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August 9, 2019

Ms. Gwen R. Pinson, Esq.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Re: *McCreary County Water District – Revisions to Sewer Service Tariff*

Dear Ms. Pinson:

Enclosed is McCreary County Water District's ("McCreary District") revised sewer service tariff. The revised tariff establishes a permitting system and general rules for the design, installation, connection and inspection of building sewers connecting to McCreary District's sewers; specific pollutant discharge limits for wastewater discharged into McCreary District's sewers; industrial pre-treatment requirements; an industrial user permitting system; and an annual fee of \$4,000 for an industrial user permit.

The primary impetus for the submission of this revised tariff is the location of a Fibrotex USA facility in Sterns, Kentucky to manufacture an ultra-lightweight camouflage net system for the U.S. Army. The facility is expected to create as many as 350 new jobs in McCreary County. The facility's production processes will create wastewater that must be pretreated before being discharged into McCreary District's sewer system. While McCreary District's present rules and regulations for sewer service require pretreatment of certain commercial and industrial wastes before their discharge into McCreary District's sewer system (see PSC Ky. No. 1, Original Sheet 3B), the Kentucky Division of Water ("DOW") is requiring a more detailed set of rules as a precondition to issuing a revised KPDES permit that would allow McCreary District to handle wastewater from the new facility.

Pursuant to 807 KAR 5:011, Section 11, notice of the proposed tariff revisions was published in *McCreary County Voice* on August 8, 2019 and will be published in the next two consecutive editions of that publication. A copy of the notice has also been posted to McCreary District's website. A copy of the notice is also enclosed.

McCreary District proposes that the revised tariff become effective on August 29, 2019, or twenty days from the date of their submission. KRS 278.180 requires that a utility provide the Public Service Commission with notice of any change in its rate schedules at least thirty (30) days prior to its proposed effective date, but permits the Public Service Commission to shorten the notice period to twenty (20) days upon a showing of good cause.

Gwen R. Pinson, Esq.
August 9, 2019
Page 2

Good cause exists for reducing the notice period. Under Fibrotex USA's agreement with the U.S. Army, the Fibrotex facility must begin production no later than September 1, 2019. Unless the revised tariff is in place by that date, McCreary District cannot meet the provisions of its KPDES permit and cannot lawfully accept wastewater from the Fibrotex facility. The Fibrotex facility will not be able to begin production, may be deemed in default on its contractual obligations, and may face possible termination of the military procurement contract.

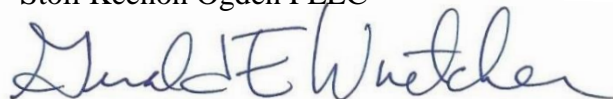
McCreary District requests that the Public Service Commission allow the proposed revised tariff to become effective on August 29, 2019. If the Public Service Commission finds that additional review of the proposed tariff is necessary, McCreary District requests that the Public Service Commission suspend the proposed tariff for one date and then permit it to become effective subject to change. This course of action will allow the Public Service Commission additional time to review the proposed tariff and to consider any modifications to the proposed tariff while permitting the Fibrotex facility to begin operations and meet its contractual commitments.

Because any conditions of service that McCreary District places on the users of its sewer system involve the regulatory jurisdiction of the Public Service Commission and the Kentucky Division of Water, McCreary District requests that a conference between the three entities be held as soon as possible to discuss the proposed sewer tariff. While McCreary District has drafted the proposed sewer tariff to meet the requirements of both agencies, its discussions with representatives of both agencies lead it to believe that it will not be able to adequately address both agencies' concerns without face-to-face discussions involving both regulators. Unless these concerns are adequately and promptly addressed, McCreary District believes that the opening of the Fibrotex facility may be imperiled.

Please contact me if Commission Staff has any questions regarding the proposed revisions or if additional information is required.

Very truly yours,

Stoll Keenon Ogden PLLC



Gerald E. Wuetcher

GEW
Enclosures

1. Revised Tariff
2. Notice of Filing
3. Compliance with 807 KAR 5:011, Section 10

NOTICE

On or about August 9, 2019, McCreary County Water District (“McCreary District”) will file revised tariff sheets with the Kentucky Public Service Commission that establish new or revised conditions of service for its provision of water and sewer service and an annual fee for industrial user sewer permits. In this filing, McCreary District proposes:

- A customer’s water service may be terminated for nonpayment of bills for sewer service that McCreary District provides to the same address or for failure to comply with McCreary District’s Rules and Regulations regarding sewer service if McCreary District provides the customer with water and sewer service;
- A water service connection must be protected by a backflow prevention assembly;
- The establishment of a permitting system and general rules for the design, installation, connection and inspection of building sewers that are to be connect to McCreary District’s sewer facilities;
- The establishment of pollutant discharge limits for wastewater discharged into McCreary District’s sewers;
- The establishment of industrial pre-treatment requirements and an industrial user permitting system; and,
- The establishment of an annual fee of \$4,000 for an industrial user permit. (An “industrial user” is an industry identified in the Standard Industrial Classification Manual, Bureau of the Budget, 1967, as amended and supplemented, under the category of "Division D - Manufacturing" and such other classes of significant waste producers that have been designated by regulation by the Administrator of the Environmental Protection Agency.)

McCreary District proposes to place its proposed revisions into effect on August 29, 2019. The proposed revisions are not expected to affect any current customer’s monthly bill.

Any person may examine the proposed tariff sheets at McCreary District’s office at 456 North Hwy 27, Whitley City, Kentucky 42653, Monday through Friday, 8:00 a.m. to 4:00 p.m., or at the Public Service Commission’s offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission’s Web site at <https://psc.ky.gov/trf4/TRFListFilings.aspx?Mode=1>.

Comments regarding the proposed revisions may be submitted to the Public Service Commission by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602 or by e-mail to psc.tariffs@ky.gov.

The proposed revisions are the rate and conditions of service proposed by McCreary District. However, the Public Service Commission may order rates to be charged and conditions of

service to be observed that differ from those proposed. Such action may result in rates and conditions of service for consumers other than those set forth in this notice.

KRS 278.180 requires McCreary District to provide the Public Service Commission with notice of the proposed revisions at least thirty (30) days prior to their effective date but permits the Public Service Commission to shorten this notice period to twenty (20) days. In its filing, McCreary District has requested that the Public Service Commission shorten this notice period to 20 days.

A person may submit a timely written request for intervention to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the person's status and interest. If the Public Service Commission does not receive a written request for intervention within twenty (20) days of the initial publication of notice, it may take final action on the proposed tariff revisions.

McCreary County Water District
First Publication Date: August 8, 2019

COMPLIANCE WITH THE REQUIREMENTS OF
807 KAR 5:011, SECTION 10

Section 9: Statutory Notice to Public Service Commission

A revised tariff sheet, completed in accordance with the requirements of 807 KAR 5:011, Section 6 is found at PSC No. 2, Original Sheet No. 2 of the proposed sewer tariff. A separate copy is found at TAB A.

Section 10, Subsection 1(a): A specific cost justification for the proposed nonrecurring charge, including all supporting documentation necessary to determine the reasonableness of the proposed non-recurring charge.

Specific cost justification for the proposed adjustments is set forth at TAB B.

Section 10, Subsection 1(b): A copy of the public notice of each requested nonrecurring charge and verification that it has been made pursuant to Section 8 of this administrative regulation;

McCreary County Water District (“McCreary District”) has caused the notice found at TAB C to be published three consecutive weeks beginning August 8, 2019 in *McCreary County Voice*, a newspaper of general circulation in McCreary District’s service area. McCreary District will file proof of publication of notice with the Public Service Commission no later than September 23, 2019. McCreary District has also posted the notice in its offices at office at 456 North Hwy 27, Whitley City, Kentucky and will post to its website (www.mccrearywater.com) no later than August 16, 2019 a copy of the public notice and a hyperlink to the location on the Public Service Commission’s Web site where the tariff filing is available.

Section 10, Subsection 1(c): A detailed statement explaining why the proposed revisions were not included in the utility’s most recent general rate case and why current conditions prevent deferring the proposed revisions until the next general rate case.

McCreary District has not previously had a need to implement a pretreatment program or to institute an industrial user permit program. The recent location of a new industrial facility in McCreary District’s territory has required the development of such program.

Section 10, Subsection 1(d): A statement identifying each classification of potential or existing customers affected by the rate revision.

The proposed industrial user permit fee will affect only one customer. McCreary District currently has no industrial users. One industrial user is expected to start operations on or about September 1, 2019. At this time, McCreary District does not expect any additional industrial users, as the term is defined in the revised tariff, to immediately apply for service or a permit.

Section 10, Subsection 1(e) A copy of the utility’s income statement and balance sheet for a recent twelve (12) month period or an affidavit from an authorized representative of the utility attesting that the utility’s income statement and balance sheet are on file with the commission.

A copy of McCreary District's annual financial and statistical report for the twelve months ending December 31, 2018 is attached at TAB D.

Section 10, Subsection 2: The proposed rate shall relate directly to the service performed or action taken and shall yield only enough revenue to pay the expenses incurred in rendering the service.

As shown at TAB B, the proposed fee relates only to the cost of the permitting program. Currently the fee is not expected to produce more revenue (\$4,000) than the cost of the permitting program (approximately \$20,000).

Section 10, Subsection 3(a): If the revenue to be generated from the proposed rate revision exceeds by five (5) percent the total revenues provided by all nonrecurring charges for a recent period of twelve (12) consecutive calendar months ending within ninety (90) days of submitting the tariff filing, the utility shall, in addition to the information established in subsection (1) of this section, file an absorption test.

In its financial and statistical report for the twelve months ending December 31, 2018, McCreary District did not report any nonrecurring charge income for its sewer operations. The proposed industrial user permit fee is expected to generate \$4,000 of additional income and the cost of the proposed industrial user permit program is expected to be as much as \$20,000. During the twelve months ending December 31, 2018, McCreary District had a net operating income of (\$618,648.73) and a net income of (\$678,611.27). Given these results, it is clear that the sewer utility operations are not able to absorb the costs associated with the newly established industrial user permit program.

Section 10, Subsection 3(b): The absorption test shall show that the additional net income generated by the tariff filing shall not result in an increase in the rate of return (or other applicable valuation method) to a level greater than that allowed in the most recent general rate case.

See above.

Section 10, Subsection 3(c): As part of the absorption test, a general rate increase received during the twelve (12) month period shall be annualized.

Not applicable.

Section 10, Subsection 4: Upon a utility submitting the tariff filing to the commission, the utility shall transmit by electronic mail a copy in PDF to rateintervention@ag.ky.gov or mail a paper copy to the Attorney General's Office of Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.

A copy of the tariff filing has been served by email upon each assistant attorney general assigned to the Attorney General's Office of Rate Intervention.

