

**CRAWFORD & BAXTER, P.S.C.**

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June 24, 2015

**RECEIVED**

**JUN 26 2015**

**PUBLIC SERVICE  
COMMISSION**

Mr. Jeff Derouen, Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

RE: Carroll County Water District #1 - Case No. 2015-00125

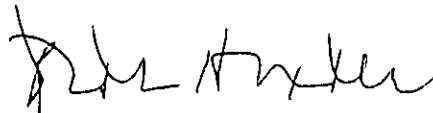
Dear Mr. Derouen:

Please find enclosed the original and eleven (11) copies of "Carroll County Water District #1's Supplemental Response to Commission Staff's First Request for Information". Please stamp date one copy of the Response and return to my office in the enclosed stamped self-addressed envelope.

Please contact me at (502) 732-6688 or Obe Cox at (502) 347-9500 with any questions regarding this filing. Thank you for your courtesy in this matter.

Sincerely,

CRAWFORD & BAXTER, P.S.C.



Ruth H. Baxter  
Counsel for Carroll County Water District #1

RHB/dmp

Enclosures

cc: Mr. Obe Cox, CCWD  
Mr. Terry Roach, Carrollton Utilities

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

JUN 26 2015

CARROLL COUNTY WATER DISTRICT'S )  
REQUEST FOR AMENDED TERMS TO )  
INTERLOCAL AGREEMENTS AND )  
AUTHORITY TO INCUR DEBT APPROVED )  
IN CASE NO. 2014-00174 )

PUBLIC SERVICE )  
COMMISSION )  
CASE 2015-00125

**CARROLL COUNTY WATER DISTRICT #1'S**  
**SUPPLEMENTAL RESPONSE TO COMMISSION STAFF'S**  
**FIRST REQUEST FOR INFORMATION**

\*\* \*\* \* \* \* \*\*

Comes now the Carroll County Water District #1 ("CCWD"), and for its Supplemental Response to the Commission Staff's First Request for Information, states as follows:


3. In Case No. 2014-00174, the Commission authorized CCWD to enter into the proposed Intergovernmental Agreement with the City. Has CCWD entered in to the Intergovernmental Agreement?

- a. If so:
  - 1. Provide a copy of the executed Intergovernmental Agreement.
  - 2. Will the executed Intergovernmental Agreement be amended?
- b. If the answer is no, file a copy of the proposed Intergovernmental Agreement.

**RESPONSE:** The CCWD entered into an Intergovernmental Agreement with the City of Carrollton on June 11, 2015. The Agreement has been filed and approved by the Office of the Attorney General on June 19, 2015, and is attached hereto as Exhibit 1. Witness: Obe Cox, Manager, CCWD.

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Attorneys for Carroll County Water District #1


By:   
Ruth H. Baxter

CARROLL COUNTY WATER DISTRICT #1  
205 Main Cross Street  
Ghent, Kentucky 41045  
(502) 347-9500 (Direct Line)  
(502) 347-9333 (Fax)

BY:   
Obe Cox, Manager

**VERIFICATION**

I, Obe Cox, Manager of the Carroll County Water District #1, state that the statements contained in this Supplemental Response is true to the best of my information and belief.

  
Obe Cox, Manager

STATE OF KENTUCKY)

COUNTY OF CARROLL)

Subscribed and sworn to before me by Obe Cox, Manager of the Carroll County Water District #1, on this the 25th day of June, 2015.

My commission expires: 10-13-2017

Debbi M. Polley  
Notary Public, Kentucky State at Large

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing responses have been served upon the following by first class mail, postage prepaid:

Mr. Jeff Dereoun, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

This 25<sup>th</sup> day of June, 2015.

