

**Beech Grove Water System, Inc.**

**445 Highway 56 N**

**Calhoun KY 42327**

[beechgrovewaters@bellsouth.net](mailto:beechgrovewaters@bellsouth.net)

**Executive Director**

Mr. Jeff Derouen

Public Service Commission

PO Box 615

Frankfort, KY 40602

RECEIVED

OCT 23 2014

PUBLIC SERVICE  
COMMISSION

RE: Case No. 2014-00306

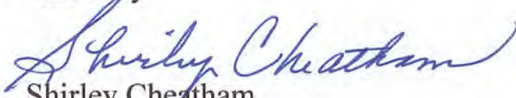
Application of Beech Grove Water System, Inc.  
Requesting Deviation From Requirements of  
807 KAR 5:066. Section 4 (4)

Dear Mr. Derouen:

Enclosed for filing on Beech Grove Water System there are the original and ten (10) copies of the Applicant's Response to Commission Staff's First Information Request.

Should you need any additional information, please let me know.

Sincerely



Shirley Cheatham  
Secretary- Treasurer

Prepared by  
Sheila Murphy



**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

THE APPLICATION OF  
BEECH GROVE WATER SYSTEM  
Requesting Deviation from Requirements of  
807 KAR 5:066. Section 4 (4)

CASE NO.  
2014-00306

\*\*\*\*\*  
**CERTIFICATION OF RESPONSE TO COMMISSION  
STAFF'S FIRST INFORMATION REQUEST**  
\*\*\*\*\*

This is to certify that I have supervised the preparation of the Applicant's Response to the Commission Staffs First Information Request. The responses submitted on behalf of Beech Grove Water System are true and accurate to the best of my knowledge, information, and belief formed after a reasonable Inquiry.

Date: 10-20-14



Shirley Cheatham  
Secretary - Treasurer

Prepared By  
Sheila Murphy  
*Sheila Murphy*

**Beech Grove Water System, Inc.**

**445 Highway 56 N**

**Calhoun KY 42327**

**beechgrovewaters@bellsouth.net**

October 17, 2014

CASE NO. 2014-00306

In the Matter of:

APPLICATION OF BEECH GROVE WATER

SYSTEM, INC. REQUESTING DEVIATION

FROM REQUIREMENTS OF 807 KAR 5:066.

SECTION 4 (4)

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BEECH GROVE WATER  
SYSTEM, INC. REQUESTING DEVIATION FROM  
REQUIREMENTS OF 807 KAR 5:066, SECTION 4  
(4)

CASE NO.  
2014-00306

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO BEECH GROVE WATER SYSTEM, INC.

Beech Grove Water System, Inc. ("Beech Grove"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to a" parties of record. The information requested herein is due 14 days from the issuance of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Applicants shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Beech Grove fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to the Water Storage Requirement Deviation Request Application ("Application") filed on August 28, 2014. The Application identifies an 18' x 55' high standpipe ("Tank") with a 100,000-gallon capacity as the only water storage tank in the Beech Grove system.

a. Describe the location of Beech Grove's existing water storage Tank.

Response: Beech Grove Water has One (1) storage tank, 100,000 gallons 26' diameter 26'6" tall Pittsburg Tank setup in 2006. Tank is located on Wrightsburg Hill, Highway 256 Beech Grove. I enter wrong dimensions in error

b. Provide the ground elevation of the Tank. Ground Elevation = 600.

c. Provide the overflow elevation of the Tank. Overflow Elevation = 621

based on GRADD information and USGS topo map

d. Provide a representation of the ground elevation of the area served by the Tank. Explain any difference in the elevation of the Tank and the service territory of the customers served by the Tank.

Response I will send answer by October 30 or earlier

2. Indicate the effective storage of the Beech Grove Tank in gallons, taking into account the minimum pressure requirement of 30 pounds per square inch pursuant to 807 KAR 5:066, Section 5. Explain the impact to effective storage caused by any



difference in elevation between the Tank and the service territory of the Beech Grove customers served by the Tank.

**Response** I will send answer by October 30 or earlier

3. Indicate whether the 1970 Water Purchase Contract between West Daviess County Water District and Beech Grove has been renewed or extended. If the Contract has been renewed or extended, provide a copy of each renewal or extension.

**RESPONSE:**

Beech Grove has not renewed or extended contract with West Daviess Co. Water

4. The August 22, 2014 letter from Tom Williams, Henderson Water Utility General Manager, to Shelia Murphy, Beech Grove Office Manager, supplied with the Application discusses a draft of a new agreement between Henderson Water Utility and Beech Grove. Indicate whether Beech Grove and the city of Henderson ("Henderson") have executed the agreement. If so, then provide a copy of the executed agreement. If not, provide a copy of the draft of the new agreement, describe the status of the discussions between the parties, and identify the tentative date for execution of the agreement.

**RESPONSE**

A new 25 year contract has been signed with Henderson Utility October 14, 2014. Appendix A: page 3 item # 6 refers to the 100,000 gallons storage reservoir for Beech Grove Water.

5. Indicate whether the Beech Grove Tank referenced in the Application is the same standpipe leased by Beech Grove to Henderson pursuant to the 1998 Revised Agreement for the Construction and Installation of Water Main between Beech Grove and Henderson. If not, identify the location of the standpipe leased by Beech Grove to Henderson.

**RESPONSE**

1998 the agreement for the standpipe with Henderson was not built

6. Refer to the Plant Statistics (Ref Page: 31) for the 2010 Annual Report of Beech Grove to the Commission. The 2010 Report identifies a 100,000-gal storage reservoir at ground level as a reservoir of Beech Grove. Refer to Plant Statistics (Ref Page: 31) for the 2013 Annual Report of Beech Grove to the Commission. The 2013 Report does not contain any information regarding reservoirs.

a. Explain why the 100,000-gal Tank identified in the Application is not identified in the 2013 Report.

**RESPONSE**

The 2013 report should have stated we have a 100,000 gallon reservoir at ground level.

b. Explain why the 100,000-gal storage reservoir identified in the 2010 Report is not identified in the 2013 Report.