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 2

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

Other Fees and Charges

Connection Fee	Actual Cost	
Facility Relocation	Actual Cost	
Building Sewer Permit		
Residential Permit	To Be Determined	(N)
Commercial/Industrial Permit	To Be Determined	(N)
Industrial User Permit (Initial and Renewal)	\$4,000	(N)
Special Waste Hauler Permit	To Be Determined	(N)
Special Waste Hauler Application Fee	To Be Determined	(N)
Surcharge for Exceeding Maximum Allowable Amount	To Be Determined	(N)

DATE OF ISSUE August 29, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE August 9, 2019
MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____



January 14, 2019

Stephen Whitaker, Manager/Superintendent
McCreary County Water District
19 Crit King Road
Whitley City, Kentucky 42653

Re: Proposal for Pretreatment Program Development and Administration

Dear Mr. Whitaker:

I was excited to learn about your interest in Hall Environmental with regard to the Pretreatment Program for the McCreary County Water District (MCWD). While I'm not certain of all the issues impacting your district at this time, I believe our firm would be able to prepare and implement your program in a cost effective manner, while at the same time maintaining the high standards you have set with regard to protection of the wastewater infrastructure.

Our firm is currently providing pretreatment services to over 30 municipal clients. We have developed and are implementing Pretreatment Programs and have performed local limits reevaluations for many cities. We utilize a data management model based in Microsoft Excel that can be set up for compatibility with your data system. With our accumulated experience in all aspects of pretreatment, we are able to address any specific need you may have including meetings with industrial users concerning compliance issues.

I am providing the following proposal for the two (2) scopes of work that are needed:

(1) Pretreatment Program Development

- Preparation/Revisions of SUO and Pretreatment Program
- Preparation/Revision of an Enforcement Response Plan
- Correspondence with KDOW throughout Program approval process
- Evaluation and Development of Local Industrial Discharge Limits
- Preparation of initial Industrial User Permit(s)
- Preparation of Monitoring Program
- Preparation of Program Implementation Procedures
- Preparation of Program Organization/Staffing/Resources
- Set up of Data Management/File Maintenance Procedures
- Meetings with Industrial User as necessary

Proposed Cost – **Not to exceed \$12,500** (This is a one-time cost)

(2) Annual Pretreatment Program Implementation (with industrial discharge)

The annual scope of work for implementation will include the following:

- Annual Program Implementation Reports to DOW
- Semi-annual review of Program compliance status
- Attendance at all DOW Pretreatment Audits and Inspections
- Sample scheduling/Monthly data entry & review
- All correspondence with DOW and other governmental agencies
- Reevaluation of Local Limits at least once every 5 years (or as required)
- Preparation/Issuance of Annual Industrial User Permits
- Quarterly Compliance Reporting/ SNC Calculations
- Preparation of Letters and Notices of Violations
- Recommendations and guidance for appropriate enforcement action
- Annual Significant Industrial User Inspections
- Data Management/File Maintenance

Proposed Cost – **Not to exceed \$20,000 annually**

Please note that analytical costs for any required sampling that might be necessary are not included in the costs proposed here. We will bill on an hourly basis once per month, for only the time needed to complete the scope of work during the billing cycle. Any additional services, such as DOW enforcement conferences, beyond the scope of work listed here will be billed separately and will not be undertaken without your prior approval.

If you have questions regarding this proposal, I would be glad to discuss this with you in more detail to better identify the amount and type of work necessary. I would certainly enjoy the opportunity to work with you and appreciate your consideration of our firm for this service. If you need more information about Pretreatment Programs in general or about our firm, please contact me at **(859) 885-3331**.

This contract may be terminated at any time and for any reason, by either party, with thirty (30) days written prior notice.

Sincerely,



Cynthia M. Leasor
Principal Engineer/Vice President

NOTICE

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McCreary County Water District
First Publication Date: August 8, 2019

Title Page

	Name of Respondent	Addr. Line 1	Addr. Line 2	City	State	Zip
Sewer Utilities						
Annual Report of						
Respondent						

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year		
Is Principal Current?		
Is Interest Current?		

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No		
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		
Compilation		
Review		
Please enclose a copy of the accountant's report with annual report.		

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Additional Information Required

Case Num	Date	Explain
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General Information 1. (Ref Page: 1)

Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

McCreary County Water District

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

General Information 2 - 3 (Ref Page: 1)

	Name	Address	City	State	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.					
principal office in KY	McCreary County Water District-Sewer	P O Box 488	Whitley City	KY	(606) 376-2540
Name, title, address and telephone number with area code of the person to be contacted concerning this report	Stephen Whittaker	P O BOX 488	Whitley City	KY	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

General Information 4 (Ref Page: 1)

List

Name of State under the laws of which respondent is incorporated and the date of incorporation. Kentucky

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

General Information 5. (Ref Page: 1)

Date
Date sewer utility began operations
1/17/1994

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

General Information 6. (Ref Page: 1)

City or Town	Community or Subdivision	County
Stearns	East Pine Knot Estates	McCreary
Whitley City	McCreary Co Water District Sewer	McCreary

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

General Information 7. (Ref Page: 1)

	Count
Number of Full-time employees	4
Number of Part-time employees	2

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Principal Officers (Ref Page: 1)

Title	Last Name	First Name	Bus. Address	Salary or Fee
Manager	Whitaker	Stephens	P O Box 488	\$8,318.00

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Balance Sheet - Assets and Other Debts (Ref Page: 2)

	Balance First of Yr	Balance End of Yr
UTILITY PLANT		
Utility Plant (101-109)	\$19,183,239.50	\$19,138,865.55
less: Accum. Prov. for Depr., Depletion and Amortization (110)	\$7,076,215.00	\$7,568,939.00
Net Utility Plant	\$12,107,024.50	\$11,569,926.55
OTHER PROPERTY AND INVESTMENTS		
Non-Utility Property (121)		
less: Accum. Prov for Depr. and Amort. of Non-Utility Property (122)		
Net non-Utility Property		
Other Investments (124)		
Special Funds (125)	\$43,978.59	\$39,573.34
Total Other Property and Investments	\$43,978.59	\$39,573.34
CURRENT AND ACCRUED ASSETS		
Cash and Working Funds (131)	\$14,535.59	\$21,160.24
Temporary Cash Investments (132)		
Notes Receivable (141)		
Customer Accounts Receivable (142)	\$79,290.17	\$78,767.14
Other Accounts Receivable (143)	\$6,709.34	\$7,821.34
Accum. Prov. For Uncollectible Accts - CR (144)		
Notes Receivable from Assoc. Companies (145)	\$96,174.41	\$81,920.67
Accounts Receivable from Assoc Companies (146)		
Materials and Supplies (150)	\$40,414.53	\$41,029.94
Prepayments (166)		
Other Current and Accrued Assets (170)	\$54,943.49	\$61,324.37
Total Current and Accrued Assets	\$292,067.53	\$292,023.70
DEFERRED DEBITS		
Unamortized Debt Expense (181)		
Extraordinary Property Losses (182)		
Other Deferred Debits (183)	\$92,962.03	\$90,123.35
Total Deferred Debits	\$92,962.03	\$90,123.35
TOTAL ASSETS AND OTHER DEBITS	\$12,536,032.65	\$11,991,646.94

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
EQUITY CAPITAL		
Common Capital Stock (201)		
Preferred Capital Stock (204)		
Other Paid-In Capital (207)	\$16,372,767.16	\$16,372,767.16
Discount on Capital Stock (213)		
Capital Stock Expense (214)		
Appropriated Retained Earnings (215)		
Unappropriated Retained Earnings (216)	(\$7,139,457.01)	(\$7,851,481.28)
Non-Corporate Proprietorship (218)		
Total Equity Capital	\$9,233,310.15	\$8,521,285.88
LONG-TERM DEBT		
Bonds (221)	\$1,588,000.00	\$1,538,000.00
Advances From Associated Companies (223)		
Other Long-Term Debt (224)	\$336,717.00	\$406,176.55
Total Long-Term Debt	\$1,924,717.00	\$1,944,176.55
CURRENT AND ACCRUED LIABILITIES		
Notes Payable (231)		
Accounts Payable (232)	\$60,671.65	\$35,183.29
Notes Payable to Associated Companies (233)	\$1,222,144.28	\$1,394,736.32
Accounts Payable to Associated Companies (234)		
Customer Deposits (235)		
Taxes Accrued (236)	\$883.85	\$769.77
Interest Accrued (237)	\$31,101.88	\$30,278.76
Other Current and Accrued Liabilities (238)	\$63,203.84	\$65,216.37
Total Current and Accrued Liabilities	\$1,378,005.50	\$1,526,184.51
DEFERRED CREDITS		
Advances for Construction (252)		
Other Deferred Credits (253)		
Accum. Deferred Investment Tax Credits (255)		
Total Deferred Credits		
Operating Reserves (261-265)		
Contributions in Aid of Construction (271)		

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
ACUMULATED DEFERRED INCOME TAXES		
Accum. Def. Income Taxes-Accel. Amort (281)		
Accum. Def. Income Taxes-Lib. Depr. (282)		
Accum. Def. Income Taxes-Other (283)		
Total Accum. Deferred Income Taxes		
TOTAL LIABILITIES AND OTHER CREDITS	\$12,536,032.65	\$11,991,646.94

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Summary of Utility Plant (Ref Page: 4)

	Amount
UTILITY PLANT	
In Service:	
Plant in Service Classified (from pg 5 line 40) (101)	\$19,138,865.55
Completed Construction Not Classified (102)	
Utility Plant in Process of Reclassification (103)	
Utility Plant Purchased or Sold (106)	
Total In Service	\$19,138,865.55
Utility Plant Leased to Others (104)	
Property Held for Future Use (105)	
Construction Work in Progress (107)	
Utility Plant Acquisition Adjustments (108)	
Other Utility Plant Adjustments (109)	
Total Utility Plant (to pg 2 line 4)	\$19,138,865.55
Less:	
Accumulated Provision for Depreciation and Amort. of Utility Plant (to pg 2 line 6) (110)	\$7,568,939.00
Net Utility Plant (to pg 2 line 7)	\$11,569,926.55

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Accum. Prov. for Depreciation and Amortization of Utility Plant (Ref Page: 4)

Item	Amount
Balance Beginning of Year	\$7,076,215.00
Accruals for Year:	
Depreciation	\$537,322.00
Amortization	
Other Accounts (detail)	
Total Accruals for Year	\$537,322.00
Credit Adjustments (describe)	
Total Credits for Year	Retired equipment (\$44,598.00)
Net Charges for Plant Retired:	(\$44,598.00)
Book Cost of Plant Retired (same as pg 5 line 40)	
Add: Cost of Removal	
Less: Salvage	
Net Charges for Plant Retired	
Debit Adjustments (describe)	
Total Debit Adjustments for Year	
Balance End of Year	\$7,568,939.00

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Utility Plant In Service (Ref Page: 5)

