

Goss ■ Samford PLLC



Attorneys at Law

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RECEIVED

NOV 13 2015

PUBLIC SERVICE
COMMISSION

November 13, 2015

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

VIA HAND DELIVERY

RE: *In re the Matter of: Joint Application of Knott County Water and Sewer, Inc. and Troublesome Creek Environmental Authority, Inc., for an Order Approving the Transfer of Ownership and Control of a Jurisdictional Asset - Case No. 2015-00301*

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, in the above referenced case, an original and ten copies of Knott County Water and Sewer, Inc., and Troublesome Creek Environmental Authority, Inc.'s, Responses to Commission Staff's Second Request for Information.

Please return a file-stamped copy of these filings to my office.

Very truly yours,

L. Allyson Honaker

Enclosures

RECEIVED

NOV 13 2015

**PUBLIC SERVICE
COMMISSION**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF KNOTT COUNTY WATER)	
AND SEWER, INC. AND TROUBLESOME)	
CREEK ENVIRONMENTAL AUTHORITY, INC. FOR)	CASE NO.
AN ORDER APPROVING THE TRANSFER OF)	2015-00301
OWNERSHIP AND CONTROL OF A JURISDICTIONAL)	
ASSET)	

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO KNOTT COUNTY WATER AND SEWER, INC., AND
TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, INC.**

DATED October 30, 2015

KNOTT COUNTY WATER AND SEWER, INC.
AND
TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, INC.

PSC CASE NO. 2015-00301

**PUBLIC SERVICE COMMISSION'S SECOND REQUEST FOR INFORMATION
DATED 10/30/15**


Knott County Water and Sewer, Inc., ("KCWSD") and Troublesome Creek Environmental Authority, Inc., ("TEA") hereby submit responses to the information requests of the Public Service Commission Staff ("PSC") in this case dated October 30, 2015. Each response with its associated supportive reference materials is individually tabbed.

Neonica Richardson
 NOTARY PUBLIC, Notary # _____
 Commission expiration: 5/20/16

In the Matter of:

JOINT APPLICATION OF KNOTT COUNTY)
WATER AND SEWER, INC. AND)
TROUBLESOME CREEK ENVIRONMENTAL) CASE NO.
AUTHORITY, INC. FOR AN ORDER) 2015-00301
APPROVING THE TRANSFER OF)
OWNERSHIP AND CONTROL OF A)
JURISDICTIONAL ASSET)

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF LETCHER)


Calvin Randall Tackett

~~Mason York~~
NOTARY PUBLIC, Notary # 496271
Commission expiration: September 9, 2017

KNOTT COUNTY WATER AND SEWER, INC.

AND

TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, INC.

PSC CASE NO. 2015-00301

**PUBLIC SERVICE COMMISSION'S SECOND REQUEST FOR INFORMATION
DATED 10/30/15**

REQUEST 1

RESPONSIBLE PERSON: C. Randall Tackett

COMPANY: Outside legal counsel for Knott County Water
and Sewer, Inc.

Request 1. In Case No. 2003-00326, the applicant in that proceeding, in describing itself, states that it was “a water district of Knott County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes”¹ In the Joint Application in this case, Knott County Water and Sewer, Inc. identified itself, in pertinent part, as “a Kentucky corporation, originally incorporated on April 16, 2003, that it is in good standing and operating as a special district formed under KRS Chapter 74, et. seq.”²

Request 1.a. State whether Knott County Water and Sewer, Inc., is the same utility that filed the application in Case No. 2003-00326. If so, explain and reconcile the difference in the descriptions in the two applications.

¹ Case No. 2003-00326, *The Application of Knott County Water and Sewer District for a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to the Provisions of KRS 278.023* (Ky. PSC filed Aug. 25, 2003), Application at 1.

² Application at 1.

Request 1.b. State why Knott County Water and Sewer, Inc., is incorporated pursuant to KRS Chapter 273. Include in the response whether Knott County Water and Sewer, Inc., was created in accordance with the procedures of KRS 65.810 or KRS Chapter 220.