**RESPONSE**

It was over site the storage tank was omitted in error from the 2013 annual report.

7. Refer to the Commission's February 22, 2010 Order in Case No. 2009-10046S<sup>1</sup> that orders Beech Grove to comply with the provisions of S07 KAR 5:066, Section 4(4), by November 30, 2014.

a. Identify the steps taken by Beech Grove from February 22, 2010, to the filing of this Application to bring Beech Grove's water storage facilities into compliance.

**RESPONSE**

A drinking water project with GRADD, project number WX21149005: Appendix B



b. Provide a summary of the communications with Bell Engineering regarding Beech Grove's water storage facilities.

**Response**

Bob Pickerill and David Howell with Bell Engineering had a little hydraulic and engineering work done for Beech Grove Water while they were working on the McLean Regional Rural Water Project. They showed us three locations that would be best for a storage tank on Highway 593. Engineering fees \$135,600 without financial help we didn't follow through.

c. For the period from February 22, 2010, to the filing of this Application, provide copies of any letters, electronic mail messages, or other written materials sent to or received from Bell Engineering regarding Beech Grove's water storage facilities.

**RESPONSE**

Three (3) emails on an Appendix C

d. For the period from February 22, 2010, to the filing of this Application, provide copies of the minutes of any meetings of the board of Beech Grove in which Beech Grove's water storage facilities, compliance with S07 KAR 5:066, Section 4(4), and the Commission's February 22, 2010 Order were discussed.

**RESPONSE**

See Appendix D

e. For the period from February 22, 2010, to the filing of this Application, indicate whether Beech Grove has made an application to any entity or

**RESPONSE**

A drinking water project with GRADD, project number WX21149005: Appendix B



f. Identify any change in circumstance or other consideration since the Commission's February 22, 2010 Order in Case No. 2009-00468 that support a request for a successive extension of time for Beech Grove to comply with the provisions of 807 KAR 5:066, Section 4(4).

**Response**

We signed a new 25 year contract with Henderson Utility October 14, 2014. Contract Item # 6 agrees to reserve 100,000 gallons of water storage capacity at Four Star Tank Location.

8. The Application indicates that the Beech Grove water board has considered the option of seeking a surcharge as a step in complying with the provisions of 807 KAR 5:066, Section 4(4). Fully describe the surcharge option considered by Beech Grove and describe why this option was not chosen.

**Response**

Beech Grove Water has approximately 550 customers; a monthly surcharge would need to be substantial amount to make a big difference. This is an option we may need to review at a later date.

## AGREEMENT

THIS AGREEMENT is made and entered into this the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the **WATER AND SEWER COMMISSION OF THE CITY OF HENDERSON**, hereinafter "Commission", 111 Fifth Street, Henderson, Kentucky 42420, a division of the **CITY OF HENDERSON**, a municipal corporation, Henderson Municipal Center, P.O. Box 716, Henderson, Kentucky, 42419-0716, hereinafter collectively referred to as "City", and **BEECH GROVE WATER SYSTEM, INC.**, a not-for-profit Kentucky Corporation, 445 State Route 56 North, Calhoun, Kentucky 42327, hereinafter referred to as "Beech Grove". Commission, City and Beech Grove are referred to herein collectively as "the Parties".

### **WHEREAS:**

- 1) The Parties entered into a Water Purchase Contract dated 14 April 1997 (the "Contract"), under which Commission sells water wholesale to Beech Grove at designated metering points, and Beech Grove in turn provides retail water service to customers in its Service Area within McLean County, Kentucky; and
- 2) The Parties simultaneously entered into an "Agreement for the Construction and Installation of Water Main" (the "Construction Agreement") on 14 April 1997, as amended by a "Revised Agreement for the Construction and Installation of Water Main" dated 1 October 1998, (the "Revised Construction Agreement"), whereby Commission agreed to construct water mains, structures and facilities required to provide service to Beech Grove, and Beech Grove agreed to reimburse the Commission for expenditures related to this construction; and
- 3) The parties executed an "Understanding Related to Revised Agreement for the Construction and Installation of Water Main", being an agreement dated 27 June 2002 (the "Understanding"), in which the parties agreed that Beech Grove would retain ownership of a water storage tank located in Beech Grove ; and
- 4) The Contract had an initial term of forty (40) years; and
- 5) It appears to be in the best interests of the Parties that Beech Grove continue to purchase water from the Commission, and in turn sell and distribute water to the citizens in Beech Grove's service territory in McLean County; and
- 6) The Parties now desire to replace the Contract and the subsequent Agreements and Understandings with a new Agreement that brings all the terms of the Contract and the subsequent Agreements and Understandings into a single document, deleting those terms that no longer apply and making the Agreement easier to understand and implement.



***NOW, THEREFORE***, in consideration of the foregoing and of the mutual agreements and covenants contained herein the Parties agree as follows:

- 1) Subject to the terms, conditions and limitations herein set forth, the Commission agrees to sell and deliver to Beech Grove, and Beech Grove agrees to purchase and receive from the Commission, water required for the normal operations of Beech Grove. Beech Grove shall not be limited or restricted in any way as to the distribution or sale of the water purchased by Beech Grove, except as otherwise provided herein.
- 2) This Agreement shall become effective beginning 1 October 2014, and shall continue for a period of twenty-five (25) years certain thereafter, except as otherwise provided herein.
- 3) The quality of water delivered by the Commission at any points of sale to Beech Grove hereunder shall meet the standards of any state or federal regulatory agency having jurisdiction over Potable Drinking Water. The Commission does not warrant, nor shall it be held liable, for maintaining water quality beyond any points of sale to Beech Grove. Beech Grove shall bear full responsibility for maintaining water quality throughout its distribution system. The Commission agrees and warrants that it will cooperate with Beech Grove in delivering water to any point of sale that will allow Beech Grove to meet water quality standards in its distribution system, to the maximum extent practicable.
- 4) Commission shall use reasonable diligence and care to provide a regular and uninterrupted supply of water to Beech Grove and to avoid any shortage or interruption of delivery and storage thereof. Commission shall deliver water to Beech Grove at an average pressure of not less than thirty (30) pounds per square inch at the points of connection. Failures of pressure or supply due to breaks, power failure, flood, fire, use of water to fight fire, earthquake or other catastrophe shall excuse the Commission from this provision for such reasonable period of time as may be necessary to restore service. In the event of shortage of supply, the Commission shall make every effort to supply water to Beech Grove at the connection points, and Beech Grove shall make every effort to reduce water use by banning outdoor, non-commercial use in Beech Grove's Service Area. In the event of extreme shortage of supply, Beech Grove may be required to institute mandatory water conservation measures, including temporary service interruptions, to all or portions of the Beech Grove water supply system. Commission shall not be liable to Beech Grove for any failure, interruption or shortage of water supply, or any loss or damage resulting therefrom, occasioned in whole or in part by any cause beyond the reasonable control of Commission.