	Depr Rate	Balance Beg of Year	Additions	Retirements	ReClass (Debit-Credit)	Balance End of Year
INTANGIBLE PLANT						
Organization (301)						
Franchises and Consents (302)						
Misc. Intangible Plant (303)						
Total Intangible Plant						
LAND AND STRUCTURES						
Land and Land Rights (310)						
Structures and Improvements (311)		\$10,108,729.56	\$0.00	\$0.00	\$0.00	\$10,108,729.56
Total Land and Structures		\$10,108,729.56	\$0.00	\$0.00	\$0.00	\$10,108,729.56
COLLECTION PLANT						
Collection Sewers - Force (352.1)		\$7,185,569.73	\$0.00	\$0.00	\$0.00	\$7,185,569.73
Collection Sewers - Gravity (352.2)						
Other Collection Plant Facilities (353)						
Services to Customers (354)		\$1,466,715.22	\$480.00	\$0.00	\$0.00	\$1,467,195.22
Flow Measuring Devices (355)		\$8,000.00	\$0.00	\$0.00	\$0.00	\$8,000.00
Total Collection Plant		\$8,660,284.95	\$480.00	\$0.00	\$0.00	\$8,660,764.95
PUMPING PLANT						
Receiving Wells and Pump Pits (362)						
Pumping Equipment - Electric (363A)		\$253,663.08	\$0.00	\$0.00	\$0.00	\$253,663.08
Pumping Equipment- Diesel (363B)		\$47,654.20	\$0.00	\$7,416.00	\$0.00	\$40,238.20
Pumping Equipment - Other (363C)						
Total Pumping Plant (364)		\$301,317.28	\$0.00	\$7,416.00	\$0.00	\$293,901.28
TREATMENT AND DISPOSAL PLANT						

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Utility Plant In Service (Ref Page: 5)

	Depr Rate	Balance Beg of Year	Additions	Retirements	ReClass (Debit-Credit)	Balance End of Year
Oxidation Lagoon (372)						
Treatment and Disposal Equipment (373)		\$3,185.50	\$0.00	\$3,185.50	\$0.00	\$0.00
Plant Sewers (374)						
Outfall Sewer Lines (375)						
Other Treatment and Disposal Plant Equip. (376)						
Total Treatment and Disposal Plant (371)		\$3,185.50	\$0.00	\$3,185.50	\$0.00	\$0.00
GENERAL PLANT (372)						
Office Furniture and Equipment (391)		\$5,777.93	\$0.00	\$0.00	\$0.00	\$5,777.93
Transportation Equipment (392)		\$79,632.00	\$0.00	\$32,804.00	\$0.00	\$46,828.00
Stores Equipment (393A)						
Tools, Shop and Garage Equipment (393B)		\$1,923.00	\$0.00	\$0.00	\$0.00	\$1,923.00
Laboratory Equipment (393C)		\$5,480.86	\$0.00	\$0.00	\$0.00	\$5,480.86
Power Operated Equipment (393D)						
Communication Equipment (393E)		\$1,448.45	\$0.00	\$1,448.45	\$0.00	\$0.00
Other Tangible Property (393F)		\$15,459.97	\$0.00	\$0.00	\$0.00	\$15,459.97
Total General Plant		\$109,722.21	\$0.00	\$34,252.45	\$0.00	\$75,469.76
TOTAL SEWER PLANT IN SERVICE		\$19,183,239.50	\$480.00	\$44,853.95	\$0.00	\$19,138,865.55

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Capital Stock (Ref Page: 6)

Class and Series (a)	No. of Shares Auth. (b)	Par Val per Share of Par	Stated Val Per Share of	Outstanding Shares (e)	Outstanding Amount (f)
	0	\$0.00	0.0000	0	\$0.00
	0	\$0.00	0.0000	0	\$0.00
	0	\$0.00	0.0000	0	\$0.00
	0	\$0.00	0.0000	0	\$0.00
Total	0	\$0.00	0.0000	0	\$0.00

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Long-Term Debt (Ref Page: 6)

Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
List each Original Issue Amount Class and Series of Obligation						
Rural Development 2005 Series	\$290,000.00	8/31/2005		\$238,000.00	4.1250	\$10,023.76
KY Rural Water Finance Series 2012D	\$1,595,000.00	5/30/2012		\$1,300,000.00	4.2000	\$50,533.73
Deferred Inflows of Resources	\$0.00			\$27,679.12	0.0000	\$0.00
Net Pension Liability	\$0.00			\$378,497.43	0.0000	\$0.00
Total	\$1,885,000.00			\$1,944,176.55	0.0000	\$60,557.49

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Notes Payable (Ref Page: 6)

(Include Notes Payable to Associated Companies Under This Heading)	Name of Payee (a)	Date Of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
	McCreary Co. Water District			0.0000	\$1,394,736.32
Total				0.0000	\$1,394,736.32

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Interest Accrued (Ref Page: 6)

Description of Obligation (a)	Int. Accr. Balance First of Yr	Int. Accr. During Yr (c)	Int. Paid During Yr (d)	Int. Accr. Balance End of Yr
Rural Development 2005	\$5,115.00	\$10,023.76	\$10,126.88	\$5,011.88
KY Rural Water Finance Series 2015D	\$25,986.88	\$50,533.73	\$51,253.73	\$25,266.88
Total	\$31,101.88	\$60,557.49	\$61,380.61	\$30,278.76

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Other Current and Accrued Liabilities (Ref Page: 7)

Description	Amount
Accrued Wages	\$10,839.37
Payroll Liabilities	\$4,377.00
Current Portion of RD 2005 Series	\$5,000.00
Current Portion of KY Rural Water 2012D	\$45,000.00
Total (must agree with pg 3 Acct 238)	\$65,216.37

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Statement of Retained Earnings For the Year (Ref Page: 7)

Item (a)	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS		
(216)		
Balance Beginning of Year	(\$7,139,457.01)	(\$6,510,600.57)
Balance Transferred From Income (435)	(\$678,611.27)	(\$628,856.44)
Appropriations of Retained Earnings (436)		
Dividends Declared-Preferred Stock (437)		
Dividends Declared-Common Stock (438)		
Adjustments to Retained Earnings (439)		
Gasb 68 Adjustment from Water to Sewer reallocating	(\$33,413.00)	
Balance End of Year	(\$7,851,481.28)	(\$7,139,457.01)

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Statement of Income for the Year (Ref Page: 8)

Description	Number Customers (b)	Amount (c)
OPERATING REVENUES		
Flat Rate Revenues-General Customers:		
Residential Revenues (521.1)	861	\$309,700.37
Commercial Revenues (521.2)	176	\$153,972.28
Industrial Revenues (521.3)	5	\$4,640.21
Revenues From Public Authorities (521.4)	98	\$440,841.49
Total (521)	1,140	\$909,154.35
Measured Revenues - General Customers: (483)		
Residential Revenues (522.1)		
Commercial Revenues (522.2)		
Industrial Revenues (522.3)		
Revenues From Public Authorities (522.4)		
Total (522)	0	\$0.00
Revenues From Public Authorities (523)		
Revenues From Other Systems (524)		
Miscellaneous Sewage Revenues (526)	0	\$22,481.08
Total Sewage Service Revenues (521-526)	1,140	\$931,635.43
OTHER OPERATING REVENUES		
Customers Forfeited Discounts (532)		
Miscellaneous Operating Revenues (536)		
Total Other Operating Revenues		
Total Operating Revenues		\$931,635.43
OPERATING EXPENSES		
Total Sewer Operation and Maint. Expenses (from pg 9)		
Depreciation Expense (403)		\$537,322.00
Amortization Expense (from pg 10) (404-407)		
Taxes Other Than Income taxes (from pg 10) (408.1)		\$17,822.86
Total Income Taxes-Utility Operations (from pg 10)		
Total Sewage Operating Expenses		\$1,550,284.16
Net Operating Income		(\$618,648.73)

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Statement of Income for the Year (Ref Page: 8)

	Description	Number Customers (b)	Amount (c)
OTHER INCOME			
	Income from NonUtility Operations (417)		
	Interest and dividend Income (419)		\$594.95
	Miscellaneous Nonoperating Income (421)		
	Other Accounts (Specify Acct. No & Title)		
	Total Other Income		\$594.95
OTHER DEDUCTIONS			
	Interest on Long-Term Debt (427)		\$60,557.49
	Amortization of Debt Discount and Expense (428)		
	Interest on Debt to Associated Companies (430)		
	Other Interest Expense (431)		
	Taxes Other than Income Taxes 408.2 (from pg 10)		
	Total Income Taxes-Nonutility Operations (from pg 10)		
	Other Accounts (Specify Acct. No. and Title)		
	Total Other Deductions		\$60,557.49
	Net Income		(\$678,611.27)

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Operation and Maintenance Expenses (Ref Page: 9)

	Amount (b)
OPERATION EXPENSES	
Supervision and Engineering (700) :	
Owner/Manager-Management Fee (700-A)	
Other Expenses (700-B)	
Labor and Expenses (701) :	
Collection System-Labor, Materials and Expenses (701-A)	\$38,476.51
Pumping System-Labor, Materials and Expenses (701-B)	
Treatment System (701-C) :	
Sludge Hauling	
Utility Service - Water Cost	
Other-Labor, Materials and Expense	
Rents (702)	
Fuel and Power Purchased for Pumping and Treatment (703)	\$130,535.54
Chemicals (704)	\$153,161.56
Miscellaneous Supplies and Expenses (705) :	
Collection System (705-A)	
Pumping System (705-B)	
Treatment an Disposal (705-C)	
Total Operation Expenses	\$322,173.61
MAINTENANCE EXPENSES	
Supervision and Engineering (710) :	
Routine Maintenance Service Fee (710-A)	
Internal Supervision and Engineering (710-B)	
Maintenance of Structures and Improvements (711)	
Maintenance of Collection Sewer system (712)	
Maintenance of Pumping System (713)	\$143,352.12
Maintenance of Treatment and Disposal Plant (714)	
Maintenance of Other Plant Facilities (715)	\$22,238.02
Total Maintenance Expenses	\$165,590.14
CUSTOMER ACCOUNTS EXPENSES	
Supervision (901)	
Meter Reading Expenses and Flat Rate Inspections (902)	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Operation and Maintenance Expenses (Ref Page: 9)

	Amount (b)
Customer Records and Collection Expenses (903):	
Agency Collection Fee (903-A)	
Internal Labor, Materials and Expenses (903-B)	
Uncollectible Accounts (904)	\$4,660.00
Miscellaneous Customer Accounts Expenses (905)	
Total Customer Accounts Expenses	\$4,660.00
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries (920)	\$226,937.16
Office Supplies and Other Expenses (921)	\$26,199.07
Outside Services Employed (923)	\$58,671.94
Insurance Expenses (924)	\$68,202.64
Employee Pensions and Benefits (926)	\$96,947.91
Regulatory Commission Expense (928)	
Transportation Expenses (929)	\$15,200.57
Miscellaneous General Expenses (930)	\$10,556.26
Rents (931)	
Maintenance of General Plant (932)	
Total Administrative and General Expenses	\$502,715.55
TOTAL SEWER OPERATION AND MAINTENANCE EXPENSES (to pg 8)	\$995,139.30

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Taxes Other Than Income Taxes (Ref Page: 10)