Response 1.a. Knott County Water and Sewer, Inc., ("KCWSD") is the same entity that filed the application in Case No. 2003-00326. KCWSD was originally created as Knott County Water and Sewer District, in February 1999 by a resolution of the Knott County Fiscal Court. On April 16, 2003, KCWSD filed Articles of Incorporation with the Kentucky Secretary of State's office, and later filed a Certificate of Assumed Name whereby Knott County Water and Sewer, Inc., assumed the name of Knott County Water and Sewer District.

Response 1.b. According to the February 1999 Knott County Fiscal Court Resolution, KCWSD was to be governed and operated under the rules and procedures established under KRS Chapters 74 and 220. It appears that in April 2003 when the Articles of Incorporation were filed, KCWSD filed the form Articles of Incorporation for a nonprofit corporation which state that it is doing so pursuant to KRS Chapter 273. (A copy of the Articles of Incorporation, the Resolution of the Knott Fiscal Court and the minutes from the Knott Fiscal Court meeting are attached to this response). Based on the records available, including the petition and the resolution for the creation, it is presumed that the proper procedures were followed in creating KCWSD.

REGULAR MEETING
FEBRUARY 10, 1999

MEMBERS PRESENT - COUNTY JUDGE EXECUTIVE - DONNIE NEWSOME
MAGISTRATE DIST. 1 - HASKEL RITCHIE
MAGISTRATE DIST. 2 - RONNIE ADAMS
MAGISTRATE DIST. 3 - RAY BOLEN
MAGISTRATE DIST. 4 - JAMES HUFF

AGENDA:

- C. APPROVAL OF MINUTES - RAY BOLEN MADE THE MOTION TO APPROVE THE MINUTES OF THE PREVIOUS MEETING. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
- D. TREASURER'S REPORT - RAY BOLEN MADE THE MOTION TO APPROVE THE TREASURER'S REPORT. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
- E. BUDGET AMENDMENTS - FIRST READINGS - HASKEL RITCHIE MADE THE MOTION TO APPROVE THE FIRST READING. RONNIE ADAMS SECOND. ALL VOTE YES. MOTION CARRIES.
- F. NEW BUSINESS
 1. CATHY GUESS - NO MOTION MADE
 2. DAVID COOLEY - USA WASTE - DID NOT APPEAR.
 3. APPOINTMENT OF DOG WARDEN - RAY BOLEN MADE THE MOTION TO APPOINT ROGER HICKS. RONNIE ADAMS SECOND. ALL VOTE YES. MOTION CARRIES.
 4. KNOTT COUNTY WATER AND SEWER DISTRICT - RAY BOLEN MADE THE MOTION TO APPROVE A SPECIAL DISTRICT TO PROVIDE WATER AND SEWER SERVICES FOR KNOTT CO. AS SITED IN THE ATTACHED RESOLUTION TO THE MINUTES. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
 5. PERSONNEL - HIRING OF BILLING SPECIALIST - RAY BOLEN MADE THE MOTION TO HIRE MALANIE LITTLE. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
 6. PERSONNEL - HIRING OF PART-TIME JAIL EMPLOYEE - RAY BOLEN MADE THE MOTION TO HIRE CAROLYN NICKLES. RONNIE ADAMS SECOND. ALL VOTE YES. MOTION CARRIES.
 7. PERSONNEL - HIRING OF ROAD - RAY BOLEN MADE THE MOTION TO HIRE ROGER SHRUM AND DOUGLAS SPARKMAN AT \$6.86/HR. RONNIE ADAMS SECOND. ALL VOTE YES. MOTION CARRIES.
 8. PERSONNEL - HIRING OF EMT'S - RONNIE ADAMS MADE THE MOTION TO HIRE BRANDON R. THOMAS AND DALLAS L. ANDERSON @ \$7.38/HR. RAY BOLEN SECOND. ALL VOTE YES. MOTION CARRIES.
 9. SHERIFF'S TAX AUDITS - 1996 AND 1997 - RONNIE ADAMS MADE THE MOTION TO REIMBURSE TO THE KNOTT COUNTY SHERIFF 106.37 FOR OVERPAYMENTS SHOWN THRU HIS 1996 AND 1997 AUDITS. RAY BOLEN SECOND. ALL VOTE YES. MOTION CARRIES.
 10. OLD VOTING MACHINES - DECLARE SURPLUS - RONNIE ADAMS MADE THE MOTION TO APPROVE THE DISPOSAL OF ALL OLD OBSOLETE VOTING MACHINES. HASKEL RITCHIE SECOND. ALL VOTE YES. MOTION CARRIES.
 11. COUNTY ROAD SYSTEM ADDITIONS - RAY BOLEN MADE THE MOTION TO ADD 6 SPOTS TO 911 SYSTEM. HASKEL RITCHIE SECOND. ALL VOTE YES. MOTION CARRIES.

