

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF CEDAR HILLS)
DISPOSAL SANITATION CORPORATION'S) CASE NO. 2015-00100
NOTICE OF INTENT TO ABANDON SERVICE)

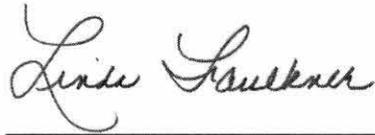
NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on February 23, 2016 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on February 23, 2016.

A copy of this Notice, the certification of the digital video record, and hearing log have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2015-00100-and-00101/2015-00100-and-00101_23Feb16_Inter.aspx. Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 29th day of February 2016.

A handwritten signature in cursive script that reads "Linda Faulkner". The signature is written in black ink and is positioned above a horizontal line.

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

Claud Porter
Daviness County Attorney
P.O. Box 158
Owensboro, KENTUCKY 42302

Cedar Hills Sanitation Disposal Corporation
101 North Main Street
Beaver Dam, KY 42320

A.V. Conway, II
Conway & Keown
Attorneys At Law
124 West Union Street
P.O. Box 25
Hartford, KENTUCKY 42347

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF CEDAR HILLS DISPOSAL)
SANITATION CORPORATION'S NOTICE OF INTENT) CASE NO. 2015-00100
TO ABANDON SERVICE)

AN INVESTIGATION OF FRIENDLY PARK)
DEVELOPMENT, INC.'S NOTICE OF INTENT TO) CASE NO. 2015-00101
ABANDON SERVICE)

CERTIFICATE

We, Pamela Hughes and Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceedings on February 23, 2016. Hearing Log and Witness List are included with the recording on February 23, 2016.

2. We are responsible for the preparation of the digital recording.

3. The digital recording accurately and correctly depicts the Hearing of February 23, 2016.

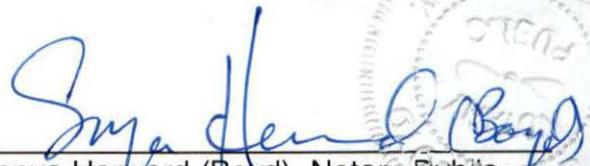
4. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of February 23, 2016 and the time at which each occurred.

Given this 23rd day of February, 2016.



Pamela Hughes, Notary Public
State at Large

My commission expires: April 22, 2019



Sonya Harward (Boyd), Notary Public
State at Large

My commission expires: August 27, 2017



Session Report - Detail

2015-00100 & 2015-00101_2016Feb23

Cedar Hills and Friendly Park

Date:	Type:	Location:	Department:
2/23/2016	Other	Public Service Commission	Hearing Room 1 (HR 1)

Judge: Jim Gardner; Dan Logsdon; Roger Thomas
 Witness: Scott Lewis; Joe Schepers
 Clerk: Sonya Harward; Pam Hughes

Event Time	Log Event
9:14:05 AM	Session Started
9:14:09 AM	Session Paused
10:00:26 AM	Session Resumed
10:00:27 AM	Pam Hughes is Clerk for this portion of the Hearing
10:00:29 AM	Chairman Gardner Note: Hughes, Pam Preliminary remarks and introduction of the Commissioners.
10:00:45 AM	Introductions Note: Hughes, Pam All attorney's introduce themselves: Cedar Hills/Friendly Park- A.V. Conway; Daviess County Fiscal Court - Claud Porter; PSC - Jonathan Beyer, John Park, and Jennifer Fell.
10:01:06 AM	Chairman Gardner Note: Hughes, Pam Chairman Gardner makes note that the cases being heard today are: 2015-00100-Cedar Hills and 2015-00101- Freindly Park
10:01:38 AM	Chairman Gardner Note: Hughes, Pam Public Notice has been given.
10:01:57 AM	Chairman Gardner asks for any outstanding motions Note: Hughes, Pam No outstanding motions.
10:02:02 AM	Camera Lock Deactivated
10:02:07 AM	Chairman Gardner asks for Public comments Note: Hughes, Pam No one here to make public comments.
10:02:23 AM	Atty Conway-Cedar Hills/Friendly Park Note: Hughes, Pam Clarifications for calling witness for both cases.
10:02:59 AM	Atty Porter-Daviess Co.- addresses the Commission Note: Hughes, Pam References stipulations and findings.
10:04:28 AM	Atty Conway- calls Witness Lewis to the stand
10:04:33 AM	Chairman Gardner swears witness Lewis in. Note: Hughes, Pam A.Scott Lewis - Owner of Cedar Hills and Friendly Park
10:05:10 AM	Atty Conway direct exam of Witness Lewis
10:06:13 AM	Atty Conway direct exam of Witness Lewis Note: Hughes, Pam Discussing how long Mr. Lewis has been operating the two plants.
10:09:12 AM	Atty Conway direct exam of Witness Lewis Note: Hughes, Pam Discussing the Permits for operating the plants.
10:09:35 AM	Atty Conway direct exam of Witness Lewis Note: Hughes, Pam Mr. Lewis intends to pay the fee for new permit, for two year term.
10:09:51 AM	Atty Conway direct exam of Witness Lewis Note: Hughes, Pam Referencing filing the abandonment of the two plants with the Commission.
10:10:54 AM	Atty Conway direct exam of Witness Lewis Note: Hughes, Pam Discussing how Mr. Lewis has been able to operate the plants and who he depended on to operate them.