Item (a)	Amount (b)
Payroll Taxes	\$17,822.86
Property Taxes	
Utility Regulatory Commission Assessment	
Other (specify)	
Total (Same as Page 8 line 27 plus 44)	\$17,822.86

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Operating and Non-Operating Income Taxes (Ref Page: 10)

	Amount (b)
Income Taxes-Federal (409.1)	
Income Taxes - State (409.1)	
Income Taxes - Other (409.1)	
Provisions for Deferred Income Taxes (410.1)	
Income Taxes Deferred in Prior Years - Credit (411.1)	
Investment Tax Credits - Net (412.0)	
Total Income Taxes - Util. Operating Income (to pg 8 line 28)	
Income Taxes - Federal (409.2)	
Income Taxes - State (409.2)	
Income Taxes - Other (409.2)	
Provisions for Deferred Income (410.2)	
Income Taxes Deferred in Prior Years - Credit (411.2)	
Investment Tax Credits - Net (412.4)	
Total Inc. Taxes - Nonutil. Op. Income (to pg 8 line 45)	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Amortization Expense (Ref Page: 10)

	Amount (b)
Amortization of Limited - Term Utility Plant (404)	
Amortization of Other Utility Plant (405)	
Amortization of Utility Plant Acquisition Adjustments (406)	
Amortization of Property Losses (407)	
Amortization of Rate Case Expense	
Total Amortization Expense (to pg 8 line 26)	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Plant Valuation 1 - 3 (Ref Page: 11)

Description	Percentage
What method of valuation was used with reference to Sewer Utility Plant in Service Appearing on page two line four: Original Cost, Estimated Cost, Original Cost Study?	
What percentage of Sewer Utility Plant in Service was recovered, by the developer of the subdivision, through the sale of lots?	
If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, etc.) of the plant that represents non-contributed plant	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Plant Valuation 4. (Ref Page: 11)

	Last Name	First Name	Date
By whom were the books of account audited? What was the date of the last audit?	Faulkner, King, Wenz PSC		9/10/2018
If unaudited in the past twelve months, when and by whom is the next audit anticipated?			

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Physical Data of Sewer Plant (Ref Page: 11)

Date of Construction of original Plant	East Pine Knot 9/82, McCreary Co Water Expansion 9/94, New Plant 6/11
Type of treatment process	Extended aeration with aerobic digester
Date and additional GPD Capacity of subsequent additions to plant	N/A
Population for which plant is designed including population equivalent of industrial waste load	7000 (100G per person per day)

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Treatment Plant Operating Statistics (Ref Page: 11)

	Total	Cost
Total gallons received during the year	19,074,100	
Total gallons received on maximum day		
Maximum G.P.D. Capacity of the sewage treatment plant		
Routine maintenance service fee		
Cost per month		
Contract Expires		
Sludge hauling		
Cost per load		
Average number of gallons per load		
Number of loads this year		

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Customer Statistics End of Year (Ref Page: 12)

Type	Num of Customers	Bi-Month or Month Billing	Number of bills
Residential			
Single Family	741	10,086	
Apartments/Condominiums	20	240	
Commercial	176	2,115	
Industrial	5	59	
Other	198	1,180	
Total	1,140	13,680	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Industrial Customers Served (Ref Page: 12)

Name	Type of Industry	Gallons	Pretreatment of Wastes
------	------------------	---------	------------------------

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Pumping Stations (Ref Page: 12)

Location	Size of Motor	Type of Motor	Gals per Day
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22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Mains (Feet) (Ref Page: 12)

Kind of Pipe	Diameter	Num of Feet	additions	removed	Feet End of Year
PVC	1 1/2"	109,443	200	0	109,643
PVC	2"	52,633	0	0	52,633
PVC	2 1/2	10,478	0	0	10,478
PVC	3"	11,508	0	0	11,508
PVC	4"	17,475	0	0	17,475
PVC	6"	22,300	0	0	22,300
PVC	8"	5,860	0	0	5,860
PVC	10"	50,203	0	0	50,203

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Sewer Plant Statistics - Service Laterals and Stubs (Ref Page: 12)

	Count
Number of service laterals owned by the utility at end of year	
Number of stubs as of end of year	
Number of service laterals owned by others	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

CheckList

Item	Value 1	Value 2	Agree	Explain
Balance Sheet (ref pg 2) Line Utility Plant (101-109) agrees with Sched Summary of Utility Plant (ref. pg 4) Total Utility Plant	19138865.55	19138865.55	OK	
Balance Sheet (ref pg 2) Line Less: Acct 110 agrees with Sched Summary of Utility Plant (ref pg 4) Line Total Utility Plant	7568939.00	7568939.00	OK	
Balance Sheet (ref pg 2) Line Net Utility Plant agrees with Summary of Utility Plant (ref pg 4) Line Net Utility Plant	11569926.55	11569926.55	OK	
Summary of Utility Plant (ref pg 4) Plant in Service Classified (Acct 101) agrees with Sched Sewer Plant in Service (ref pg 5) Total Sewer Plant in Service	19138865.55	19138865.55	OK	
Accum. Prov for Deprec. and Amort (Ref pg 4) Balance End of Year agrees with Sched Summary of Utility Plant (ref pg 4) Accumulated Prov. for Depr. and Amort.	7568939.00	7568939.00	OK	
Balance Sheet (ref pg 3) Sum of Common Capital Stock (201) and Preferred Capital Stock (204) agrees with Schedule Capital Stock (ref pg 6)	0	0.0000	OK	
Balance Sheet (ref pg 3) Unappropriated Retained Earnings (216) agrees with Sched Statement of Retained Earnings (ref pg 7) Balance End of Year	-7851481.28	-7851481.28	OK	
Balance Sheet (ref pg 3) Total Long Term Debt (224) agrees with Sched Long Term Debt (ref pg 6) Total col d	1944176.55	1944176.55	OK	
Balance Sheet (ref pg 3) The sum of Notes Payable (231) and (233) agrees with Sched Notes Payable (ref pg 6) Total Col e	1394736.32	1394736.32	OK	
Balance Sheet (ref pg 3) Interest Accrued (237) agrees with Sched Interest Accrued (ref pg 6) Total Col e	30278.76	30278.76	OK	
Balance Sheet (ref pg 3) Current and Accrued Liabilities (238) agrees with Sched Other Current and Accrued Liabilities (ref pg 7) Total	65216.37	65216.37	OK	

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

CheckList

Item	Value 1	Value 2	Agree	Explain
Balance Sheet (ref pg 3) Total Liabilities and Other Credits agrees with Balance Sheet (ref pg 2) Total Assets and Other Debits	11991646.94	11991646.94	OK	
Accum Prov. for Depreciation and Amortization (ref. pg 4) Depreciation agrees with Sched Statement of Income for the Year (ref pg 8) Depreciation Expense (403)	537322.00	537322.00	OK	
Sched Long Term Debt (ref pg 6) Total Interest Amount agrees with Sched Statement of Income (ref pg 8) Interest on Long Term Debt (427)	60557.49	60557.49	OK	
Interest Accrued (ref pg 6) Total Interest Accrued agrees with Sched Statement of Income (ref pg 8) Other Interest Expense (431)	60557.49	60557.49	OK	
Statement of Income for the Year (ref pg 8) Total Sewer Operation and Maint. Expenses agrees with Sched Sewer Operation and Maintenance Expenses (ref pg 9) Total Sewer Operation and Maint. Exp	995139.30	995139.30	OK	
Statement of Income for the Year (ref pg 8) Total Income taxes - Utility Operations agrees with Sched Operating and Non-Operating Income Taxes (ref pg 10) Total Income Taxes - Util Operating Income	0	0	OK	
Statement of Income for the Year (ref pg 8) Amortization Expense agrees with Sched Amortization Expense (ref pg 10) Total Amortization Expense	0	0	OK	
Statement of Income for the Year (ref pg 8) The sum of lines Taxes Other than Income Taxes 408.1 and 408.2 agrees with Taxes Other Than Income (ref pg 10)	17822.86	17822.86	OK	
Statement of Income for the Year (ref pg 8) Total Income Taxes - Nonutility Operations agrees with Sched Operating and Non-Operating Income Taxes Total Inc. Taxes - Nonutil. Op Income	0	0	OK	
Schedule Sewer Plant Statistics (ref pg 11 and 12) have been completed				

22225200 McCreary County Water District 01/01/2018 - 12/31/2018

Upload supporting documents

Document	Description	Supports
SD 22225200 2018 1.10	(Describe File)Audit Opinion Letter	Audit Report

OATH

Commonwealth of Kentucky)
) ss:
County of McCreary)

Stephen Whitaker makes oath and says
(Name of Officer)

that he/she is Manager/Supt. of
(Official title of officer)

McCreary County Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2018 , to and including December 31, 2018

Stephen Whitaker
(Signature of Officer)

subscribed and sworn to before me, a Notary , in and for
the State and County named in the above this 24th day of July, 2019

(Apply Seal Here)

My Commission expires 7/13/2022

Kelly Dye
(Signature of officer authorized to administer oath)

PSC KY. NO. 2

CANCELLING PSC KY. NO. 1

McCreary County Water District

OF

McCreary County, Kentucky

RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

SEWER SERVICE

AT

McCreary County, Kentucky

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE August 9, 2019
Month / Date / Year

DATE EFFECTIVE August 29, 2019
Month / Date / Year

ISSUED BY /s/ Randy Kidd
(Signature of Officer)

TITLE Chairman

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 1

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

Monthly Sewer Rates

Residential & Non-Residential Meter

First 2,000 gallons	\$24.19 Minimum Bill
Next 18,000 gallons	\$8.44 per 1,000 gallons
All Over 20,000 gallons	\$7.50 per 1,000 gallons

Federal Correctional Facility

First 1,300,000 gallons	\$9,703.13 Minimum Bill
Over 1,300,000 gallons	\$8.44 per 1,000 gallons

Monthly rates for special service through a multi-unit master meter agreement:

The monthly charge for customers who have requested service through a master meter for multi-unit service shall be the greater of (a) the number of housing units multiplied by the minimum charge per unit (based on the district's standard service meter minimum charge), or (b) the amount billed for average unit use (determined by dividing the total usage by the number of housing units) multiplied by the total number of housing units in the multi-unit facility.

DATE OF ISSUE August 9, 2019

MONTH / DATE / YEAR

DATE EFFECTIVE August 29, 2019

MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 2

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

Other Fees and Charges

Connection Fee	Actual Cost	
Facility Relocation	Actual Cost	
Building Sewer Permit		
Residential Permit	To Be Determined	(N)
Commercial/Industrial Permit	To Be Determined	(N)
Industrial User Permit (Initial and Renewal)	\$4,000	(N)
Special Waste Hauler Permit	To Be Determined	(N)
Special Waste Hauler Application Fee	To Be Determined	(N)
Surcharge for Exceeding Maximum Allowable Amount	To Be Determined	(N)

DATE OF ISSUE August 9, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE August 29, 2019
MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 3

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

Definitions

“Act” means the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq.