- 5) Commission shall supply water at Beech Grove's points of connection to the Commission's South Water System as defined herein in an aggregate quantity not exceeding a thirty day average of 400,000 gallons of water for each 24-hour period, provided however, during any 24- hour period Beech Grove's consumption shall not exceed a peak of 600,000 gallons, or a maximum consumption rate of four hundred twenty gallons per minute (420 gpm).
- 6) To supplement the storage capacity available in Beech Grove's water storage tank, Commission agrees to reserve one hundred thousand (100,000) gallons of water storage capacity in Commission's Four Star Tank for the exclusive use of Beech Grove in the event of an emergency, subject to the conditions of paragraph (4) above.
- 7) Connecting points between the systems shall be referred to as the "Master Meters", which shall be as shown on the "Master Meter List" attached to this Agreement as Appendix "A". This Master Meter List shall be updated from time to time by mutual agreement of the General Manager of the Commission and the Superintendent of Beech Grove, as Master Meters are added, subtracted, moved or modified. Master Meters shall include meters installed on residential, commercial or industrial water services located along Commission's water transmission main within Beech Grove's service territory in McLean County. Commission's water mains within McLean County are to provide metered water service to Beech Grove and not to any independent entity, with the exception of the Tyson Foods, Inc., chicken hatchery, which is and shall remain a customer of the Commission.
- 8) Master Meters shall be furnished and installed at the expense of Beech Grove and shall be located at mutually agreed points of connection as detailed in Appendix "A". These Master Meters shall measure the water furnished by the Commission to Beech Grove, and will be used as the basis to determine the monthly amounts to be paid by Beech Grove to the Commission for water furnished, subject to all applicable conditions and limitations set forth herein. Master Meters shall be read in accordance with the common practice of Beech Grove, and all billings shall be made in accordance with such water meter readings at the applicable rates. Where required, Master Meter locations shall be equipped at the expense of Beech Grove with check valves or backflow prevention devices acceptable to the Commission. At the request of Beech Grove, Commission may agree to furnish and install taps for Master Meters or complete Master Meter installations, and bill Beech Grove for such installation at actual cost plus a fifteen percent (15%) markup.
- 9) Master Meters shall be checked by both the Commission and Beech Grove on a mutually agreed schedule, and Master Meters larger than two inches (2") in diameter, check valves



and backflow prevention devices shall be maintained, calibrated and tested by Beech Grove in conformance with the Kentucky State Plumbing Code or applicable rules of the Public Service Commission. Test results shall be certified by a qualified individual, and shall be reported annually to the Commission no later than 1 February of each year. If any Master Meter is found to be inaccurate, it shall be replaced or repaired as soon as practicable, and adjustments based on such Master Meter testing shall be made in previous payments for the preceding six months' billings. Beech Grove shall maintain, at its expense, standby master meters for temporary replacement of any master meter removed for testing or repair. At Beech Grove's request, Commission may agree to perform the maintenance, calibration and testing of the above-named equipment, and subsequently bill Beech Grove for Commission's costs related to such maintenance, calibration and testing.

- 10) In the event that Beech Grove requires water in a quantity greater than the thirty day averages specified in paragraph (5) above, or in quantities that exceed the then-current capacity of the Commission's water distribution system serving any Master Meter, Beech Grove shall notify the Commission in writing and shall request the Commission to provide the necessary additional facilities to furnish an additional quantity of water to Beech Grove. Said notice by Beech Grove shall specify the quantity of water required by Beech Grove at each Master Meter in terms of 24-hour monthly average flows and 24-hour peak flows. Commission shall then notify Beech Grove in writing within sixty (60) days whether or not the Commission intends to provide additional facilities and Beech Grove's share of the cost for the additional facilities in order to provide said additional facilities within a timeframe established by the Commission's written reply. Beech Grove's share of the costs of such additional facilities shall be computed and paid based on a mutually agreed percentage of the total costs of the additional facilities, including debt service. The parties may negotiate mutually acceptable terms of finance and payment. If the Commission declines to provide additional facilities or if Beech Grove does not agree to pay its share of the costs for such additional facilities, then Beech Grove shall have the right to provide itself with such additional facilities for the production and distribution of water as it may require.
- 11) Commission agrees, except as herein provided, that Beech Grove has and shall continue to have the sole and exclusive right, so far as the Commission is concerned, to sell, serve and provide water to water users and water customers located within the Beech Grove service area in McLean County, except as excluded herein.



