE: Case No. 2008-00145

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

SS/rs  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CENTER RIDGE WATER DISTRICT, INC.	)	
_____	)	CASE NO. 2008-00145
	)	
ALLEGED VIOLATIONS OF 807 KAR 5:066	)	

ORDER

Center Ridge Water District, Inc.<sup>1</sup> ("Center Ridge"), a corporation organized pursuant to KRS Chapter 271B, owns and operates facilities that treat and distribute water to the public for compensation in Calloway County, Kentucky. It is a utility subject to Commission jurisdiction.<sup>2</sup>

KRS 278.280(2) directs that the Commission prescribe rules and regulations for the performance of services by utilities. Pursuant to this statutory directive, the Commission has promulgated 807 KAR 5:066, which prescribes general rules for the operation of a water utility.

Commission Staff has submitted to the Commission a Utility Inspection Report, a copy of which is appended as Appendix A, that contains the findings of its inspection of Center Ridge's facilities on June 5, 2007.<sup>3</sup> In its report, Commission Staff alleges that:

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<sup>1</sup> In its Utility Inspection Report, Commission Staff refers to Center Ridge Water District, Inc. as Center Ridge Water District No. 2. The office of the Kentucky Secretary of State reports that this name is an assumed name for Center Ridge Water District, Inc. See <http://apps.sos.ky.gov/business/obdb/showentity.aspx?id=0493799&ct=09&cs=99999> (last visited July 10, 2008).

<sup>2</sup> KRS 278.010(3)(d); KRS 278.040.

<sup>3</sup> On June 8, 2007, Commission Staff mailed a copy of the Utility Inspection Report to Center Ridge by U.S. Mail and requested that Center Ridge respond to the report no later than July 15, 2007. See Appendix B. Commission Staff did not receive a response to the Utility Inspection Report. On or about December 12, 2007, Commission Staff mailed another copy of its request of June 8, 2007 to Center Ridge. It has not received any response to this second request.

1. Center Ridge failed to install an approved flushing hydrant or blowoff for flushing purposes on dead end mains in certain portions of its distribution systems as 807 KAR 5:066, Section 8(2), requires.

2. As it has allowed the presence of loose electrical wiring at all of its distribution systems, Center Ridge has failed to operate and maintain its distribution systems in a manner to provide adequate and safe service to its customers as 807 KAR 5:066, Section 7, requires.

3. As it has allowed the water storage tank serving Center Ridge System No. 3 to rust and develop leaks, Center Ridge has failed to operate and maintain Center Ridge System No. 3's distribution system in a manner to provide adequate and safe service to its customers as 807 KAR 5:066, Section 7, requires.<sup>4</sup>

Finding that *prima facie* evidence exists that Center Ridge has failed to comply with Administrative Regulation 807 KAR 5:066, the Commission, on its own motion, HEREBY ORDERS that:

1. Center Ridge shall appear before the Commission on August 13, 2008, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of presenting evidence concerning its three alleged violations of 807 KAR 5:066 and to show cause why it

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<sup>4</sup> In the Utility Inspection Report, Commission Staff also alleges that Center Ridge failed to comply with 807 KAR 5:066, Section 3(4)(b), when it failed to report a Letter of Warning that the Department of Environmental Protection issued Center Ridge on May 16, 2006. As the Environment and Public Protection Cabinet's administrative regulations did not require public notification of the subject of the Letter of Warning, Center Ridge was not required by 807 KAR 5:066, Section 3(4)(b), to notify the Commission. Consequently, there is no evidence to support this alleged violation.

Commission Staff also alleged that Center Ridge failed to comply with 807 KAR 5:066, Section 5(2), by failing to maintain at least one recording pressure gauge for a minimum of one week per month in continuous service at some representative point on its mains. The only evidence in the Utility Inspection Report regarding this allegation is the notation "only 7 pressure recordings for the year." Since the time period in which the utility made these pressure readings is unknown and undocumented, there is no evidence to support the allegation.

should not be subject to the penalties prescribed in KRS 278.990(1) for each of its three alleged violations.

2. Within 20 days of the date of this Order, Center Ridge shall file with the Commission a written response to each allegation set forth in the Utility Inspection Report of June 7, 2007.

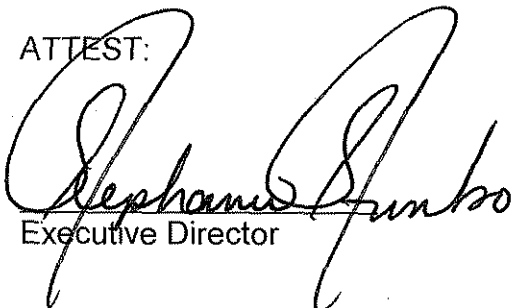
3. The documents appended to this Order are made a part of the record of this proceeding.