“Baseline Monitoring Report” (BMR) means a report submitted by categorical industrial users within 180 days after the effective date of a categorical pretreatment standard which indicates the compliance status of the user with the applicable categorical standard.

“Best Management Practices” (BMP) means schedules of activities, prohibitions of practices, maintenance procedures and other management practices to implement the prohibitions listed in 40 CFR § 403.5(a)(1) and (b) and includes treatment requirements, operating procedures and practices to control plant site runoff, spillage or leaks, sludge or waste disposal or drainage from raw materials storage.

“Biochemical Oxygen Demand” (BOD) means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure, five (5) days at 20° Celsius expressed in terms of weight and concentration in milligrams per liter (mg/l).

“Building Drain” means that part of the lowest horizontal piping of a drainage system that receives the discharge from inside the building and conveys it to the building sewer, beginning five (5) feet outside the inner face of the building wall.

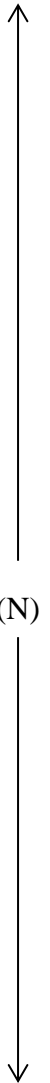
“Building Sewer” means the extension from the building drain to the District’s sewer.

“Cabinet” means the Kentucky Energy and Environment Cabinet or its authorized representative.

“Categorical Industrial User” means an industrial user subject to categorical pretreatment standards.

“Categorical Pretreatment Standards” means any regulation containing pollutant discharge limits promulgated by the Environmental Protection Agency in accordance with Section 307 (b) and (c) of the Act that applies to a specific category of industrial users.

“District” means McCreary County Water District.



DATE OF ISSUE August 9, 2019

MONTH / DATE / YEAR

DATE EFFECTIVE August 29, 2019

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ISSUED BY /s/Randy Kidd

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 4

McCreary County Water District

CANCELLING PSC KY NO. _____

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RULES AND REGULATIONS

“Combined Sewer” means any conduit designed to carry both sanitary sewage and storm water or surface water.

“Combined Wastestream Formula” means the procedure for calculating alternative discharge limits at industrial facilities where a regulated wastestream is combined with other non-regulated wastestreams prior to treatment (40 CFR § 403.6).

“Compatible Pollutant” means BOD or chemical oxygen demand, suspended solids and fecal coliform bacteria; plus any additional pollutants identified in the District’s NPDES/KPDES permit, where the District’s sewer works are designed and used to treat such pollutants to ensure compliance with the District’s NPDES/KPDES permit.

“Cooling Water” means the water discharge from any use such as air conditioning, cooling or refrigeration, or to which the only pollutant added is heat.

“Daily Maximum Limit” means the maximum allowable value for any single sampling observation in a given day.

“Direct Discharge” means the discharge of treated or untreated wastewater directly to the waters of the Commonwealth of Kentucky.

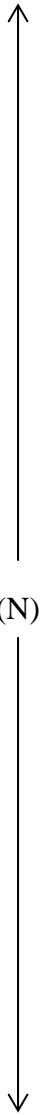
“Discharger” means any person who discharges or causes a discharge to the District’s sewers.

“District’s Treatment Plant” means that portion of the District’s treatment works designed to provide treatment to wastewater.

“District’s Treatment Works” means a treatment works as defined by 33 U.S.C. § 1292 that the District owns, and includes any sewers that convey wastewater to the District’s treatment plant, but does not include pipes, sewers, or other conveyances not connected to a facility providing treatment.

“Domestic Wastewater” means the water-carried wastes produced from non-commercial or non-industrial activities and which result from normal human living processes.

“Effluent” means the liquid overflow of any facility designed to treat, convey or retain wastewater.



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“Equipment” means all movable, non-fixed items necessary to the wastewater treatment process.

“Existing Source” means any source of discharge that is not a New Source.

“Flow Proportional Composite Sample” means combination of individual samples proportional to the flow of the wastestream at the time of sampling.

“Garbage” means the animal and vegetable waste resulting from the handling, preparation, cooking, and serving of foods.

“Grab Sample” means a sample which is taken from a wastestream on a one-time basis with no regard to the flow of the wastestream and over a period of time not to exceed fifteen (15) minutes.

“Holding Tank Waste” means any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks, and vacuum-pump tank trucks.

“Incompatible Pollutant” means all pollutants other than compatible pollutants.

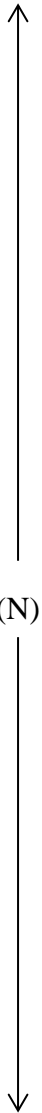
“Indirect Discharge” means the discharge or the introduction of non-domestic pollutants from any source regulated under section 307(b) or (c) of the Act, including holding tank waste, discharged into the District’s system.

“Industrial User” (IU) means a source of Indirect Discharge that does not constitute a “discharge of pollutants” under regulations issued pursuant to Section 402 of the Act.

“Industrial User Permit” means a permit issued to industrial users which authorizes discharges to the District’s sewers.

“Industrial Wastes” means the wastewater from industrial or commercial processes as distinct from domestic or sanitary wastes.

“Interceptor. A device designed and installed so as to separate and retain deleterious, hazardous or undesirable matter from normal wastes which permits normal sewage or liquid wastes to discharge into the sewer or drainage system by gravity. Interceptor as defined herein is commonly referred to as a grease, oil, or sand trap.



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“Interference” means a discharge which, alone or in conjunction with a discharge or discharges from other sources inhibits or disrupts the District’s sewage works, its treatment processes or operations, or its sludge processes, use or disposal; or is a cause of a violation of any requirement of the District’s NPDES/KPDES permit including an increase in the magnitude or duration of a violation or of the prevention of sewage sludge use or disposal in compliance with any applicable federal or state law or regulation.

“Kentucky Pollutant Discharge Elimination System Permit” means a permit issued by the Commonwealth of Kentucky under Section 402 of the Act.

“Local Limit(s)” means specific discharge limit(s) developed and enforced by the District upon industrial and commercial facilities to implement the general and specific discharge prohibitions listed in 40 CFR § 403.5(a)(1) and (b).

“Medical Waste” means isolation waste, infectious agents, human blood products, pathological wastes, sharps, body parts, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.

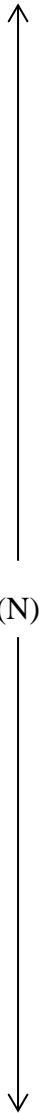
“Monthly Average Limit” means the maximum allowable value for the average of all observations obtained during one month.

“National Categorical Pretreatment Standard or Pretreatment Standard” means any Environmental Protection Agency regulation containing pollutant discharge limits applicable to a specific category of industrial users and promulgated in accordance with Section 307(b) and (c) of the Act and includes the prohibitive discharge limits established pursuant to 40 CFR § 403.5.

“National Pollutant Discharge Elimination System Permit” means a permit issued pursuant to Section 402 of the Act.

“Natural Outlet” means any outlet, including storm sewers, into a watercourse, pond, ditch, lake, or other body of surface or groundwater.

“New Source” is defined by 40 CFR § 403.3(m).



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“Ninety (90) day compliance report” means the report required by 40 CFR § 403.12(d) from a categorical industrial user within 90 days following the date for final compliance with applicable categorical standards that documents and certifies the compliance status of the user.

“Noncontact Cooling Water” means water used for cooling that does not come into direct contact with any raw material, intermediate product, waste product or finished product.

“Pass Through” means a discharge of pollutant which the District’s facilities cannot treat adequately, and therefore exits into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the District’s NPDES/KPDES permit (including an increase in the magnitude or duration of a violation).”

“Periodic Compliance Report” means the report on compliance status that 40 CFR § 403.12(e) requires significant industrial users to submit at least semiannually to the District..

“pH” means a measure of the acidity or alkalinity of a substance, expressed in standard units, and calculated as the logarithm of the reciprocal of the hydrogen ion concentration. The concentration is the weight of hydrogen ions, in grams, per liter of solution.

“pH Violation” means (1) for users that utilize a continuous pH monitoring system to determine compliance with the pH limitations established under these Rules and Regulations, when a continuous excursion from the range of pH limitations exceeds 15 minutes, provided that the total time during which the pH value was outside the required range of pH limitations does not exceed seven (7) hours and twenty-six (26) minutes in any calendar month or (2) for users that do not utilize a continuous pH monitoring system to determine compliance with the pH limitations established under these Rules and Regulations, when a grab sample of the final effluent stream indicates that the pH of the wastewater sample was outside the pH limitation range established under these Rules and Regulations.



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“Pollutant” means that any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, medical waste, munitions, chemical, biological material, radioactive material, heat, wrecked or discharged equipment, rock, sand, cellar dirt and industrial, District and agricultural waste discharged into water.

“Pretreatment or Treatment” means the reduction by any means except those prohibited by 40 CFR § 403.6(d) of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants into the District’s treatment works.

“Pretreatment Requirements” means any substantive or procedural requirement, other than a Pretreatment Standard, related to pretreatment imposed on a user.

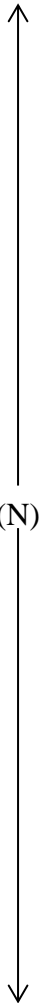
“Pretreatment Standards” means prohibited discharge standards, categorical standards, best management practices and local limits.

“Process Wastewater”. Means any water which, during manufacturing or processing, comes into direct contact with or results from the production of or use of any raw material, intermediate product, finished product, by-product, or waste product.

“Production-based Standard” means a discharge limitation expressed in terms of allowable pollutant mass discharge rate per unit of production and applied directly to an industrial user’s manufacturing process.

“Prohibitive Discharge Standard” means any regulation developed under the authority of 307(b) of the Act and 40 CFR § 403.5.

“Properly Shredded Garbage” means the wastes from the preparation, cooking, and dispensing of food that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than 1/2 inch in any dimension.



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“Public Sewer” means a common sewer that the District control and includes the main sewer in the street and the service branch to the curb or property line, or a main sewer on private property and the service branch to the extent of the District’s ownership. Nothing in this definition shall expand the District’s current policy of maintenance of service branches.

“Regulated Wastestream” means an industrial process wastestream regulated by a National Categorical Pretreatment Standard.

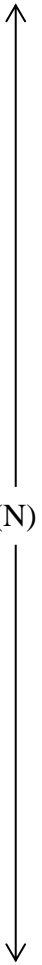
“Sanitary Sewer” means a sewer that carries liquid and water-carried wastes from residences, commercial buildings industrial plants, and institutions.

“Sewage” means the spent water of a community. Domestic or sanitary waste shall mean the liquid or water-carried wastes from residences, commercial buildings, and institutions as distinct from industrial sewage. The terms “sewage” and “wastewater” are used interchangeably.

“Sewer System” means all facilities used for collecting, transporting, pumping, treating and disposing of sewage and sludge.

“Sewer” means a pipe or conduit that carries wastewater or drainage water.