- 12) Beech Grove agrees to allow the Commission to service new large commercial or industrial water customers within Beech Grove's Service Area, if Beech Grove is unable or unwilling to serve such customer. A large water customer shall be defined as any customer using an average of more than 150,000 gallons per week. In the event that the Commission elects to serve a large customer, the Commission shall extend water mains directly to said customer and shall not utilize mains or facilities owned by Beech Grove in supplying this customer. Once a customer is served by either Commission or Beech Grove, then that service shall remain a customer of the initially serving Party throughout the term of this Agreement.
- 13) As of the date of this Agreement, Beech Grove agrees to pay for the water so sold and delivered to the points of connection at a rate of \$ 2.9346 per one thousand (1,000) gallons of water delivered through the Master Meters, said payment to be made not later than the 15<sup>th</sup> day of each month after the reading of the Master Meters.
- 14) The rate above shall be subject to adjustment in accordance with the procedures detailed below for audited cost-based adjustment based on the Commission's 2013-2014 fiscal year audited financial data, said adjustment to be effective March 1, 2015, and annually thereafter.
- 15) Rates charged to Beech Grove shall be increased or decreased annually, based on the audited, actual costs of the Commission for water production and distribution related to the Commission's South Water Treatment Plant and Distribution System (hereinafter "South System"). The costs so taken into account shall be the Commission's costs for treating and distributing water, including direct costs of operations, depreciation and all general and administrative costs, as well as debt service interest cost pro-rated based on the percentage of the total direct cost of operations for the Commission's utility systems associated with the South System, plus a fifteen percent (15%) markup. Such costs shall be certified to Beech Grove by the Commission, shall be separately computed for the South System, and shall be based on the net total number of gallons of water billed to all customers of the South System by the Commission. The base period for calculating any rate adjustment shall be the full fiscal year of the Commission immediately preceding each annual adjustment. Commission shall compute rates and certify same to the Kentucky Public Service Commission, and shall furnish annual audit statements and other information as required. Commission's South System is served by the South Water Treatment Plant, located at 4137 Quinns Landing Road, Robards, KY 42452.



- 16) Charges to Beech Grove for water use shall be adjusted downward by any metered use of water by Beech Grove for flushing or for other water quality-related uses. Such metered water quality uses shall be charged at Commission's marginal rate of water production at the South water treatment plant, subject to a limit for such water use of five percent (5%) of Beech Grove's total consumption. Water used for flushing shall be measured by acceptable meters. The marginal rate for water produced shall be calculated based on the incremental cost of production of water at the Commission's current average production rate in the South System, and shall consist of the incremental costs of electrical power and chemicals used.
- 17) Commission may provide sanitary sewer service to customers within Beech Grove's Service Area. Beech Grove agrees to provide individual customer water consumption information to the Commission for each such customer served with water by Beech Grove, and shall furnish this information to Commission within seven (7) calendar days after the water billing is generated. At Commission's request, Beech Grove may provide metered or flat rate billing service to such sewer customers of Commission as are provided water service by Beech Grove, at rates set by the Commission. Beech Grove shall deduct a service fee for each such sewer customer of Commission so served, said fee to be mutually agreed by the General Manager of the Commission and representatives of Beech Grove, and reviewed at least annually. Beech Grove shall remit said billed sewer service charges, minus the said service fees, to the Commission at least monthly. Beech Grove may charge fees for disconnection and reconnection of services, and for late payment or collection services required in the servicing and collection of these sewer charges by said sewer customers of Commission, and Beech Grove shall retain all fees and charges so collected.
- 18) Commission has installed fire hydrants and flushing hydrants along the water main owned by Commission in McLean County. Commission will be solely responsible for maintenance and repair of these fire hydrants and flushing hydrants. Water used in fire fighting or flushing shall be at the sole expense of Commission.
- 19) Beech Grove and the Commission agree to freely share information related to water use, water main breaks, water plant failures and other causes of increased water usage by Beech Grove or inability of the Commission to provide water in adequate quantities.
- 20) At regular intervals, but not less frequently than every four (4) years after the effective date of this Agreement, the Superintendent of Beech Grove and the General Manager of the Commission, and representatives of their respective Boards, shall meet and hold discussions



on future projects, on regulatory, financial and relational matters, and mutually determine if it is the interests of the parties to continue the terms of this Agreement, or to amend the Agreement in a mutually satisfactory manner.

- 21) To the extent that the Commission or Beech Grove now have or hereafter may have a legal duty to provide retail water service to any customer or future customer located in McLean County, the Parties agree to indemnify and hold harmless the other party from and against any and all claims, demands, actions, expenses or liabilities arising from or in connection with the legal duty of either party to serve said customer or future customer.
- 22) The terms of this Agreement are subject to the provisions of the rights of the respective holders of any bonds constituting a lien against the water systems of the respective parties or against the revenues thereof.
- 23) Should any provision of this Agreement be declared to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect unless such invalid or unenforceable provision substantially alters the benefits of the Agreement for either party.
- 24) This Agreement shall in no event be transferred or assigned by either party without the written consent of the other, unless required by law, and in such event, this Agreement shall inure to the benefit of and be binding on the parties hereto and their successors and assigns.
- 25) Any claims by either party against the other, related in any way to this agreement or the services provided by said agreement, shall be brought in Henderson County, Kentucky.
- 26) For purposes of this agreement, any time written notice is required, the noticing party shall send their notices to the following:
  - 1) Henderson Water Utility  
C/O General Manager  
111 5<sup>th</sup> Street  
Henderson, KY 42420
  - 2) Beech Grove Water System  
Office Manager  
445 State Route 56 N  
Calhoun, KY 42327
- 27) Upon the end of the twenty-five (25) year term of this Agreement, it shall automatically renew for additional terms of five (5) years, with no limit on the number of automatic renewals, unless terminated by written notice of either party, said notice to be served at

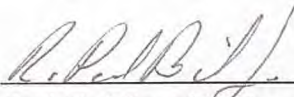


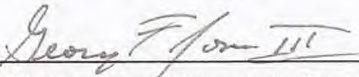
least six (6) months prior to the end of any such five year extended term. The Parties hereto may agree at any time to extend this Agreement for such longer term as they deem appropriate.

28) The terms and provisions of the Contract, the Construction Agreement, the Revised Construction Agreement, The Understanding, and any subsequent contracts or agreements, written or oral, are hereby repealed. This Agreement constitutes the entire agreement between the parties regarding the matters set forth herein and supersedes all prior written and verbal agreements, representations, promises or understanding between the parties regarding same. Any amendments to this agreement must be in writing and executed by both parties.