4. Any motion requesting an informal conference with Commission Staff to consider any matters which would aid in the disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 17th day of July, 2008.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00145 DATED JULY 17, 2008

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 6/7/2007

Report Number: CenterRidgeWDI-060507

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**BRIEF**

**Inspector:** Joe Greenwell  
**Inspection Date:** 6/5/2007  
**Type of Inspection:** Periodic Regulatory Compliance Inspection

**Type of Facility:** Distribution Facility with a Treatment Plant  
**Name of Utility:** Center Ridge Water District No. 2  
**Location of Facility:** 281 Morris Road, Dexter, Kentucky 42036; Attention William Duncan, Manager/Owner  
**Purpose of Inspection:** Periodic inspection of utility facilities and management practices to verify compliance with PSC regulations

**Applicable Regulations** KRS 278 and 807 KAR Chapter 5

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**INSPECTION**

**Description of Utility:** Treatment plant with 7 wells  
**Number of Customers:** 350  
**Area of Operation:** Calloway County  
**Supply Source:** 7 wells  
**Distribution Description:** Average daily consumption of 20,000 gallons; 40 miles of distribution line (PVC)  
**Workforce Summary:** 2 Total Staff: 1 Office; 1 Field  
**Utility Reps in Insp:** Bill Duncan  
**Date of Last Inspection:** 3/25/2006  
**DTR from Last Insp:** 2  
**DTRs not Cleared:** 2

**Summary of items and facilities Inspected:**

Records including, but not limited to, pressure charts; flushing; service interruptions; complaints; facilities inspections and procedures; operation and maintenance manual; facilities maintenance; safety guidelines; a copy of a water shortage response plan; and the service area map, etc.; Center Ridge Wellhouse #4; bladder tanks (150 gal. each); water tank (1000 gal.) in the wellhouse; #1 well with loose wiring in the #1 wellhouse; flushing records; #2 wellhouse with loose wiring; flush hydrant on the #2 system; #2 water storage facility (500 gal.); #4 well; #5 well; #3 water system with a leaking and rusting water storage facility (1000 gal.); #6 well; and #7 well.

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 6/7/2007

Report Number: CenterRidgeWDI-060507

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**FINDINGS**

- 1 Only 7 pressure recordings for the year.
- 2 No flush hydrants in systems 1, 3, or 4.
- 3 All 4 water systems appears to be in need of maintenance. Loose wiring is present in all 4 systems, and the #3 system has a leaking and rusting water tank. The main concern is the reason these facilities were allowed to reach their current condition. This is indicative that the utility's facilities are not operated with adequate and safe service to its customers. This could also be indicative of the utility's lack of adherence to prescribed inspection/maintenance procedures or operation and maintenance manual.
- 4 Center Ridge Water District, Inc. didn't report Letter of Warnings (LOW) issued on 4/21/2006 due to low residual chlorine.

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**RECOMMENDATIONS**

Center Ridge Water District Inc. shall obtain pressure recordings once a month for 7 days.

Center Ridge Water District, Inc. shall provide appropriate flushing capabilities on systems 1, 3, and 4, as flushing system at customer's residence may not achieve desired results. The velocity of at least 2.5 feet per second in the water main is the desired velocity to achieve acceptable flushing results.

Center Ridge Water District shall provide maintenance attention to all 4 water systems. Loose wiring is present in all 4 systems and shall be enclosed in a conduit to prevent electrocution. Also, the tank in system #3 is leaking and rusting. These maintenance recommendations should be the result of the utility's adherence to inspection/maintenance procedures filed at the Public Service Commission.

Center Ridge Water District, Inc. shall report all letters of warnings, notices of violations, public notices, etc. to the Public Service Commission when issued by the Division of Water. (See attachment.)

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**ADDITIONAL INSPECTOR COMMENTS**

The district was given a copy of the water utility inspection quick reference, the water utility inspection checklist, the Public Service Commission's water loss monthly report, the water utility inspection procedures outline, the general outline for inspection plans, and the new edition of the laws affecting public utilities.

Center Ridge Water District, Inc. is comprised of 4 separate water systems in Calloway County. The #1 system has very old lines which need to be replaced.

A follow-up inspection will be conducted within 6 months.

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 6/7/2007

Report Number: CenterRidgeWDI-060507

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Submitted by



Joe Greenwell

Utility Regulatory and Safety Investigator III



## Deficiency Tracking Report

### Deficiency Detail

Utility	Date of Investigation	Investigator
Center Ridge Water District No. 2	6/5/2007	Joe Greenwell

### Regulation

807 KAR 5:066 Sec. 5(2) Each utility shall provide itself with (1) or more recording pressure gauges to make pressure surveys as required by these rules.