“Significant Industrial User” means (1) all industrial users subject to Categorical Pretreatment Standards under 40 CFR § 403.6 and 40 CFR Chapter I, Subchapter N; and (B) any noncategorical user that (i) discharges 10,000 gallons per day or more of process wastewater (“process wastewater” excludes sanitary noncontact cooling, and boiler blowdown wastewaters) or (ii) contributes a process wastestream which makes up five percent or more of the average dry weather hydraulic or organic (BOD, TSS, etc.) capacity of the treatment plant or (iii) has a reasonable potential, in the District’s or Cabinet’s opinion, to adversely affect the District’s treatment plant (inhibition, pass through of pollutants, sludge contamination or endangerment of the District’s treatment works workers).



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“Slug Discharge” means. Any discharge of a non-routine episodic nature including, but not limited to, an accidental spill or non-customary batch discharge or any discharge of water or wastewater in which the concentration of any given constituent or quantity of flow exceeds, for any period of duration longer than fifteen (15) minutes, more than five (5) times the average twenty-four (24) hour concentration or flow rate during normal operation which adversely affects the District’s treatment works or which has a reasonable potential to cause interference or pass-through or in any other way violate the District’s regulations, Local Limits or permit conditions.

“Slug Load” means any pollutant (including Biochemical Oxygen Demand) released in a discharge at a flow rate or concentration which will cause interference with the operation of the treatment works or which exceeds limits set forth in the Industry’s Discharge Permit and which include accidental spills.

“Spill Prevention and Control Plan” means a plan prepared by an industrial user to minimize the likelihood of a spill and to expedite control and cleanup activities should a spill occur.

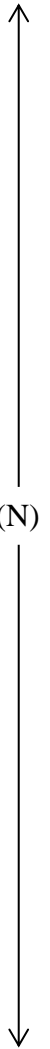
“Split Sample” means the portion of a collected sample given to the industry or to another agency to verify or compare laboratory results.

“Standard Methods” means the examination and analytical procedures set forth in the recent editions of “Standard Methods for the Examination of Water and Wastewater,” published jointly by the American Public Health Association, the American Water Works Association, and the Water Environment Federation and as set forth in 40 CFR 136.

“State” means Commonwealth of Kentucky.

“Storm Drain or Sewer” means a drain or sewer for conveying water, groundwater, surface water, or unpolluted water from any source.

“Storm Water” means any flow occurring during or following any form of natural precipitation and resulting there from.



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“Surcharge” means a charge for services in addition to the basic sewer user and debt service charges, for those users whose contributions contain Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), Oil & Grease or Ammonia-nitrogen (NH3-N) in concentrations which exceed limits specified herein for such pollutants. Where authorized by the District, payment of a surcharge will authorize the discharge of the referenced pollutants so long as the discharge does not cause pass through or interference.

“Suspended Solids” (TSS) means total suspended matter that either floats on the surface of, or is in suspension in, water, wastewater, or other liquids and that is removable by laboratory filtering as prescribed in “Standard Methods for the Examination of Water and Wastewater.”

“Time Proportional Composite Sample” means a combination of individual samples with fixed volumes taken at specific time intervals.

“Toxic Organic Management Plan” means a written plan submitted by industrial users as an alternative to TTO monitoring, which specifies the toxic organic compounds used, the method of disposal used and procedures for assuring that toxic organics do not routinely spill or leak into wastewater discharged to the POTW.

“Toxic Pollutant” means any pollutant or combination of pollutants listed in 40 CFR § 401.15.

“Unpolluted Water” means water of quality equal to or better than the treatment works effluent criteria in effect, or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the sanitary sewers and wastewater treatment facilities.

“Unregulated Wastestream” means a wastestream that is not regulated by National Categorical Pretreatment Standards.

“User” means any entity that contributes, causes or permits the contribution of wastewater into the District’s sewers or sewage works.

“Wastewater” means the liquid and water-carried wastes from residences, commercial buildings, industrial facilities, mobile sources, treatment facilities and institutions, whether treated or untreated, which are contributed into the District’s wastewater facilities.

“Wastewater Facilities” means the structures, equipment, and processes required to collect, carry



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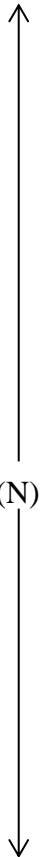
RULES AND REGULATIONS

away, treat domestic and industrial wastes, and dispose of the effluent.

Abbreviations

The following abbreviations shall have the designated meaning:

- ASTM - American Society for Testing and Materials
- BMR - Baseline Monitoring Report
- BOD - Biochemical Oxygen Demand
- CIU - Categorical Industrial User
- EPA - Environmental Protection Agency
- mg/l - Milligrams per liter
- NPDES - National Pollutant Discharge Elimination System
- KPDES - Kentucky Pollutant Discharge Elimination System
- POTW - Publicly Owned Treatment Works
- SIC - Standard Industrial Classification
- TSS - Total Suspended Solids
- TTO - Total Toxic Organics



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General Service Provisions

1. No customer or user shall discharge any wastewater or other polluted waters into any storm sewer that the District owns, operates or manages except where suitable treatment or management has been provided in accordance with these Rules and Regulations. These Rules and Regulations do not relieve the owner of a discharge to any natural outlet of responsibility for complying with applicable State and Federal Regulations governing such discharge.

2. No user or customer shall discharge any wastewater into the District's sewer system except as authorized by the District in accordance with these Rules and Regulations. The discharge of any wastewater into the District's sewer system by any customer or user shall comply with these Rules and Regulations, and all applicable federal or state law or regulations.

3. No customer or user shall discharge or cause to be discharged, through any leak, defect, or connection any unpolluted waters such as storm water, groundwater, roof runoff or subsurface drainage to any sanitary sewer, building sewer, building drain or building plumbing. The District may at any reasonable time inspect the inside or outside of buildings or smoke test for connections, leaks, or defects to building sewers and require disconnection or repair of any such pipes carrying such water to the building sewer. No sanitary drain sump or sump pump discharge by manual switchover of discharge connection shall have a dual use for removal of such water. The customer or user having such connections, leaks, or defects shall bear all costs incidental to removal of such sources.



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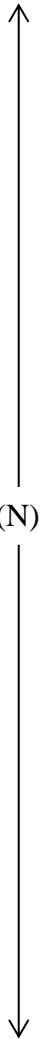
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RULES AND REGULATIONS

Building Sewers and Connections

A. Permits

1. No customer or user shall connect any sewer line or other appurtenances necessary to convey any discharge to the District's facilities with prior submission of its plans to the District and obtaining a building sewer permit from the District.
2. There are two (2) classes of building sewer permits: (a) residential building permit and (b) commercial/industrial building permit. A residential permit shall be issued only to structures that are used or to be used primarily for residential purposes. All other structures must obtain a commercial/industrial permit.
3. The owner of structure shall apply for a permit on a form the District shall furnish. Applicants for service to commercial and industrial establishments shall furnish information about all waste producing activities, wastewater characteristics and constituents. The District may require an applicant for a building permit to supplement its application with any additional information the District deems relevant. Permit and inspection fees shall be assessed by and paid to the District when the application is filed.
4. A user shall promptly notify the District in advance of any introduction of wastewater constituents, a slug and/or accidental discharge or any substantial change in the volume or character of the wastewater constituents being introduced into the District's treatment works. The District may deny or place conditions on any new introduction or change in discharge or deny any slug/accidental discharge based on the information submitted in the notification.
5. No person(s) shall uncover, plug or make any connection with or opening into, use, alter, or disturb any public sewer or appurtenance thereof without first obtaining the District's permission.



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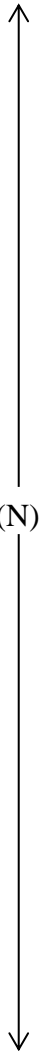
B. Prohibited Connections

1. No person shall make connection of roof downspouts, basement wall seepage or floor seepage, exterior foundation drains, areaway drains, or other surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to the District's sanitary sewers. Any such connections that already exist on the effective date of these Rules and Regulations shall be completely and permanently disconnected within sixty (60) days of the effective date of these Rules and Regulations. The owner(s) of any building sewers having such connections, leaks or defects shall bear all costs incidental to removal of such sources. Pipes, sumps, and pumps for such sources of ground and surface water shall be separate from wastewater facilities. Removal of such sources of water without presence of separate facilities shall be evidence of drainage to the District's sanitary sewer. Connections are subject to inspection by the District to verify compliance. The District at its discretion or at the time of connection/reconnection may perform periodic inspections.

2. Floor, basement, or crawl space drains that are lower than ground surfaces surrounding the building shall not be connected to the building sanitary sewer. No sanitary inlet that is lower than six (6) inches above the top of the lowest of the two adjacent public sanitary sewer manholes shall be connected by direct drainage to the building sanitary sewer. Building sanitary sewer connections in structures not meeting this criteria will be permitted only if the property owner has:

a. Installed an individual pumping facility at the structure to receive the building sewage. The pumping facility shall include a discharge pipe with a high point which meets the criteria above; or,

b. Installed a minimum of two (2) sewer backflow stops or flaps at least twelve (12) inches apart of such nature and design to provide gravity flow to the sanitary sewer system and to prevent sewage backflow into the property improvement.



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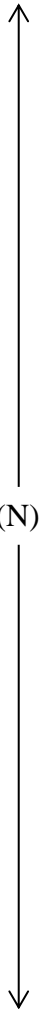
C. Design and Installation

1. A separate and independent building sewer shall be provided for every building; except where one building stands at the rear of another on an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, courtyard, or driveway. The sewer from the front building may be extended to the rear building and the whole considered as one building sewer, but the District does not and will not assume any obligation or responsibility for damage caused by or resulting from any such single connection.

2. Old building sewers may be used in connection with new buildings only when they are found, on examination and test by the District, to meet all requirements of these Rules and Regulations. Permit and inspection fees for new buildings using existing building sewers shall be the same as for new building sewers.

3. Extension of customer service lines from any point on the customer's side of the tap for delivery of waste from any location other than that of the customer in whose name the tap is registered is prohibited.

4. The building sewer shall meet all requirements of the state plumbing code and shall be cast iron soil pipe, ASTM A-74, latest revision; polyvinyl chloride sewer pipe, ASTM C-700, latest revision; or ductile iron pipe, AWWA specification C-151 cement lined. Joints shall be as set out hereinafter. Any part of the building sewer that is located within five feet of a water service pipe shall be constructed with cast iron soil pipe or ductile iron pipe, unless the building sewer is at least one foot deeper in the ground than the water service line. The District may require the use of cast iron soil pipe or ductile iron pipe if the building sewer is exposed to damage or stoppage by tree roots. Cast iron soil pipe or ductile iron pipe shall be used in filled or unstable ground, in areas where the cover over the building sewer is less than three feet, or in areas where the sewer is subject to vehicular or other external loads.



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5. The size, slope, alignment, materials of construction of a building sewer, and the methods to be used in excavating, placing of the pipe, jointing, testing, and backfilling the trench, shall all conform to the requirements of the local and state building and plumbing codes and the District's rules and regulations. Manholes may be required at all commercial and industrial connections to the District sewer system. The owner of the facility shall be responsible for all costs associated with installation of the manhole(s).