**IN TESTIMONY WHEREOF**, witness the signatures of the duly authorized officers of the Parties hereto, as of the date first written above.

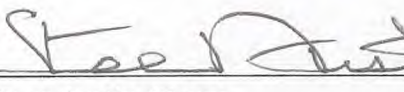
**WATER AND SEWER COMMISSION  
OF THE CITY OF HENDERSON, KENTUCKY**

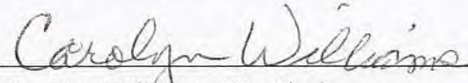
By:   
Paul Bird, Board Chairman

Attest:   
George Jones, Secretary-Treasurer

Date Signed: 10/10/2014

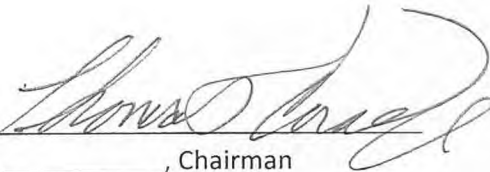
**CITY OF HENDERSON, KENTUCKY**

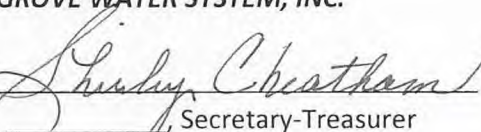
By:   
Steve Austin, Mayor

Attest:   
Carolyn Williams, City Clerk

Date Signed: \_\_\_\_\_

**BEECH GROVE WATER SYSTEM, INC.**

By:   
\_\_\_\_\_, Chairman

Attest:   
\_\_\_\_\_, Secretary-Treasurer

Date Signed: 10-14-14





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WRIS Contact  
 Rusty Anderson  
 502-573-0260 x239  
[E-mail](#)



Drinking Water Project Profile:

Project Title: **Beech Grove Water System Storage Tank Addition** [Download Profile \(PDF\)](#)  
 Project Number: **WX21149005** AWMPC: **GRADD**  
[View Map](#)  
 Funding Status: **Not Funded** Date Approved by AWMPC: **06.16.2011**  
 Project Status: **Approved** Primary County: **McLean**  
 Project Schedule: **0-2 Years** Planning Unit: **McLean**  
 E-ClearingHouse SAI: ECH Status:  
**KY0750529**  
 Primary System: **Beech Grove Water Association** ADD WMC Contact: **Brad Alley**  
 Legal Applicant: **McLean County Fiscal Court**  
 Entity Type: **County Fiscal Court**

|                           |                           |                                |                                       |                         |                            |  |
|---------------------------|---------------------------|--------------------------------|---------------------------------------|-------------------------|----------------------------|--|
| <a href="#">Narrative</a> | <a href="#">Applicant</a> | <a href="#">Administration</a> | <a href="#">Budget &amp; Schedule</a> | <a href="#">Impacts</a> | <a href="#">Components</a> | <a href="#">Sustainable Infrastructure</a> |
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|                       |                     |
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| <a href="#">Audit</a> | <a href="#">Map</a> |
|-----------------------|---------------------|

Project Title:  
**Beech Grove Water System Storage Tank Addition**

Project Description:  
**This project involves a new 250,000-gallon elevated water tank and a new pump station to be constructed on KY 593. Approximately 15,000 feet of new 6" water main is also required in order to provide adequate water supply to the proposed tank. The proposed project will satisfy the requirements of the delinquency notice supplied to Beech Grove by the Public Service Commission on February 22, 2010, which requires that a 24 hour hold period be secured prior to November 30, 2014.**

Need For Project:  
 Briefly describe how this project promotes public health or achieves and/or maintains compliance with the Clean Water Act or Safe Drinking Water Act:

**The project will satisfy regulatory requirements for system storage, improve system pressures, and provide much-needed redundancy within the pump station.**

**Project Alternatives:**

Alternate A:  
 Note: If project includes the construction of a new treatment plant or upgrade to existing plant, please explain regionalization options here.



**Install new GST, pump station, and 6" water main on KY 593.**

Alternate B:

**Construct new GST adjacent to existing tank on Wrightsburg Hill.**



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- ADD GIS Staff
- ADD WMC Resources
- ADD GIS Resources
- Legislation & Regulations
- News & Events
- WRIS Contact
- Rusty Anderson  
502-573-0260 x239  
[E-mail](#)



Drinking Water Project Profile:

Project Title: **Beech Grove Water System Storage Tank Addition** [Download Profile](#)

Project Number: **WX21149005** [View Map](#)

Funding Status: **Not Funded**

Project Status: **Approved**

Project Schedule: **0-2 Years**

E-ClearingHouse SAI:

Primary System: **KY0750529 Beech Grove Water Association**

Legal Applicant: **McLean County Fiscal Court**

Entity Type: **County Fiscal Court**

AWMPC: **GRADD**

Date Approved by AWMPC: **06.16.2011**

Primary County: **McLean**

Planning Unit: **McLean**

ECH Status:

ADD WMC Contact: **Brad Alley**

| Narrative | Applicant | Administration | Budget & Schedule | Impacts | Components | Sustainable Infrastructure | Audit | Map |
|-----------|-----------|----------------|-------------------|---------|------------|----------------------------|-------|-----|
|-----------|-----------|----------------|-------------------|---------|------------|----------------------------|-------|-----|

| Project Administrator (PA) Information |  |
|--|--|
| Name:                                  | Joanna Shake   |
| Title:                                 | Associate Director                                       |
| Organization:                          | Green River Area Development District                    |
| E-Mail:                                | <a href="mailto:jdshake@gradd.com">jdshake@gradd.com</a> |
| Phone:                                 | 270-926-4433 Fax: 270-684-0714                           |
| Address Line 1:                        | 300 GRADD Way  |
| Address Line 2:                        |  |
| City, State Zip:                       | Owensboro , KY 42301                                     |

| Applicant Contact (AC) Information |  |
|------------------------------------|--|
| Name:                              | Kelly Thurman  |
| Title:                             | Judge Executive  |
| Organization:                      | McLean County Fiscal Court                                       |
| E-Mail:                            | <a href="mailto:kthurman@mcleanky.com">kthurman@mcleanky.com</a> |
| Phone:                             | 270-273-3213 Fax: 270-273-9965                                   |
| Address Line 1:                    | P.O. Box 127   |
| Address Line 2:                    |  |
| City, State Zip:                   | Calhoun , KY 42327-127   |