Deficiency:

Only 7 pressure recordings for the year.

If Repeat Deficiency, Date of Last DTR: 7/20/2005

### Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Response Provided By: \_\_\_\_\_

Response Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## Deficiency Tracking Report

### Deficiency Detail

Utility	Date of Investigation	Investigator
Center Ridge Water District No. 2	6/5/2007	Joe Greenwell

### Regulation

807 KAR 5:066 Sec. 8(2) ... Mains with dead ends shall be flushed at least once each year but more often if necessary to maintain the quality of the water.

Deficiency:

No flush hydrants in systems 1, 3, or 4.

If Repeat Deficiency, Date of Last DTR: 3/28/2006

### Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Response Provided By: \_\_\_\_\_

Response Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## Deficiency Tracking Report

### Deficiency Detail

Utility	Date of Investigation	Investigator
Center Ridge Water District No. 2	6/5/2007	Joe Greenwell

### Regulation

807 KAR 5:066 Sec. 7 The utility's facilities shall be ... operated so as to provide adequate and safe service to its customers ...

### Deficiency:

All 4 water systems appears to be in need of maintenance. Loose wiring is present in all 4 systems, and the #3 system has a leaking and rusting water tank. The main concern is the reason these facilities were allowed to reach their current condition. This is indicative that the utility's facilities are not operated with adequate and safe service to its customers. This could also be indicative of the utility's lack of adherence to prescribed inspection/maintenance procedures or operation and maintenance manual.

If Repeat Deficiency, Date of Last DTR:

### Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Response Provided By: \_\_\_\_\_

Response Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## Deficiency Tracking Report

### Deficiency Detail

Utility	Date of Investigation	Investigator
Center Ridge Water District No. 2	6/5/2007	Joe Greenwell

### Regulation

807 KAR 5:066 Sec. 3(4)(b) Report to the commission. If a utility is required by the Natural Resources Cabinet to make a public notification ..., the utility shall provide the commission with a copy...

Deficiency:

Center Ridge Water District, Inc. didn't report Letter of Warnings (LOW) issued on 4/21/2006 due to low residual chlorine.

If Repeat Deficiency, Date of Last DTR:

### Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Response Provided By: \_\_\_\_\_

Response Date: \_\_\_\_\_

Signature: \_\_\_\_\_



ERNIE FLETCHER  
GOVERNOR

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

LAJUANA S. WILCHER  
SECRETARY

Division of Water  
130 Eagle Nest Dr  
Paducah, KY 42003-9435  
www.kentucky.gov

May 16, 2006

Certified No. 7003 1010 0004 1945 7839  
Return Receipt Requested

Center Ridge Water System  
281 Morris Rd  
Dexter, KY 42036

Re: Letter of Warning  
AI ID: 33828  
AI Name: Center Ridge Water System  
Activity ID: ELW20060001  
Permit No. KY0180549  
Calloway County, KY

Dear Mr. Duncan:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Letter of Warning for violations discovered at your facility. Please review this Letter of Warning carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact me at 270-898-8468.

Sincerely,

Mr. Rob Topolski,  
Environmental Inspector I  
Division of Water

Enclosure

COMMONWEALTH OF KENTUCKY  
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
Division of Water

LETTER OF WARNING

To: Center Ridge Water System  
281 Morris Rd  
Dexter, KY 42036

AI Name: Center Ridge Water System AI ID: 33828 Activity ID: ELW20060001  
County: Calloway  
Enforcement Case ID:  
Date(s) Violation(s) Observed: 04/21/2006

This is to advise that you are in violation of the provisions cited below:

- I Violation Description for Subject Item GINS000000001(KPDES Drinking Water):**  
Additional Limitations: Water systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1(1)]

**Description of Non Compliance:**  
Low Residual Chlorine at plant (<0.20).

**The required remedial measure(s), and date(s) to be completed by, are as follows:**  
Ensure compliance with 401 KAR Chapter 8 at all times.  
Maintain a daily log of all water system activities, which is to include but not be limited to: date, time, location or location code, a description of the work performed or type of sample taken, and sample results.

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Violations of the above cited statute(s) and/or regulation(s) are subject to a civil penalty per day per violation. Violations carry civil penalties of up to \$25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

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If you have questions or need further information, write or call the undersigned:

Division of Water  
Paducah Regional Office  
130 Eagle Nest Dr  
Paducah, KY 42003-9435  
270-898-8468 (8:00 AM – 4:30 PM)  
Mr. Rob Topolski, Environmental Inspector I

Issued By:

  
Mr. Rob Topolski, Environmental Inspector I  
Date: May 16, 2006



ERNIE FLETCHER  
GOVERNOR

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

LAJUANA S. WILCHER  
SECRETARY

Division of Water  
130 Eagle Nest Dr  
Paducah, KY 42003-9435  
www.kentucky.gov

May 16, 2006

Certified No. 7003 1010 0004 1945 7839  
Return Receipt Requested

William Duncan  
281 Morris Rd  
Dexter, KY 42036

Re: Letter of Warning  
AI ID: 33824  
AI Name: Center Ridge Water District 3  
Activity ID: ELW20060001  
Permit No. KY0180502  
Calloway County, KY

Dear Mr. Duncan:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Letter of Warning for violations discovered at your facility. Please review this Letter of Warning carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact me at 270-898-8468.