440

12. BID OPENING - EQUIPMENT LEASES - RONNIE ADAMS MADE THE MOTION TO APPROVE WAYNE SUPPLY'S EQUIPMENTS BID ON A BACKHOE. JAMES HUFF SECOND. ALL VOTE YES EXCEPT FOR HASKEL RITCHIE VOTES NO. MOTION CARRIES.

RONNIE ADAMS MADE THE MOTION TO APPROVE WHAYNE SUPPLY'S BID FOR A GRADER. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.

13. BID OPENING-ROADWAY/ROADWAY SHOULDER REPAIR - RAY BOLEN MADE THE MOTION TO ACCEPT AND SPLIT EQUALLY PREMIER CONSTRUCTION'S BID AND DON'S ESCAVATING BID ON ROADWAY SHOULDER REPAIR. IF EITHER COMPANY DOESN'T WANT TO PARTICIPATE THE WHOLE JOB WILL BE GIVEN TO THE OTHER PARTY. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
14. APPOINTMENT OF FUNDS RECEIVING AGENT - RAY BOLEN MADE THE MOTION TO APPOINT EDDIE CAMPBELL. RONNIE ADAMS SECOND. ALL VOTE YES. MOTION CARRIES.
15. CREATION OF EMERGENCY MANAGEMENT AGENCY - RONNIE ADAMS MADE THE MOTION TO APPROVE. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
16. NEW JUSTICE CENTER - RONNIE ADAMS MADE THE MOTION TO APPROVE THE RESOLUTION. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES. SEE ATTACHED.
17. CLAIMS LIST - JAMES HUFF MADE THE MOTION TO APPROVE THE CLAIMS LIST AS PRESENTED. RAY BOLEN SECOND. ALL VOTE YES. MOTION CARRIES.
18. TRANSFERS - RAY BOLEN MADE THE MOTION TO APPROVE ALL TRANSFERS. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.
- G. COMMENTS FROM CITIZEN'S - HASKEL RITCHIE MADE THE MOTION TO LEASE A LOT BESIDE THE COUNTY GARAGE FOR \$200 A MONTH. JAMES HUFF SECOND. ALL VOTE YES. MOTION CARRIES.

MEETING ADJOURNED.

JUDGE EXECUTIVE - DONNIE NEWSOME
MAGISTRATE DIST. 1. HASKEL RITCHIE
MAGISTRATE DIST. 2. RONNIE ADAMS
MAGISTRATE DIST. 3. RAY BOLEN
MAGISTRATE DIST. 4. JAMES HUFF

Ronnie Adams
Charles Ritchie
Ronnie Adams
Ray Bolen
James Huff

2-10-99

**A RESOLUTION ESTABLISHING AND CREATING
A SPECIAL DISTRICT TO PROVIDE WATER AND SEWER
SERVICES TO THE RESIDENTS OF KNOTT COUNTY, KENTUCKY**

**BE IT RESOLVED BY THE KNOTT COUNTY FISCAL COURT
AS FOLLOWS:**

WHEREAS, the legislature of the Commonwealth of Kentucky has delegated responsibility to the local governmental units to adopt and implement ordinances and resolutions to take action promoting the health, safety and general welfare of the citizens of Knott County, Kentucky and,

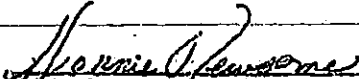
WHEREAS, many rural areas of Knott County do not have adequate potable water and suitable sanitary sewer septic systems to the meet the needs of the citizens and residents of those areas, and,

WHEREAS, the lack of such organized water and sewer systems has lead to extremely critical environmental problems such as pollution to the streams, rivers and aquifers, which further creates contaminated drinking water in Knott County, Kentucky,

NOW, THEREFORE, BE IT RESOLVED BY THE KNOTT COUNTY FISCAL COURT that there is hereby created a special district to be known as THE KNOTT COUNTY WATER AND SEWER DISTRICT, and shall be governed and operated under the rules and procedures established under KRS Chapter 74, relating to water districts and KRS Chapter 220 relating to sanitation districts.