**Project Engineer (PE) Information**

This project requires a licensed Professional Engineer.

| Licensed Engineer Information |  |
|-------------------------------|--|
| License Number:               | PE 15052   |
| PE Name:                      | Robert Louis Pickerill   |
| Firm Name:                    | Bell Engineering   |
| Address Type:                 | Work   |
| Address Line 1:               | Bell Engineering   |
| Address Line 2:               | PO Box 661   |
| Address Line 3:               |  |
| City, State Zip:              | Hopkinsville , KY 42241  |
| License Status:               | Current  |
| Disciplinary Actions:         | No   |
| Issue Date:                   | 08.07.1987   |
| Expiration Date:              | 06.30.2016   |
| Phone:                        | 270-886-5466 Fax: 270-886-5122                                   |
| E-Mail:                       | <a href="mailto:bpickerill@hkbell.com">bpickerill@hkbell.com</a> |

| Engineering Firm Information |  |
|------------------------------|--|
| Permit Number:               | 152  |
| Firm Name:                   | Bell Engineering   |
| Phone:                       | 859-278-5412 Fax: 859-278-2912                               |
| Web URL:                     | <a href="http://www.hkbell.com/">http://www.hkbell.com/</a>  |
| E-Mail:                      | <a href="mailto:jroberts@hkbell.com">jroberts@hkbell.com</a> |
| Address Line 1:              | 2480 Fortune Drive   |
| Address Line 2:              | Suite 350  |
| City, State Zip:             | Lexington , KY 40509   |
| Issue Date:                  | 03.29.1993   |
| Expir. Date:                 | 12.31.2016   |
| Permit Status:               | Current  |
| Disciplinary Actions:        | No   |





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WRIS Contact

Rusty Anderson  
502-573-0260 x239  
[E-mail](#)



Drinking Water Project Profile:

Project Title: **Beech Grove Water System Storage Tank Addition** [Download Profile \(PDF\)](#)  
 Project Number: **WX21149005** [View Map](#) AWMPC: **GRADD**  
 Funding Status: **Not Funded** Date Approved by AWMPC: **06.16.2011**  
 Project Status: **Approved** Primary County: **McLean**  
 Project Schedule: **0-2 Years** Planning Unit: **McLean**  
 E-ClearingHouse SAI: ECH Status:  
 Primary System: **KY0750529 Beech Grove Water Association** ADD WMC Contact: **Brad Alley**  
 Legal Applicant: **McLean County Fiscal Court**  
 Entity Type: **County Fiscal Court**

|           |           |                |                   |         |            |                            |       |     |
|-----------|-----------|----------------|-------------------|---------|------------|----------------------------|-------|-----|
| Narrative | Applicant | Administration | Budget & Schedule | Impacts | Components | Sustainable Infrastructure | Audit | Map |
|-----------|-----------|----------------|-------------------|---------|------------|----------------------------|-------|-----|

Estimated Budget  As-Bid Budget

| Project Cost Categories          |                    |
|----------------------------------|--------------------|
| Cost Category                    | Cost               |
| Administrative Expenses:         | \$52,650           |
| Legal Expenses:                  | \$10,000           |
| Land, Appraisals, Easements:     | \$10,000           |
| Relocation Expense & Payments:   |                    |
| Planning:                        | \$7,500            |
| Engineering Fees - Design:       | \$70,000           |
| Engineering Fees - Construction: | \$17,500           |
| Engineering Fees - Inspection:   | \$55,000           |
| Engineering Fees - Other:        | \$5,000            |
| Construction:                    | \$980,000          |
| Equipment:                       |                    |
| Miscellaneous:                   | \$98,000           |
| Contingencies:                   |                    |
| <b>Total Project Cost:</b>       | <b>\$1,305,650</b> |

| Construction Cost Categories       |                  |
|------------------------------------|------------------|
| Cost Category                      | Cost             |
| Treatment:                         |                  |
| Transmission and Distribution:     | \$480,000        |
| Source:                            |                  |
| Storage:                           | \$500,000        |
| Purchase of Systems:               |                  |
| Restructuring:                     |                  |
| Land Acquisition:                  |                  |
| Non-Categorized :                  |                  |
| <b>Total Construction Cost:</b>    | <b>\$980,000</b> |
| <b>Total Sustainability Costs:</b> | <b>\$350,000</b> |

Note: Sustainability costs are included within other costs reported in this tab. This breakout, when provided, is for SRF review purposes.

Project Funding Sources

Total Project Cost: **\$1,305,650**  
 Total Committed Funding:  
 Funding Gap: **Not Funded**

| Funding Source  | Loan or Grant ID | Fiscal Year | Amount           | Status      | Applicable Date |
|-----------------|------------------|-------------|------------------|-------------|-----------------|
| KIA Fund B Loan |                  |             | \$390,600        | Anticipated |                 |
| CDBG            |                  |             | \$600,000        | Unknown     |                 |
| <b>Total</b>    |                  |             | <b>\$990,600</b> |             |                 |

Funding Source Notes

Detailed Project Schedule

Environmental Review Status:  
 RD Approval Date:  
 CDBG Approval Date:  
 No Approval but Cross-Cutter Scoping Completed: 12.27.2013  
 This project requires a construction permit.  
 Construction Permit App. Date: 03.28.2014  
 Submitted  Approved  
 Estimated Bid Date: 05.30.2014  
 Estimated Construction Start Date: 10.31.2014



Oct 9

**David Howell**

To Me

CC Robert Bob Pickerill, P.E.