Sincerely,

Mr. Rob Topolski,  
Environmental Inspector I  
Division of Water

Enclosure

COMMONWEALTH OF KENTUCKY  
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
Division of Water

LETTER OF WARNING

To: William Duncan  
281 Morris Rd  
Dexter, KY 42036

AI Name: Center Ridge Water District 3      AI ID: 33824    Activity ID: ELW20060001  
County: Calloway  
Enforcement Case ID:  
Date(s) Violation(s) Observed: 04/21/2006

This is to advise that you are in violation of the provisions cited below:

- 1 **Violation Description for Subject Item GINS0000000001(KPDES Drinking Water):**  
Additional Limitations: Water systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1(1)]

**Description of Non Compliance:**  
Low Chlorine Residual in the plant (<0.2).

**The required remedial measure(s), and date(s) to be completed by, are as follows:**  
Ensure compliance with 401 KAR Chapter 8 at all times.  
Maintain a daily log of all water system activities, which is to include but not be limited to: date, time, location or location code, a description of the work performed or type of sample taken, and sample results.

---

Violations of the above cited statute(s) and/or regulation(s) are subject to a civil penalty per day per violation. Violations carry civil penalties of up to \$25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

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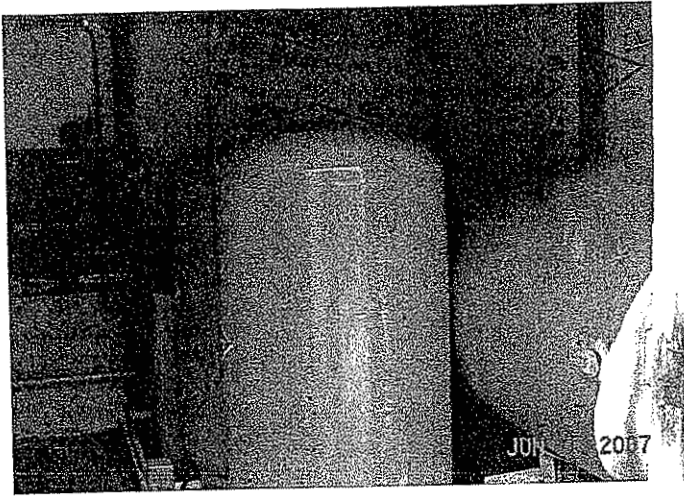
If you have questions or need further information, write or call the undersigned:

Division of Water  
Paducah Regional Office  
130 Eagle Nest Dr  
Paducah, KY 42003-9435  
270-898-8468 (8:00 AM – 4:30 PM)  
Mr. Rob Topolski, Environmental Inspector I

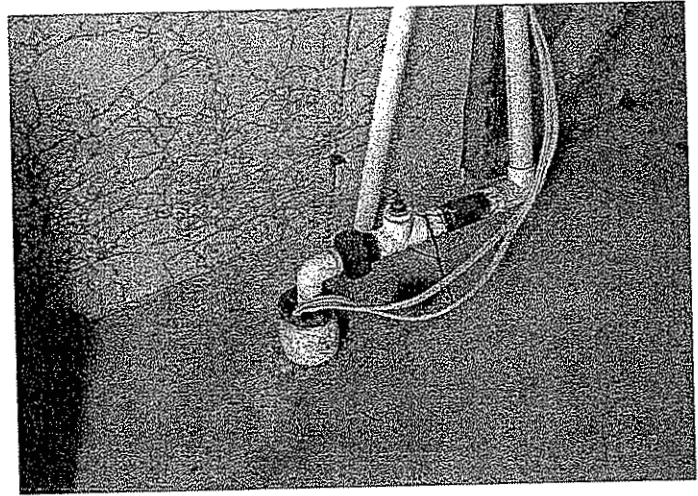
Issued By:

  
Mr. Rob Topolski, Environmental Inspector I  
Date: May 16, 2006

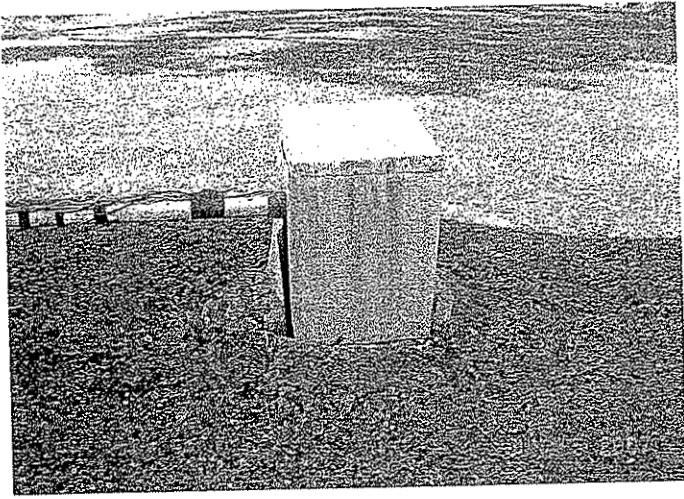




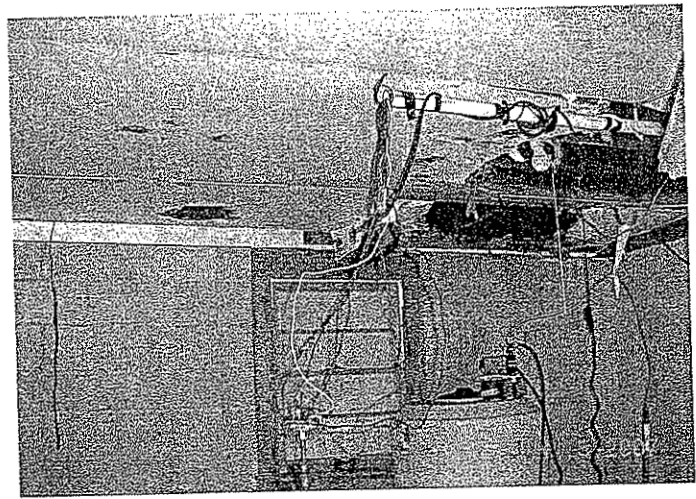
Bladder tanks on the # 4 system



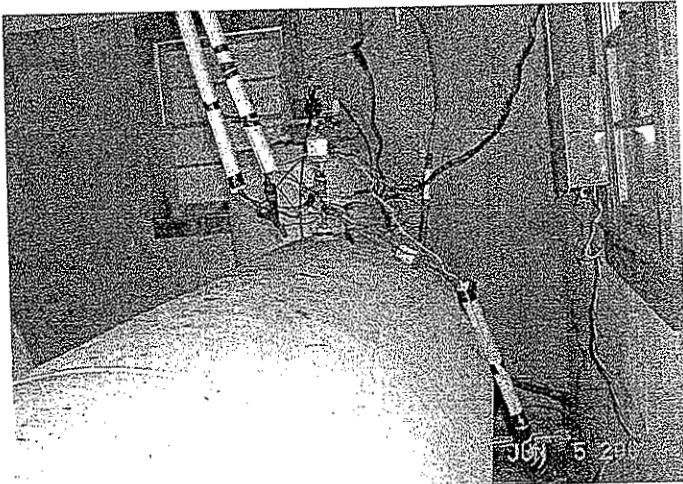
# 4 well



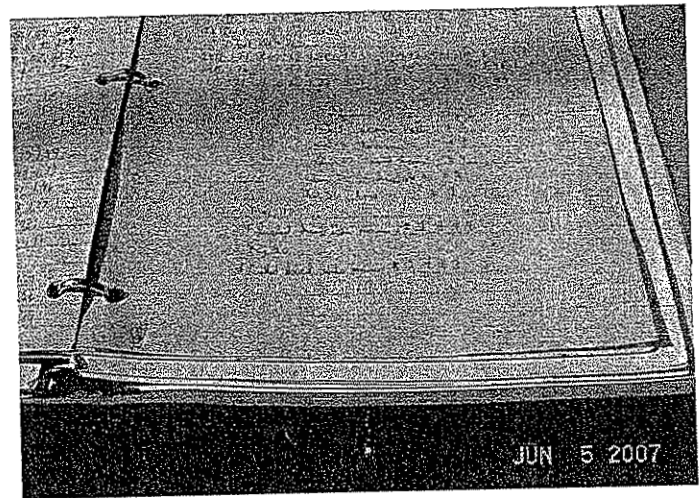