10:12:12 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Discussing if Mr Lewis has anyone to take over the operations of the two plants if the current operator becomes incapacitated.

10:13:01 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Discussing if Witness Lewis surrenders all right to the property.

10:13:50 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Referencing financial issues in regards to operating the facilities

10:14:33 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Discussing Tax returns for 2013-2014 for both utilities and the loss reported.

10:16:20 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Discussing if 2015 Tax returns have been completed.

10:16:50 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Referencing the monthly loss for operating both utilities

10:17:32 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Referencing the rates charged to customers.

10:18:08 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Referencing rate increase requests for both utilities.

10:19:33 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Discussing how much time is needed to run utilities and what has been done to find others to run the operations.

10:22:52 AM Atty Conway direct exam of Witness Lewis
Note: Hughes, Pam Mr. Lewis states why he didn't raise the rates to get enough money to upgrade the plants.

10:24:25 AM Atty Porter cross examination of Witness Lewis
Note: Hughes, Pam Discussing if any notice was received for being out of compliance.

10:26:09 AM Atty Porter cross examination of Witness Lewis
Note: Hughes, Pam Discussing any action required to take on these plants and if Mr. Lewis is willing to operate the plants until a court appointed receiver can be found.
Note: Hughes, Pam Are you willing to continue to operate the plants until a reciever is found

10:27:17 AM Atty Porter cross examination of Witness Lewis
Note: Hughes, Pam Discussing property located adjacent to Friendly Park that was deeded to Byron Lane this week.

10:28:32 AM Atty Porter cross examination of Witness Lewis
Note: Hughes, Pam Discussing that the Corporations would remain intact.

10:29:07 AM Atty Porter cross examination of Witness Lewis
Note: Hughes, Pam Discussing rate increases.

10:30:13 AM Atty Porter asks for a moment to confur with someone in audience

10:31:00 AM Atty Porter has no other questions for Witness Lewis.

10:31:16 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Discussing if Witness Lewis own any other Companies or property.
Note: Hughes, Pam William Harrel was previous owner

10:32:25 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Referencing the general description of the make up of the utilities.

10:33:13 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Refencing the life expectancy of the plants.

10:33:29 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Feb 2016 2529.00 profit. Expenses for both utilities is 3521.00
Note: Hughes, Pam operating expenses breakdown

10:34:53 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Referencing any repairs made to the plants in the last 12 to 18 months.

10:36:09 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Referencing the approximate costs to replace both plants.

10:37:01 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Referencing the debt for the utilities.

10:37:36 AM Atty Beyer cross-examination of Witness Lewis
Note: Hughes, Pam Discussing if aware of streamlined procedure to get rate increase.

10:38:09 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam Discussing if discussions with Homeowners about taking over facilities.

10:39:50 AM Atty Beyer cross examination of Witness Lewis
Note: Hughes, Pam RWRA would take over utilites and Witness would disclaim any interest

10:40:32 AM Vice Chairman Logsdon cross examination of Witness Lewis
Note: Hughes, Pam Byron Lane property deed.

10:41:28 AM Vice Chairman Logsdon cross examination of Witness Lewis
Note: Hughes, Pam What steps have been taken to find other operators for the utilities

10:42:49 AM Vice Chairman Logsdon cross examination of Witness Lewis
Note: Hughes, Pam Discussing how much time is spent running the utilities.

10:43:15 AM Vice Chairman Logsdon cross examination of Witness Lewis
Note: Hughes, Pam Referencing the Water Company used for the utilities.

10:43:51 AM Commissioner Thomas cross examination of Witness Lewis
Note: Hughes, Pam Referencing expenses of running operations for Feb 2016

10:44:31 AM Commissioner Thomas cross examination of Witness Lewis
Note: Hughes, Pam Referencing the current operator Mr. Richardson.

10:45:40 AM Witness Lewis is dismissed

10:45:57 AM Atty Porter calls Witness Joe Schepers to stand

10:46:20 AM Chairman Gardner swears in Witness Schepers.
Note: Hughes, Pam Director of RWRA

10:46:49 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Referencing the conditions of the utilities when inspection took place.

10:47:47 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Refencing the amount for to replacing the Cedar Hills plant. \$530,000.

10:49:30 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Time to connect to Cedar Hills. 42 months
Note: Hughes, Pam Distance of connection

10:50:10 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Discussing if Friendly Park is inside 5 year capital plan for RWRA
Note: Hughes, Pam Connectionpoint? 4.3 miles

10:51:02 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Cost estimates to repair or replace plants.

10:51:39 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Discussing the estimate on time to replace the plant. 36 months

10:51:59 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Referencing property for Friendly Park.