Sheila,

Thank you for the call. The information you requested is as follows:

Engineering Fees (including design, construction administration and inspection) =  
\$135,600

This is based on the RD Curve, and was included in the Project Profile submitted  
11/2013. I'm also attaching this Project Profile, for your information.

Existing Tank, Wrightsburg Hill, Information (based on GRADD information and  
USGS topo maps)

Ground Elevation = 600, Overflow Elevation = 621

Property Requirements: 1 property for pump station at corner of KY 56 & KY 593,  
1 property for tank in clearing along KY 593. See the attached maps for more  
information.

If you need any more information, please don't hesitate to call.

Thanks,

David

**David M. Howell, P.E.*****Project Engineer***

P: 270-886-5466 | C: 270-348-4697 | F: 270-886-5122

[dhowell@hkbell.com](mailto:dhowell@hkbell.com) | [www.hkbell.com](http://www.hkbell.com)107 Forbes Drive  
Hopkinsville, KY 42240



From: David Howell <[dhowell@hkbell.com](mailto:dhowell@hkbell.com)>  
Subject: New Tank Project Update  
To: "Murphy, Sheila" <[beechgrovetwaters@bellsouth.net](mailto:beechgrovetwaters@bellsouth.net)>  
Cc: "David M. Howell" <[dhowell@hkbell.com](mailto:dhowell@hkbell.com)>  
Date: Wednesday, June 19, 2013, 1:07 PM

Sheila,

I know you have a meeting tonight and wanted to give you an update on our project for discussion. It has taken some time to check the hydraulics of the system and decide on an appropriate recommendation for the project. It appears that the northern portion of the system is in a pressure zone, separate from the southeastern pressure zone, which is where the existing storage tank is located. For this reason, constructing a larger tank in the current location may not satisfy your needs.

The project we propose is in light of the system hydraulics, as well as future development in the northern portion of the service area. We propose approximately 4.2 miles of 6" PVC water main installation, a new 250,000 gallon elevated storage tank, and a new pump station. The attached map illustrates the water main and the general location of the tank.

The elevated tank was selected for several reasons. A ground storage tank (GST) with similar capacity would "waste" approximately 100,000 gallons. This is because the capacity, as viewed by PSC and DOW is water stored at an elevation that provides 30 psi to all customers. Therefore, the lower portion of a GST would be water which does not contribute to your storage capacity from a regulation standpoint. The other driving factor in this decision is that water quality can become an issue with GST's, and future regulation changes will compound this issue.

Please review this change in the project scope with your Board. If it is acceptable, then we will proceed with updating the project profile and continue investigating funding sources. I will call you to discuss this later today.

Thanks,  
David

--  
David M. Howell, P.E.  
Project Engineer  
BELL ENGINEERING  
107 Forbes Drive  
P.O. Box 661



**Subject:** Re: Beech Grove Water Project  
**From:** David Howell (dhowell@hkbell.com)  
**To:** beechgrovewaters@bellsouth.net;  
**Cc:** bpickerill@hkbell.com;  
**Date:** Monday, March 3, 2014 2:53 PM

Sheila,

For Beech Grove to get into Engineering Procurement, we advise working with GRADD. The typical process is to write a Request for Qualifications (RFQ), and advertise in the newspaper. After the prescribed period, usually 2-4 weeks, BG will receive a Statement of Qualifications from any interested Engineer. Then you will use a scoring system to determine which Engineer to use. At that point, you will enter a contract with the Engineer and they will begin the design process. We are always willing to assist with writing portions of an RFQ.

Please recall from our discussion in December that funding approvals will come more quickly if design is complete. In order to get to that point, GRADD has a fund to pay for Engineering. It is a 2.44% loan to the utility, and may be used as interim funding.

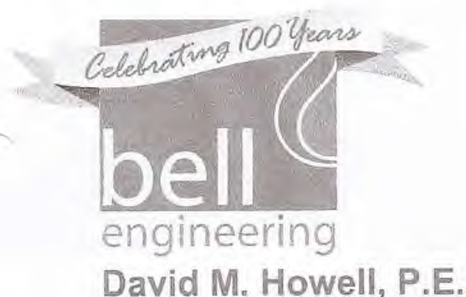
We recommend getting back in touch with GRADD in regards to funding. Hopefully they have communicated with Rhino. We were told previously that the expected 2nd round of hires for Rhino would be younger, less experienced workers, and that this would be favorable for your ability to secure some Grant funding. This 2nd round of hires was expected to take place in March or April. Here we are in March, so things may look better than they did previously. But, the information we had in late 2013 seemed to indicate that 100% loan financing was probable.

I know you already know this, but the PSC deadline is November 30. We encourage you and your Board to consider moving forward with Engineering Procurement so that you can begin the design process.

Please let me know if we can be of any further assistance, I'm glad to help where we can.

Sincerely,

David





**BEECH GROVE WATER SYSTEM**  
**MONTHLY BOARD MEETING**  
**Thursday Feb 25, 2010**

**Call to order** by Keith Stratton, President

**Minutes**

Minutes read & approved

**Financial report**

Checking – 36,453.45

Shirley made motion to accept minutes & financial report. Benita second motion. Motion approved.

**Old Business**

Henderson Water will increase water rates beginning March 2010

**New Business**

Denied Water Storage Deviation (gave us until 11/30/2014 to be in compliance)

Taking bids for building over pump station

Motion to get DOT # for F350 truck made by Tommy, Scotty 2<sup>nd</sup> motion, motion passes

Motion by Shirley for Bobby to get CDL by Aug 2010, 2<sup>nd</sup> by Benita, motion passes

**Adjournment**

Tommy made motion to adjourn, Shirley 2<sup>nd</sup> all approved 8pm

**Attendance**

Keith, Scotty, Shirley Tommy, Benita & Sheila

**BEECH GROVE WATER SYSTEM**  
**Board Meeting**  
**Tuesday, March 08, 2011**

**Call to order by Keith Stratton, President**

Shirley made motion to accept Minutes from last meeting, Benita 2<sup>nd</sup>, all approved