# 1 well at the # 1 water system



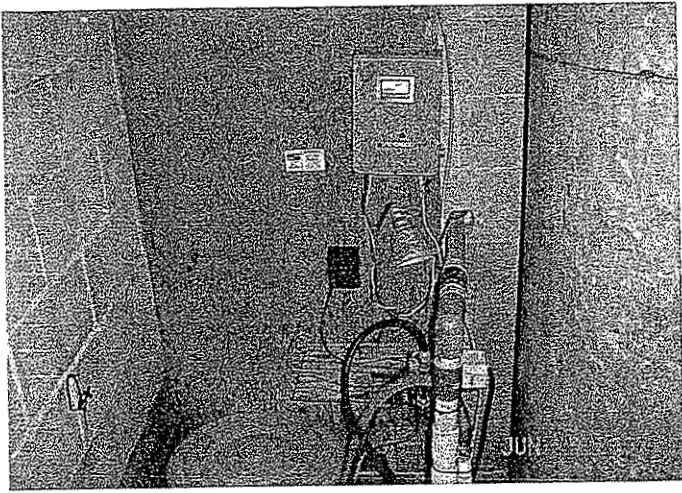
Loose wiring in the # 1 wellhouse



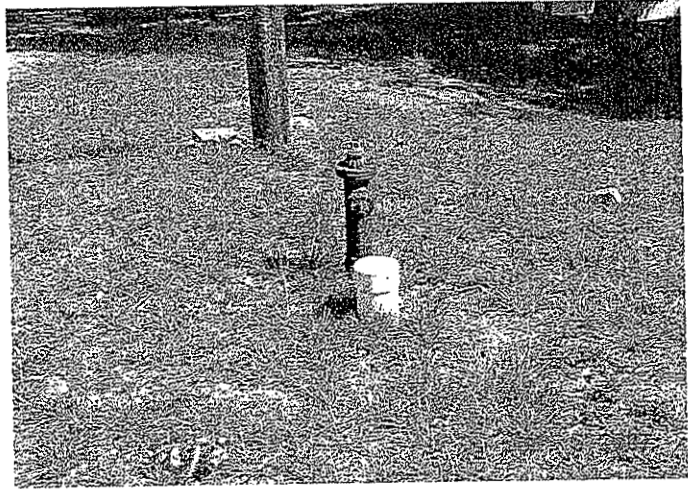
Loose wiring



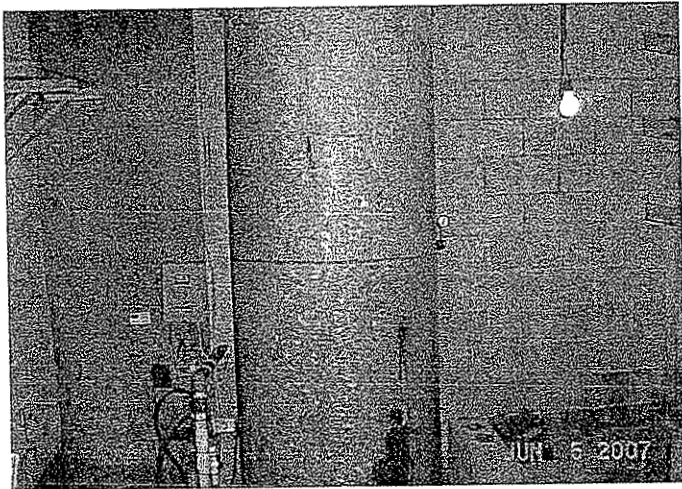
Flushing records



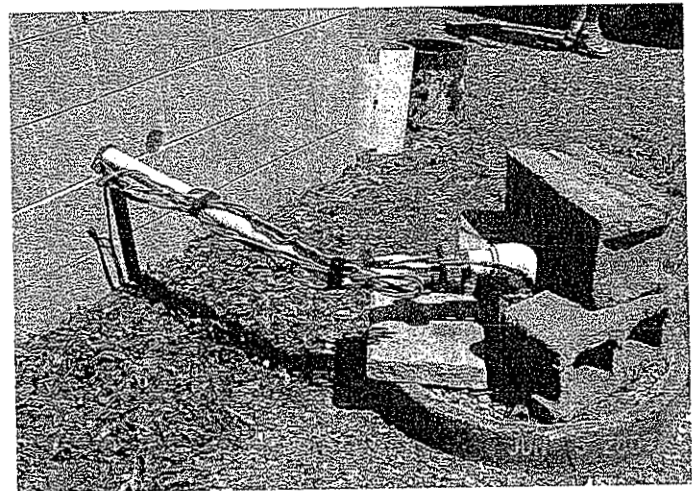
# 2 wellhouse (loose wiring)