10:52:52 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Discussing if additional easements are required to build plant at Friendly Park.

10:53:31 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam RWRA investigated being appointed to be reciever. Identify what is needed for this to happen?

10:55:25 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Discussion with Div of Water

10:55:51 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Easements and collection transferred to the Corporation.
Note: Hughes, Pam Transfer of all assets, where do they need to go?

10:58:03 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Consent degree requirements means the LLC has to stay viable for the 42 months

10:58:50 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Cost and decommissioning of the plants

10:59:25 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Pump station easement in Forest Main

11:00:06 AM Atty Porter direct examination of Witness Schepers
Note: Hughes, Pam Cost estimates and rates investigated

11:01:34 AM Atty Conway cross examination of Witness Schepers
Note: Hughes, Pam Referencing lot that is beside plant that Mr. Lewis deeded to someone else.

11:03:16 AM Atty Conway cross examination of Witness Schepers
Note: Hughes, Pam Permits to remain in the name of the LLC
Note: Hughes, Pam Do you understand the right to abandon property and appt of receiver

11:04:41 AM Atty Park cross examination of Witness Schepers
Note: Hughes, Pam 5 steps that are needed by RWRA

11:05:32 AM Sonya Harward takes over as Clerk for the remainder of the Hearing

11:05:57 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness to provide additional information about the agreed orders with Division of Water.

11:07:14 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking about the transfer of all assets to the corporate entities or LLC, and the easements and properties being in Mr. Lewis's name.

11:09:52 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking about a private entity having an interest in the financing of the land.

11:10:19 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness if he has any idea of the cost to decommission both plants.

11:11:22 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness if there were inspections done of the package treatment plants.

11:12:08 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness about the cost of repairs for both systems.

11:14:35 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking if repairs will need to be made during the receivership period, prior to the long-term solutions being in place, and how they would be financed.

11:16:52 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking about RWRA as receiver transferring the facilities to RWRA and they become the owner.

11:17:46 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking the Witness to discuss the EPA decent decree, and describe what is required of RWRA due to this.

11:20:36 AM Atty. Park cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness what the basis of his statement is regarding the chance of there being compliance issues.

11:20:58 AM Vice Chairman Logsdon cross examination of Witness Schepers
Note: Hughes, Pam Asking about the \$118,000 amount he quoted for repairs at Friendly Park.

11:21:59 AM Commission Thomas cross examination of Witness Schepers
Note: Hughes, Pam Asking about the \$530,000 including in a KIA loan and if it's already been made, and what else the loan included.

11:22:56 AM Chairman Gardner cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness when they communicated to Mr. Lewis that they were interested in 5451 Gerald Court.

11:24:10 AM Chairman Gardner cross examination of Witness Schepers
Note: Hughes, Pam Asking about the EPA decree and the agreed order with DOW.

11:25:33 AM Atty. Conway re-cross examination of Witness Schepers
Note: Hughes, Pam Asking Witness permits remaining in Cedar Hills' name during receivership.

11:26:43 AM Atty. Conway re-cross examination of Witness Schepers
Note: Hughes, Pam Asking if RWRA will access and collect a fee for services provided during receivership.

11:28:01 AM Atty. Conway re-cross examination of Witness Schepers
Note: Hughes, Pam Asking about there being any money set aside for decommissioning.

11:28:36 AM Witness Schepers is dismissed from the stand.

11:28:43 AM Atty. Conway - Comment
Note: Hughes, Pam Noted that the decent decree discussed may be in Franklin Circuit Court.

11:28:54 AM Break

11:28:58 AM Session Paused

11:37:50 AM Session Resumed

11:38:07 AM Witness Lewis recalled to the stand.

11:38:25 AM Atty. Beyer re-cross examination of Witness Lewis
Note: Hughes, Pam Asking Witness about the lot being given to Mr. Lane at no cost.

11:39:44 AM Atty. Beyer re-cross examination of Witness Lewis
Note: Hughes, Pam Asking if the Witness would assume that Mr. Lane would return the lot at no cost.

11:40:45 AM WITness Lewis is dismissed from the stand.

11:40:57 AM Chairman Gardner - Stipulation of Facts
Note: Hughes, Pam Stipulation of Facts due March 4 (if any entered into)

11:42:10 AM Atty. Conway - Comments
Note: Hughes, Pam Remarks about getting the lot issue resolved with Mr. Lane, and compliments PSC staff for its help in getting this matter resolved.

11:42:48 AM Chairman Gardner Closing Remarks

11:43:14 AM Hearing Adjourned

11:43:18 AM Session Paused

11:49:13 AM Session Ended

*Claud Porter
Daviness County Attorney
P.O. Box 158
Owensboro, KENTUCKY 42302

*Cedar Hills Sanitation Disposal Corporation
101 North Main Street
Beaver Dam, KY 42320

*A.V. Conway, II
Conway & Keown Attorneys At Law
124 West Union Street
P.O. Box 25
Hartford, KENTUCKY 42347