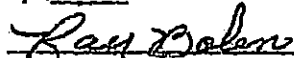


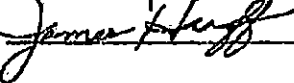
That this special district is created for the purpose of providing county-wide water and sewer systems in order to provide safe and adequate potable water and a sanitary sewer system to adequately deal with the disposal thereof in those areas of the County lacking in such systems.

DATED this 10th day of February, 1999.



KNOTT COUNTY JUDGE/EXECUTIVE

Ayes: _____

NAYS: _____

The vote taken on said Resolution at the Regular Meeting of the Knott County Fiscal Court on February 10th, 1999, the results being as shown above.

ATTEST:
By: 
CLERK OF THE FISCAL COURT OF KNOTT COUNTY

Multi-page document. Select page: 1 2 3 4

Petition for Creation of a County-Wide Water & Sewer District

We the undersigned all being property owners and residents of Knott County do hereby
petition the Knott County Fiscal Court to Create a County-Wide Water and Sewer District for
the
residents of Knott County.

Name	Address	Date
Bill R Francis	Box 205 Maurice, Ky	1-28-99
Roger D. Hicks	36 Left Dry Creek	1-28-99
Erin Huff	134 Sater State Knot	1-28-99
Mary B. Collins	Harvett, Ky 41630	
Hopie A. Collins	57 Resort Rd. Searcy, Ky	2-11-99

COMMONWEALTH OF KENTUCKY
JOHN Y. BROWN III
SECRETARY OF STATE



0558283.09

John Y. Brown III
Secretary of State
Received and Filed
04/19/2003 9:33:40 AM
Fee Receipt: \$8.00

PSC Request 1
Page 8 of 11

ARTICLES OF INCORPORATION
Nonprofit Corporation

For the purposes of forming a nonprofit corporation in Kentucky Pursuant to KRS Chapter KRS 273, the undersigned incorporator(s) hereby submit(s) the following Articles of Incorporation to the Secretary of State for filing:

Article I: The name of the corporation is

KNOTT COUNTY WATER AND SEWER, INC.

Article II: The purpose for which the corporation is organized is to provide water/wastewater

services to the people of Knott County

Article III: The street address of the corporation's initial registered office in Kentucky is

90 JUSTICE CENTER DRIVE HINDMAN KY 41822

and the name of the initial registered agent at that office is Alice Ritchie

Article IV: The mailing address of the corporation's principal office is

P.O. BOX 884 Hindman KY 41822

Article V: The number of directors constituting the initial board of directors is 5. The names and mailing addresses of the persons who are to serve as the initial board of directors are as follows:

See Attachment # 1

Article VI: The name and mailing address of each incorporator is

Reva Campbell P.O. Box 884 Hindman, KY 41822

Executed by the incorporator(s) on April 16, 2003

Alice Ritchie

Reva Campbell

I, Alice Ritchie, consent to serve as the registered agent on behalf of the corporation.

Alice Ritchie, Chairperson

This form does not comply with the 501 (C) status. You should contact the Internal Revenue Service prior to filing the Articles of Incorporation.

208 NACI (1/02)

(See attached sheet for instructions)

SEE ATTACHMENT # 2

Multi-page document. Select page: 1 2 3 4

ATTACHMENT #1

KNOTT COUNTY WATER AND SEWER DISTRICT, INC.

Alice Ritchie, Chairperson	6876 Lotts Creek Road	Hazard	KY	41701
Dale Hamilton, Vice Chair	P.O. Box 14	Topmost	KY	41862
Debra Allen	6597 Lotts Creek Road	Hazard	KY	41701
MacArthur Concha	Hwy. 721 Box 2944	Hazard	KY	41701
Rhet Gibson	305 Holder Hollow	Melle	KY	41836

Multi-page document. Select page: [1](#) [2](#) [3](#) [4](#)

[http://apps.sos.ky.gov/ImageWebViewer/\(S\(wnq55xi2tnwzfveerih5ob45\)\)/obdbdisplayim...](http://apps.sos.ky.gov/ImageWebViewer/(S(wnq55xi2tnwzfveerih5ob45))/obdbdisplayim...) 11/19/2014