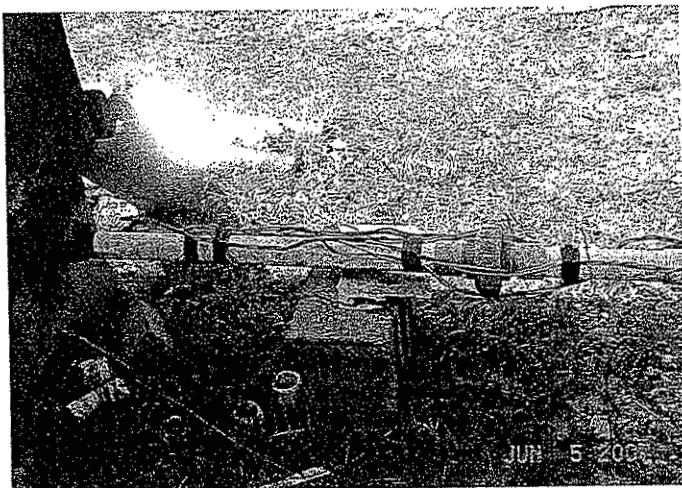
Flush hydrate on the # 2 system



# 2 water storage facility (500 gal.) more loose wiring

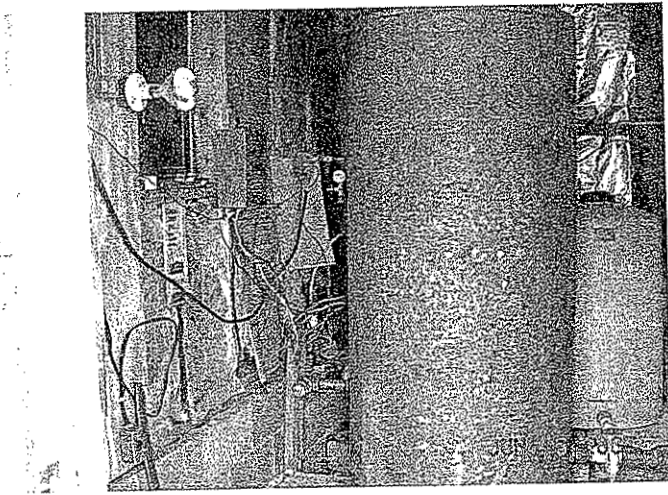


# 4 well

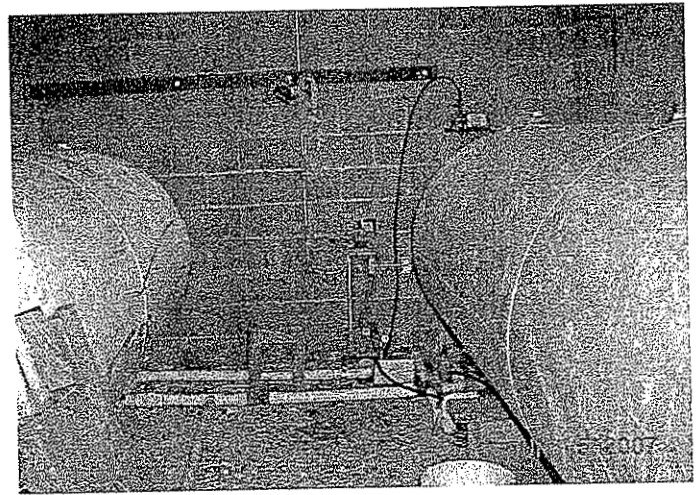


# 5 well

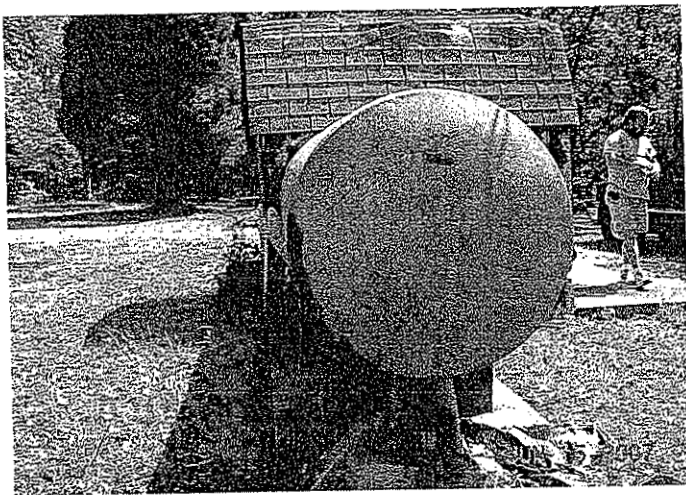




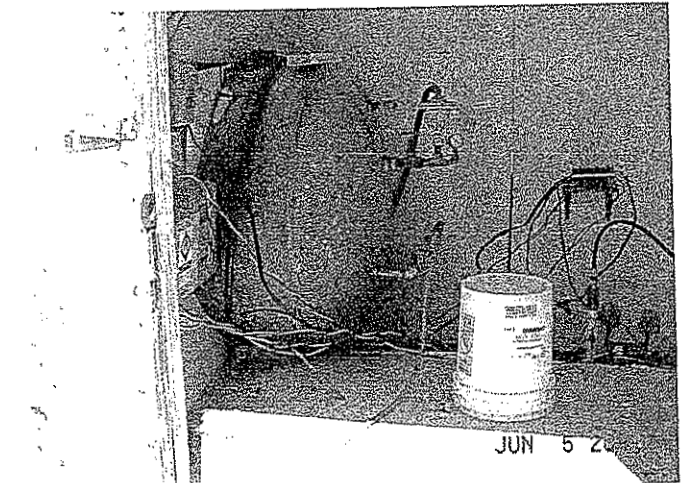
water storage facility (500 gal.)