6. The owner shall bear all costs and expenses incidental to the installation and connection of the building sewer and shall indemnify the District for any loss or damage that may directly or indirectly be occasioned by the installation of the building sewer.

7. The owner shall ensure that all excavations for building sewer installation are adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the District.

8. In any building in which any sanitary facility drain is too low to permit gravity flow to the District's sewer, sanitary sewage carried by such drain shall be lifted by an approved means and discharged to the same building sewer. Drain pipe and sump for collection of such sanitary drainage shall be above basement floor or in separately watertight or drained sump or channel and must be inspected and approved by the District prior to connection to the system.



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SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

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9. The building sewer shall be connected into the District's sewer at the easement or property line. Where no property located service branch is available, the District's authorized agent shall cut a neat hole into the main line of the public sewer and a suitable wye or tee saddle installed to receive the building sewer. The invert of the building sewer at such point of connection with a saddle shall be in the upper quadrant of the main line of the District's sewer. A neat workmanlike connection, not extending past the inner surface of the District's sewer, shall be made and the saddle made secure and watertight by encasement in epoxy cement specially prepared for this purpose. A wye and H bend fitting shall be installed at the property line between the District's sewer and the building sewer. This fitting shall serve the purpose of a cleanout and for applying the smoke test during inspection of the line. After testing, a cast iron or ductile iron riser will be inserted in this fitting and brought flush with the ground surface. A stopper or plug, outfitted with a type joint applicable to the pipe used, shall seal this riser against the intrusion of ground or surface water.

10. All building sanitary sewer lines will be installed so as to meet or exceed the most current version of the State Plumbing Code.

11. All persons working on District sewers with a cleaning rod must use an approved type rod in cleaning sewer connections to District sewers.

D. Inspection

1. An applicant for the building sewer permit shall notify the District when the building sewer is ready for connection to the District's sewer. The connection shall be made by District personnel or other authorized representative of the District. The connections shall be made gastight and watertight and verified by proper testing.



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AREA McCreary County, Kentucky

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2. All building sewers shall be smoke tested through the wye branch at the District sewer connection, with the District sewer tightly plugged off, after connections at both ends are made and after all pipe is properly bedded and backfilled at least to top of pipe. If backfill has been completed, the smoke test shall be performed within two weeks of completion of backfill. At time of test, any openings into the building drain inside the building shall be water trapped or plugged. Any leakage of smoke from building sewer or building drain and plumbing shall be located at test and repaired to stand repetition of smoke test without leakage. Tests shall be performed at the expense of the property owner in the presence of the authorized District personnel. When smoke testing is completed, the temporary flow line plug shall be removed and a permanent water tight plug shall be placed in branch of test wye-branch and carefully backfilled by hand and tamped to at least six inches above the top of the branch.



Pollutant Discharge Limits

A. General Conditions

The following described substances, materials, waters or wastes shall be limited in discharges to the District's system to concentration or quantities which will not harm the sewers, wastewater treatment process or equipment; will maintain and protect water quality in the receiving stream; and will not otherwise endanger lives, limb, public property, or constitute a nuisance. The District may establish additional limits or limits more stringent than those set forth below if stricter limits are necessary. In determining the acceptability of a discharge, the District shall give consideration to such factors as the quantity of subject waste in relation to flows and velocities in the sewers, materials of construction of the sewers, the wastewater treatment process employed, capacity of the wastewater treatment plant, and any other pertinent factor.

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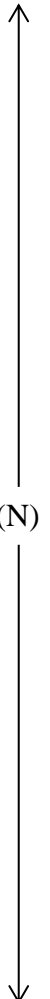
RULES AND REGULATIONS

B. Prohibited Discharges

No user shall contribute or cause to be contributed, directly or indirectly, any pollutant or wastewater which will interfere with performance of the District's treatment works. These general prohibitions apply to all users of the District's treatment works regardless of whether the user is subject to National Categorical Pretreatment Standards or any other National, State, or local Pretreatment Standards or Requirements.

A user shall not contribute the following substances to the District's treatment works:

1. Any liquids, solids or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the District's treatment works or to the operation of the District's treatment works. At no time shall the wastewater exhibit a closed cup flashpoint of less than 140°F or 60°C using the test methods specified in 40 CFR § 261.21.
2. Any waters or wastes having a pH lower than 6.0 or higher than 9.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the District's treatment works.
3. Any slug load of pollutants, including oxygen-demanding pollutants (BOD, etc.), released at a flow rate and/or concentration, either individually or by interaction with other pollutants, that will cause interference with the normal operation of the District's treatment works.
4. Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the wastewater facilities (e.g., flushable wipes, wood, glass, ashes, unshredded garbage, cinders, paper products of any kind, and milk containers).



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5. Any wastewater having a temperature leaving a facility that exceeds 100°F or that will inhibit biological activity in the District's treatment plant resulting in interference, and in no case wastewater with a temperature at the introduction into the District's treatment works that will result in a treatment plant influent temperature which exceeds 40°C (104°F).

6. Any pollutant that results in the presence of toxic gases, vapors or fumes within the treatment works in a quantity that may cause acute worker health and safety problems.

7. Any substance that may cause the effluent or any other product of the District's treatment works, such residues, sludges, or scum, to be unsuitable for reclamation and reuse or to interfere with any reclamation process if the District is pursuing a reuse and reclamation program. In no case shall a discharged substance cause the District's treatment works to be in non-compliance with sludge use or disposal criteria, guidelines or regulations developed under Section 405 of the Act; any criteria, guidelines, or regulations affecting sludge use or disposal developed pursuant to the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act, or State criteria applicable to the District's sludge management method.

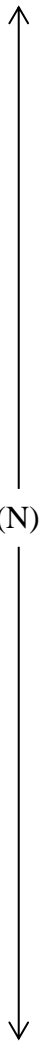
8. Any substance which will cause the District's treatment works to violate its NPDES/KPDES Permit and/or sludge disposal system permit.

9. Any trucked or hauled pollutants except at discharge points designated by the District.

10. Any wastewater containing any radioactive wastes or isotopes except as specifically approved by the District in compliance with applicable State and Federal regulations.

C. Restricted Discharges

1. Wastewater containing more than 25 milligrams per liter (25 mg/l) of petroleum oil, nonbiodegradable cutting oils, or products of mineral oil origin.



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2. Wastewater containing floatable oils, fat, or grease, whether emulsified or not, in excess of one hundred milligrams per liter (100 mg/l) or containing substances which may solidify or become viscous at temperatures 32°-150° (0°-65°C).

3. Any garbage that has not been properly shredded. Garbage grinders may be connected to sanitary sewers from homes, motels, institutions, restaurants, hospitals, catering establishments, or similar places where garbage originates from the preparation of food in kitchens for the purpose of consumption on the premises or when served by caterers.

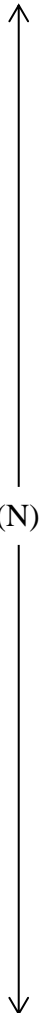
4. Any wastewater containing toxic pollutants in sufficient quantity, either singly or by interaction with other pollutants, that injures or interferes with any wastewater treatment process; constitutes a hazard to humans or animals, causes the District to violate the terms of its KPDES permit; prevents the use of acceptable sludge disposal methods; or exceeds a limitation set forth in a Categorical Pretreatment Standard.

5. Storm water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, condensate, deionized water, noncontact cooling water and unpolluted industrial wastewater, unless specifically authorized by the District.

6. Any water or wastes that by interaction with other water or wastes in the District's sewer system, release obnoxious gases, form suspended solids which interfere with the collection system, or create a condition deleterious to structures and treatment processes.

7. Any wastewater with objectionable color which cannot be removed to an acceptable level within the operation of the wastewater treatment process unless otherwise specifically noted in the Industrial User Permit.

8. Any medical wastes, except as specifically authorized by the District in an Industrial User Permit.



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9. Any wastes containing detergents, surface active agents or other substances which will cause excessive foaming in the District's sewer system.

10. Waters or wastes containing substances which are not amenable to treatment or reduction by the wastewater treatment processes employed to the extent required by the District's NPDES/KPDES permit.

11. Any waste or wastewater classified as a hazardous waste by the Resource Conservation and Recovery Act (RCRA) without a 60-day prior notification of such discharge to the District. This notification must include the name of the hazardous waste, the EPA hazardous waste number, type of discharge, volume/mass of discharge and time of occurrence(s). The District may prohibit or place conditions on the discharge(s) at any time.

12. Any water or waste that has characteristics based on a 24-hour composite sample, grab or a shorter period composite sample, if more representative, that exceed the following normal maximum domestic wastewater pollutant concentrations:

13. Any water or waste that has characteristics based on a 24-hour composite sample, grab or a shorter period composite sample, if more representative, that exceed the following normal maximum domestic wastewater pollutant concentrations:

<u>Parameter</u>	<u>Maximum Allowable Concentration Without Surcharges</u>
BOD	300 mg/l
TSS	300 mg/l
NH3-N	25 mg/l
Oil & Grease (total)	100 mg/l

Any user or customer discharging wastewater exceeding the maximum allowable concentration as noted above, will be subject to a surcharge fee for each pound loading over and above the set

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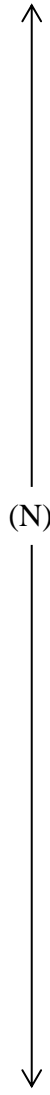
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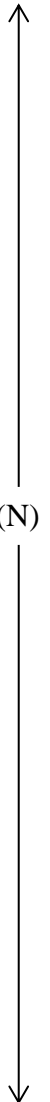
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limit. Any other amenable constituents requiring the addition of specific chemicals for proper treatment will also be subject to surcharge as noted on the Industrial User Permit. Exceedance of the effluent limits specified above shall not be deemed to constitute a violation of a permit condition or these Rules and Regulations if the appropriated surcharge fee is paid and the discharge does not cause interference or pass through of the District's treatment works.

14. The following discharge limitations are established for characteristics of any wastewaters to be discharged into the District's sewer system subject to any compliance schedule established by the District. All significant industrial users must comply with these limitations if they are more stringent than applicable State or Federal regulations. In accordance with 40 CFR Part 403, these limitations are considered pretreatment standards equivalent to the Federal limitations established in 40 CFR Subchapter N.

<u>Parameter</u>	<u>Maximum Daily Concentration</u> <u>(mg/l)</u>
Arsenic	0.15
Antimony	0.09
Cadmium	0.03
Chromium, Total	1.83
Chromium, Hexavalent	0.75
Copper	0.53
Cyanide, Amenable	0.12
Lead	0.10
Mercury	0.001
Molybdenum	6.94
Nickel	0.88
Selenium	0.08
Silver	0.13
Zinc	0.67



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15. The District may establish limitations and requirements that are more stringent than those required above or by State or Federal regulations.

16. All users shall comply with the effluent guidelines and standards set forth in 40 CFR Subchapter N and the general pretreatment regulations set forth in 40 CFR Part 403.