2-10-99

**A RESOLUTION ESTABLISHING AND CREATING
A SPECIAL DISTRICT TO PROVIDE WATER AND SEWER
SERVICES TO THE RESIDENTS OF KNOTT COUNTY, KENTUCKY**

**BE IT RESOLVED BY THE KNOTT COUNTY FISCAL COURT
AS FOLLOWS:**

WHEREAS, the legislature of the Commonwealth of Kentucky has delegated responsibility to the local governmental units to adopt and implement ordinances and resolutions to take action promoting the health, safety and general welfare of the citizens of Knott County, Kentucky and,

WHEREAS, many rural areas of Knott County do not have adequate potable water and suitable sanitary sewer septic systems to the meet the needs of the citizens and residents of those areas, and,

WHEREAS, the lack of such organized water and sewer systems has lead to extremely critical environmental problems such as pollution to the streams, rivers and aquifers, which further creates contaminated drinking water in Knott County, Kentucky,

NOW, THEREFORE, BE IT RESOLVED BY THE KNOTT COUNTY FISCAL COURT that there is hereby created a special district to be known as THE KNOTT COUNTY WATER AND SEWER DISTRICT, and shall be governed and operated under the rules and procedures established under KRS Chapter 74, relating to water districts and KRS Chapter 220 relating to sanitation districts.

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That this special district is created for the purpose of providing county-wide water and sewer systems in order to provide safe and adequate potable water and a sanitary sewer system to adequately deal with the disposal thereof in those areas of the County lacking in such systems.

DATED this 10th day of February, 1999.

Normie Newman
KNOTT COUNTY JUDGE/EXECUTIVE

Ayes _____

NAYS: _____

Ray Colan
Normie Newman
Haskell Rutledge
James H. Huff

The vote taken on said Resolution at the Regular Meeting of the Knett County Fiscal Court on February 10th, 1999, the results being as shown above.

Attest:
By: [Signature]
Clerk of the Fiscal Court of Knett County

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KNOTT COUNTY WATER AND SEWER, INC.
AND
TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, INC.

PSC CASE NO. 2015-00301

**PUBLIC SERVICE COMMISSION'S SECOND REQUEST FOR INFORMATION
DATED 10/30/15**

REQUEST 2

RESPONSIBLE PERSON: L.J. Turner

COMPANY: Knott County Water and Sewer, Inc.

Request 2. Per The tariffs on file with the Commission for the Knott County Water and Sewer District, Knott County Water and Sewer District adopted the tariffs of the Caney Creek Water and Sewer District on February 10, 1999.³ State whether the tariffs of the Knott County Water and Sewer District on file with the Commission are the tariffs of Knott County Water and Sewer, Inc. If not, indicate why Knott County Water and Sewer, Inc., does not have tariffs on file with the Commission.

Response 2. Yes, the tariffs on file with the Commission for Knott County Water and Sewer District are also the tariffs of Knott County Water and Sewer, Inc.

³ *Knott County Water and Sewer District Rates, Rules and Regulation for Water and Sewer Services*, P.S.C. Ky. Adoption Notice No. 1.

**KNOTT COUNTY WATER AND SEWER, INC.
AND
TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, INC.**

PSC CASE NO. 2015-00301

**PUBLIC SERVICE COMMISSION'S SECOND REQUEST FOR INFORMATION
DATED 10/30/15
REQUEST 3**

RESPONSIBLE PERSON: Kyle Smith
COMPANY: Knott County Water and Sewer, Inc.

Request 3. Per the most recent Annual Report of the Knott County Water and Sewer District on file with the Commission, the utility stated that it was organized on February 10, 1999.⁴ Reconcile the February 10, 1999 date of organization per the Annual Report with the April 16, 2003 date of incorporation stated in the application in this case.

Response 3. KCWSD was originally organized on February 10, 1999. However, KCWSD did not become incorporated until April 16, 2003. (See Exhibits attached to Response 1.b.) Therefore, both dates are actually correct.

⁴ *Annual Report of Knott County Water and Sewer District to the Public Service Commission for Year Ended December 31, 2014*, at 10 and 11.