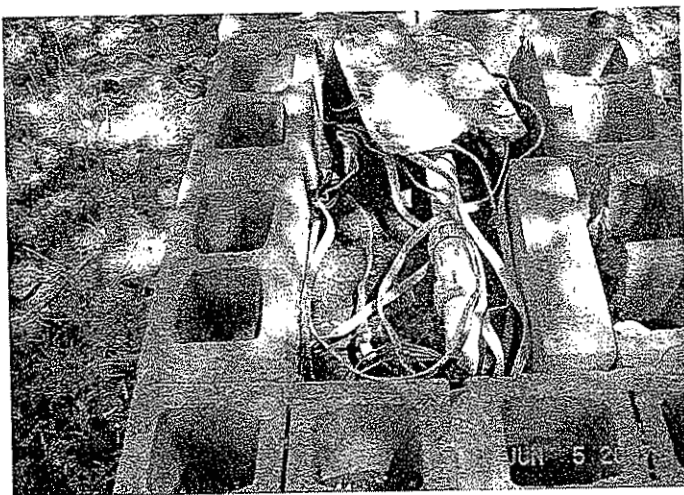
2 (1000 gal. water storage facility's)



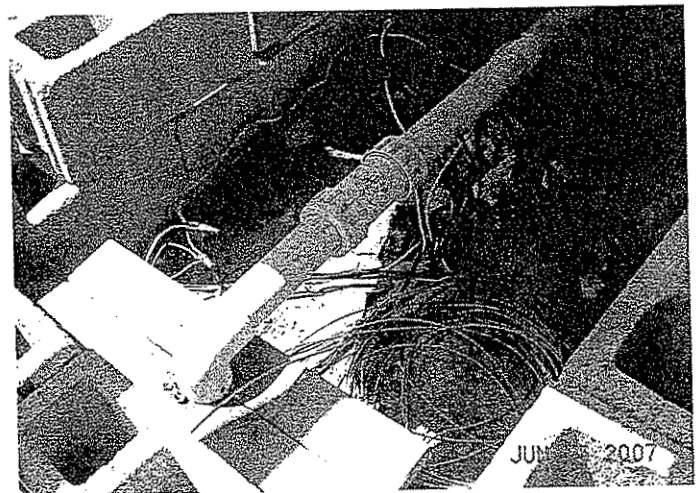
# 3 system with a leaking and rusty water storage facility (1000 gal.)



Loose wiring



# 6 well



# 7 well

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00145 DATED JULY 17, 2008



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

Teresa J. Hill, 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  
Fax: (502) 564-1582  
psc.ky.gov

John W. Clay  
Commissioner

Timothy J. LeDonne  
Commissioner  
Department of Public Protection

June 8, 2007

William Duncan, Manager/Owner  
Center Ridge Water District, Inc.  
281 Morris Road  
Dexter, KY 42036

RE: Periodic Regulation Compliance Inspection

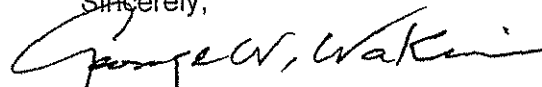
Dear Mr. Duncan:

On June 5, 2007, Joe Greenwell conducted a periodic regulatory compliance inspection of the Center Ridge Water District, Inc. in Dexter, Kentucky. A copy of the report of that inspection is attached for your review. There were four deficiencies documented during the periodic inspection. The previous inspection of this facility was conducted on March 25, 2006. During that periodic inspection, two deficiencies were documented and were not corrected in a timely manner.

Please review the attached inspection report. You will note that four deficiencies were documented during the inspection. You are requested to respond to this report, outlining corrective actions for the cited deficiencies by July 15, 2007. Please provide your responses on the copies of the Deficiency Tracking Reports sent with this letter by completing the three sections under the Response heading for each cited deficiency.

If you have any questions or need additional information, please contact me at (502) 564-3940. We appreciate your continued interest in the safe operation of your facility.

Sincerely,

  
George W. Wakim, P.E., Manager  
Water & Sewer Branch  
Engineering Division

Attachment: CenterRidgeWDI-060507 Inspection Report

C: Julie Roney, Supervisor, Division of Water  
Rob Topolski, DOW, Paducah Regional Office