**Financial report**

Checking 58,726.05

Shirley made motion to accept financial report, Benita 2<sup>nd</sup>, all approved

**Old Business**

One water board nomination Benita Phillips. Ballots mailed by February 14, 2011

**New Business**

Matt Bolton talked to board about size & cost of new building

Bell Engineering – Bob Pickerel & David Howell discussed options on water storage tank. Also how to get financial help to install new 200,000-gallon water storage tank

Ballots counted for new board member, Benita Phillips elected with 16 Ballots

**Adjournment**

Motion by Scotty to adjourn 2<sup>nd</sup> by Benita all approved

**Attendance**

Keith Stratton, Scotty Gish, Shirley Cheatham, Benita Phillips, Tommy Conrad, Sheila Murphy, Bobby Moseley, Matt Bolton, Bob Pickerel & David Howell



## **BEECH GROVE WATER SYSTEM**

### **Meeting**

**Tuesday May 10 2011**

Meeting called to order by Keith Stratton

#### **Financial report**

Checking - 58,597.84

Motion to accept financial report by Benita, 2<sup>nd</sup> by Shirley, all approved

Motion to accept minutes by Benita, 2<sup>nd</sup> by Shirley, all approved

#### **Old Business**

Lawton Ins. Co, Jeff Kirby would like to give us a quote on insurance policy (workers comp, vehicle, property, inland marine, water storage tank, bonds etc). Board approved to only get quote from Lawton Ins.

Bell Engineering, David Howell & GRADD, Pete Conrad has completed project profile. New 200,000 gallon tanks cost approx \$660,000.

Motion by Shirley to get new computer for Bobby's office, 2<sup>nd</sup> by Scotty, all approved

Motion by Scotty to paint water office, 2<sup>nd</sup> by Benita all approved

#### **New Business**

When will water lines be in service – will check with Hesse & Lutrell.

Board decided not to install water line back to Helen Wards. Mrs. Ward would need to run her own private line.

Benita made motion to Adjourn 2<sup>nd</sup> by Tommy all approved

#### **Attendance**

Keith, Scotty, Shirley, Benita, Tommy, Bobby & Sheila

# BEECH GROVE WATER SYSTEM

## Meeting

Thursday July 12, 2012

Meeting called to order by Keith

### Minutes

Minutes read & approved

Shirley made motion to accept minutes & financial report. Benita second motion. Motion approved.

### Financial report

Checking - 76,490.54

Motion by Scotty to accept financial report, Benita 2<sup>nd</sup> motion and all approved

### New Business

How much should we pay Nick Evans for pipe racks?

Motion by Tommy to table this item 2<sup>nd</sup> by Scotty and all approved

Durbin has exposed 3" water main exposed crossing creek

Need a get an estimate to repair water main and plan to repair early fall 2012

Motion was made by Scotty to offer Glen Tanner \$10,000 for (1) one acre of land near existing tank 2<sup>nd</sup> by Tommy all approved.

Motion by Scotty to give Bobby & Sheila 30 cent raise per hour, 2<sup>nd</sup> by Shirley all approved

### Attendance

Keith Stratton, Scotty Gish, Shirley Cheatham, Benita Phillips, Tommy Conrad, Sheila Murphy & Bobby Moseley

**Motion** by Shirley to adjourn meeting, 2<sup>nd</sup> by Benita, all approved



# **BEECH GROVE WATER SYSTEM**

## **Meeting**

**Tuesday July 9, 2013**

Meeting called to order by Scotty Gish

### **Financial report**

Checking - 51,792.30

### **NEW BUSINESS**

G R A D D, Bell Engineers, Rhino Coal meet & discussed new water storage tank finance

Motion by Tommy to work with Bell Engineering on storage tank, 2<sup>nd</sup> by Benita, all approved

Discussion to purchase & install new fire hydrant at Smith's Grocery on LV Dant Road. Bob Brown labor \$800.00 if no problems with valves

Repair exposed water main Hwy 593 between Jake Badertscher & Sandra Pride's hydrants

### **Attendance**

Scotty Gish, Tommy Conrad, Shirley Cheatham, Benita Phillips, Michael Wahl & Sheila Murphy

**Motion** by Shirley to adjourn meeting, 2<sup>nd</sup> by Benita, all approved

# BEECH GROVE WATER SYSTEM

## Meeting

July 8 2014

Meeting called to order by Tommy Conrad

### Financial report

Checking - 31,571.43

Shirley made motion to accept financial report, 2<sup>nd</sup> by Jeremy, all approved

### Old Business

EMCOR to presented cost of changing out meter

Discussion on money for storage tank the deviation expires in November.

### New Business

Judge Kelly Thurman & Magistrate Matt Hayden is here to discuss if we can get money on the water storage tank. Judge Thurman said we were top of the list to receive coal severance money once the county started receiving the tax money.

Discuss Zenner changing to meters – Tabled

### Adjournment

Motion by Jeremy to adjourn meeting, Nolan 2<sup>nd</sup> motion all approved 7pm

Attendance: Tommy Conrad, Shirley Cheatham, Jeremy Rager, Chad McMahan, Michael Wahl, Sheila Murphy, Judge Kelly Thurman and Matt Hayden



# BEECH GROVE WATER SYSTEM

## Meeting

October 14, 2014

Meeting called to order by Tommy Conrad

### Financial report

Checking - 47,358.48

Motion by Shirley to accept financial report, 2nd by Jeremy, all approved

### New Business

The new water agreement with City of Henderson was signed by Tommy Conrad President & Shirley Cheatham Secretary – treasurer

New starting rate will be 2.9346 per thousand gallons.

This lowers the customer's bill 33 cent per 1,000 gallons.

Shirley made motion to have EMCOR to give us quote for new storage tank, 2<sup>nd</sup> by Jeremy, all approved

Shirley made motion to adjourn meeting, 2<sup>nd</sup> by Jeremy, all approved

### Attendance:

Tommy Conrad, Shirley Cheatham, Jeremy Rager, Michael Wahl & Sheila Murphy