[Signature]  
ATTORNEY FOR  
CARROLL COUNTY WATER DISTRICT #1

**INTERGOVERNMENTAL AGREEMENT BETWEEN**  
**THE CITY OF CARROLLTON, KENTUCKY,**  
**A CITY OF THE FOURTH CLASS,**  
**AND THE CARROLL COUNTY WATER DISTRICT**  
**AMENDED AND RESTATED**

INTERCONNECT PROJECT

**WHEREAS**, the City of Carrollton, Kentucky, by and through Carrollton Utilities ("CU"), is a public utility that provides water to customers in Carroll County, Kentucky; and,

**WHEREAS**, the Carroll County Water District is organized under the provisions of KRS Chapter 74, as a provider of water to customers within its service territory in Carroll, Gallatin and Owen Counties.

**WHEREAS**, for the benefit of customers served by the City of Carrollton, the West Carroll Water District ("WCWD"), the Carroll County Water District ("CCWD"), these public water systems are undertaking projects for the improvements to their respective water systems which are warranted; and,

**WHEREAS**, the City of Carrollton, Kentucky, and CCWD have previously entered into an interlocal agreement for the Interconnect Project dated May 14, 2013 and most recently March 10, 2014 and now desire to amend said interlocal agreement;

**NOW THEREFORE**, it is hereby agreed between the City of Carrollton, Kentucky, hereinafter referred to as "City", and the CCWD that the interlocal agreement date March 10, 2014 is amended and restated as follows:

1. The City and CCWD shall proceed to apply for the regional project with funding through KIA, and shall cooperate to provide all information required for said application;

2. The construction of the project shall likely be divided into multiple contracts

with the City, the WCWD, and the CCWD each determining the nature and scope of the project as it affects their respective water system operations. Engineering for the project shall be handled by one engineering firm to be selected jointly by the City, WCWD, and the CCWD.

3. To finance the project, the City shall be responsible to apply for and receive the KIA funding on a twenty (20) year amortization at the rate of 0.75% interest and a 0.25% administrative fee with twenty-five percent (25%) principal forgiveness. The total estimated project costs is \$1,757,706 including construction, engineering, inspection, geotechnical engineering for wells and contingency. CCWD shall contribute \$50,000 toward it's portion of the project cost. KIA funding obtained by the City shall be utilized to fund the project, with the funding being allocated between multiple construction contracts in accordance with actual expenses incurred for construction on each contract pro rata, with a similar percentage assigned to each entity for the cost of engineering services which cost is also to being divided between them pro rata. The pro rata share of the total project cost for each public water system is estimated as follows:

City	\$ 1,319,152.65
WCWD	\$ 76,302
CCWD	\$ 362,251.35

The above amount shall not be exceeded without approval of the affected system. If bids or change orders for the project result in a pro rata in excess of the amount stated above, the affected public water system may reduce the scope of project to achieve a pro rata share that is acceptable to the affected public water system or contribute additional funds. Nothing shall restrict the public water system from utilizing other funding sources to meet shortfall in KIA funding or to reduce the KIA pro rata share.

4. CCWD will pay to the City a semi-annual payment for a period equal to the years of the debt incurred by the City to cover its proportionate share of the final debt service for its portion of the project with said payments to begin on the same year as the City is required to begin paying the debt following construction of the project. CU shall provide CCWD a notice of payment due semiannually 30 days prior to due date.

5. CCWD will retain sole authority to identify the nature and scope of its portion of the project, and shall be allowed to reject or accept contract proposals or changes orders.

6. The City will retain sole authority to identify the nature and scope of its portion of the project, and shall be allowed to reject or accept contract proposals or changes orders.

7. Both parties acknowledge that in the event either party withdraws from the project, then it understands that KIA may withdraw its funding of the project;

8. This Intergovernmental Agreement is subject to the review and approval of the Kentucky Public Service Commission, and its approval of the project and debt service obligation to the city, and if required by PSC, a Certificate of Convenience and Necessity will be submitted in order to go forward with the project.

9. The City and CCWD agree to sign such documents as may be required to effectuate the terms and conditions of this Agreement.

10. In the event that funding from KIA is not received on the rates and terms set forth herein, then this Agreement will be rendered null and void.

11. The parties hereto will not own any property jointly and no provision need be made for disposition of property upon termination hereof.

12. The term of this agreement is thirty years or until the CCWD portion of the indebtedness is paid in full, whichever is sooner. CCWD may pay CU their portion of the debt in full at any time without any penalties.

DONE THIS THE 11 DAY OF MAY 2015.



MAYOR  
CITY OF CARROLLTON, KENTUCKY

ATTEST:



CITY CLERK

CARROLL COUNTY WATER DISTRICT

BY:   
CHAIRPERSON

ATTEST:



SECRETARY

Approved by the Office of Attorney General

By: Pyron Halverson, Assist. Atty. General

Date: June 19, 2015

Approved by the Kentucky Public Service Commission

By: \_\_\_\_\_

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



**RESOLUTION #2015-12**

**RESOLUTION AMENDING AND RESTATING AN INTERGOVERNMENTAL  
AGREEMENT BETWEEN THE CITY OF CARROLLTON,  
KENTUCKY, A CITY OF THE FOURTH CLASS, AND THE CARROLL COUNTY  
WATER DISTRICT**

INTERCONNECT PROJECT

**WHEREAS**, the City of Carrollton, Kentucky, by and through Carrollton Utilities (“CU”), is a public utility that provides water to customers in Carroll County, Kentucky; and,

**WHEREAS**, for the benefit of customers served by CU, the West Carroll Water District and the Carroll County Water District (“CCWD”), a water district organized under KRS Chapter 74, are entering into an agreement whereby the parties would share proceeds of a loan provided by the Kentucky Infrastructure Authority in order to upgrade the facilities of all parties, and

**WHEREAS**, the City of Carrollton, Kentucky, and CCWD have previously entered into an interlocal agreement for the Interconnect Project dated May 14, 2013 and most recently March 10, 2014, and now desire to amend said Interlocal Agreement;

**NOW THEREFORE BE IT RESOLVED** by the City of Carrollton that the amended and restated Interlocal Agreement with CCWD, attached hereto and incorporated by reference herein, is hereby approved.

DONE THIS THE 11<sup>TH</sup> DAY OF MAY, 2015.



ROBB W. ADAMS, MAYOR  
CITY OF CARROLLTON, KY

ATTEST:



LEATHA S. GRIMES  
CITY CLERK-TREASURER



Carroll County Water District

REGULAR MEETING OF THE BOARD

A regular meeting of the Commissioner of the Carroll County Water District, was held on Thursday, June 11, 2015 at 3:00 p.m. in Ghent, Kentucky. 6 - Commissioners Present  
3 - Commissioners Absent

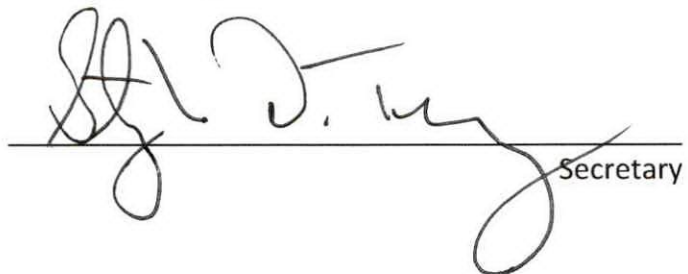
which constitute a quorum.

Upon Motion duly made and carried, following discussion among the Board members, the following resolutions were adopted unanimously:

RESOLVED, that the Carroll County Water District ("District") sign the amended and restated Interlocal Agreement ("Agreement") to indicate the revised dollar amount with the City of Carrollton, Kentucky, with the terms contained therein, as reviewed by the District and to submit the signed Agreement to the Kentucky Public Service Commission ("PSC") with all necessary documentation on behalf of the District, for approval; and,

RESOLVED FURTHER, that **Chairperson, Dennis Crawford** is hereby authorized to execute and deliver the Interlocal Agreement, on behalf of the District, and such documents as may be required by the PSC for its approval of said Agreement.

There being no further business, the meeting was adjourned.

  
Secretary

ATTEST:

  
Chairperson