D. Dilution of Wastewater Discharge

No user shall increase the use of process water or attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with the limitations contained in the Federal Categorical Pretreatment Standards, or in any pollutant specific limitation developed by the District or the Cabinet.

E. Grease, Oil, and Sand Interceptor

Grease, oil, and sand interceptors shall be use when the District determines they are necessary for the proper handling of liquid wastes containing floatable grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients; except that such interceptor shall not be required for private living quarters or dwelling units. All service stations and restaurants shall use such interceptors. All interceptors shall be of type and capacity approved by the District and shall be located as to be readily and easily accessible for cleaning and inspection. In the maintaining of these interceptors, the owner(s) and users shall be responsible for the proper removal and disposal by appropriate means of the captured material and shall maintain records of the dates and means of disposal. The District may require reporting of such information for its review. Any removal and hauling of the collected materials not performed by the owner's personnel must be performed by a currently licensed waste disposal firm. Interceptors shall also comply with applicable regulations of the McCreary County Health Department.



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F. Special Industrial Pretreatment Requirements

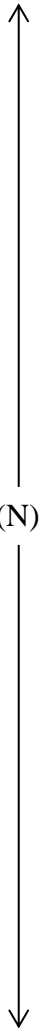
1. All Pretreatment Standards promulgated by the U.S. Environmental Protection Agency for new and existing industrial dischargers to public sewer systems are incorporated by reference into these Rules and Regulations. Any industrial waste discharge that violates these EPA Pretreatment Standards shall be in violation of these Rules and Regulations.

2. Where pretreatment or flow-equalizing facilities are provided or required for any waters or wastes, the industrial user shall be solely responsible for the continued maintenance in satisfactory and effective operation of such facilities and at its expense.

3. a. Any person who transports septic tank, seepage pit or cesspool contents, liquid industrial waste or other batch liquid waste and wishes to discharge such waste to the public sewer system shall first have a valid Special Waste Hauler's Permit. Applications for permits shall be obtained from the District. All applicants for a Special Waste Hauler's Permit shall complete the application form, pay the appropriate fee, and receive a copy of the District's regulations governing discharge to sewers of liquid wastes from trucks. All persons receiving such permits shall agree, by acceptance of the permit, and to abide by all applicable provisions of these Rules and Regulations.

b. Any person holding a valid permit and wishing to discharge to the wastewater treatment plant must also submit to the operator a sample of each load prior to discharge. The District may assess a fee to cover cost of the required analysis and may require proof of origin of the hauled waste and analysis of the sample prior to discharge.

c. No person shall discharge any batch liquid waste into any manhole or other part of the District's sewer system, or any building sewer or other facility that discharges to the District's sewer system, except at designated points of discharge that the District specifies for such purpose.



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d. No person shall discharge any batch liquid waste into any manhole or other part of the District's sewer system, or any building sewer or other facility that discharges to the District's sewer system, except at designated points of discharge that the District specifies for such purpose.

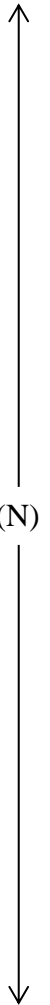
e. Any liquid waste hauler discharging to the District's sewer system without proper authorization or discharging wastewater not authorized in the permit shall be subject to immediate revocation of discharge privileges and further subject to the penalties set forth in these Rules and Regulations.

G. Protection from Accidental and Slug Discharges

1. Each significant industrial user shall provide protection from accidental and/or slug discharges of prohibited materials or other substances regulated by these Rules and Regulations which adversely affects the District's treatment works. Facilities to prevent accidental and/or slug discharges of prohibited materials shall be provided and maintained at the owner or user's own expense. Once every two (2) years, the District shall determine whether a industrial user needs to develop or update a plan to control slug discharges. If the District determines that a slug control plan or revision is necessary, the plan shall contain the following:

- a. Description of discharge practices
- b. Description of stored chemicals
- c. Procedures for notifying the District
- d. Prevention procedures for spills

In the case of all possible or actual accidental and/or slug discharges, it is the responsibility of the user to immediately notify the District by telephone of the incident. The notification shall include location of discharge, type of waste, concentration and volume, and corrective actions.



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2. Written Notice. Within five (5) days following an accidental discharge by a significant industrial user, the user shall submit to the District a detailed written report describing the cause of the discharge and the measures to be taken by the user to prevent similar future occurrences. Such notification shall not relieve the user of any expense, loss, damage, or other liability which may be incurred as a result of damage to the District, fish kills, or any other damage to person or property; nor shall such notification relieve the user of any fines, civil penalties, or other liability which may be imposed under these Rules and Regulations or other applicable state or federal law or regulation.

3. Notice to Employees. Significant industrial users shall permanently post in a prominent place at its facilities a notice advising employees whom to call in the event of a dangerous discharge. Employers shall insure that all employees who may cause or suffer such a dangerous discharge to occur are advised of the emergency notification procedure.

H. State Requirements

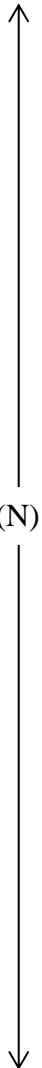
State requirements and limitations on discharges shall apply in any case where they are more stringent than Federal requirements and limitations or those in these Rules and Regulations.

I. District's Right of Revision

The District reserves the right to establish more stringent limitations or requirements on discharges to its treatment works if deemed necessary.

J. Federal Categorical Pretreatment Standards

Upon the promulgation of the Federal Categorical Pretreatment Standards for a specific industrial subcategory, the Federal Standard, if more stringent than limitations imposed under these Rules and Regulations for sources in that subcategory, shall immediately supersede the limitations imposed under these Rules and Regulations.



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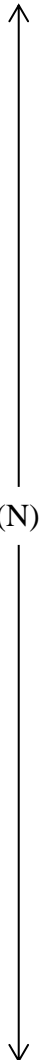
Pretreatment Program Administration

A. Industrial User Permits

1. All significant industrial users proposing to connect to or to contribute to the District's treatment works shall obtain an Industrial User Permit before making any connection or contribution.

2. Users required to obtain an Industrial User Permit shall complete and file with the District an application in the form prescribed by the District and accompanied by a permit fee. New users shall apply at least ninety (90) days prior to connecting to or contributing to the District's treatment works. Existing permit holders shall apply no later than sixty (60) days prior to expiration of permit. In support of its application, a user shall submit the following:

- a. Name, address, and location if different from the address;
- b. Applicable SIC number(s) according to the Standard Industrial Classification Manual, United States Bureau of the Budget, 1967, as amended;
- c. Wastewater constituents and characteristics as determined by an analytical laboratory acceptable to the District; sampling and analysis shall be performed in accordance with procedures set forth in 40 CFR Part 136;
- d. Time and duration of contribution;
- e. Average daily and 30-minute peak wastewater flow rates, including daily, monthly and seasonal variation if any;
- f. Site plans, floor plans, mechanical and plumbing plans and details to show all sewers, sewer connections, and appurtenances by the size, location and elevation;



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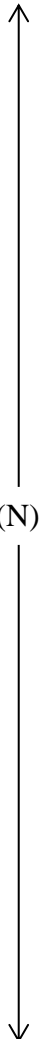
g. Description of activities, facilities, and plant processes on the premises including all materials which are or could be discharged;

h. Where known, the nature and concentration of any pollutants in the discharge which are limited by the District, State or Federal Pretreatment Standards, and a statement regarding whether the pretreatment standards are being met on a consistent basis and if not, whether additional pretreatment is required for the user to meet applicable Pretreatment Standards;

i. If additional pretreatment will be required to meet the Pretreatment Standards, the shortest schedule by which the user will provide such additional pretreatment. The completion date in this schedule shall not be later than the compliance date established for the applicable Pretreatment Standard. The following conditions shall apply to this schedule:

- (1) The schedule must be acceptable to the District.
- (2) The schedule shall contain increments of progress in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the user to meet the applicable Pretreatment Standards.
- (3) Not later than 14 days following each date in the schedule and the final date for compliance, the user shall submit a progress report to District including, as a minimum, whether or not it complied with the increment of progress to be met on such date and, if not, the date on which it expects to comply with this increment of progress and the reason for delay, and the steps being taken by the user to return the construction to the schedule established.

j. Each product produced by type, amount, process or processes, and the rate of production;



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- k. Type and amount of raw materials processed (average and maximum per day);
 - l. Number of employees, and hours of operation of plant and proposed or actual hours of operation of pretreatment system;
 - m. Any other information the District deems necessary to evaluate the permit application.
 - n. A copy of the industry's written environmental control program, comparable document, or policy.
3. The District shall evaluate the data furnished by the user and may require additional information. After evaluation and acceptance of the data furnished, it may issue an Industrial User Permit subject to terms and conditions provided herein.

B. Permit Modifications

Within nine (9) months of the promulgation of a National Categorical Pretreatment Standard(s), the Industrial User Permit of users subject to such standards shall be revised to required compliance with such standards within the time frame prescribed by such standards. Where a user, subject to National Categorical Pretreatment Standards, has not previously submitted an application for a Industrial User Permit as required, the user shall apply for a Industrial User Permit within 90 days after the promulgation of the applicable National Categorical Pretreatment Standard. In addition, the user with an existing Industrial User Permit shall submit to the District within 90 days after the promulgation of an applicable Federal Categorical Pretreatment Standard, the information required by these Rules and Regulations.

C. Permit Conditions

Industrial User Permits shall be expressly subject to all provisions of these Rules and Regulations and all other applicable regulations, user charges and fees established by the District. Permits may contain the following:

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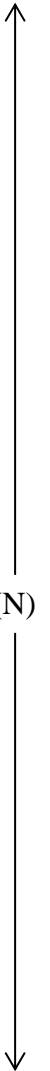
ISSUED BY /s/Randy Kidd

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____



AREA McCreary County, Kentucky

PSC KY NO. 2

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1. The unit surcharges or schedule of other charges and fees for the wastewater to be discharged to the District's sewers;
2. Limits on the average and/or maximum wastewater constituents and characteristics;
3. Limits on average and/or maximum rate and time of discharge or requirements for flow regulations and equalization;
4. Requirements for installation and maintenance of inspection and sampling facilities;
5. Specifications for monitoring programs which may include sampling location; frequency of sampling; number, type and standards for tests; and reporting schedule;
6. Compliance schedules;
7. Requirements for submission of technical reports or discharge reports;
8. Requirements for maintaining and retaining, for a minimum of three years, all plant records relating to pretreatment and/or wastewater discharge as specified by the District, and affording District access thereto as required by 40 CFR § 403.12(o)(2);
9. Requirements for notification of the District of any new introduction of wastewater constituents or any substantial change in the volume or character of the wastewater constituents being introduced into the wastewater treatment system;
10. Requirements for notification of slug discharges;
11. The permit shall require the user to reimburse the District for all expenses related to monitoring, sampling and testing performed at the District's direction and deemed necessary by the District to verify that the user's compliance with its permit; and,



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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

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12. Any other conditions the District deems appropriate to ensure compliance with these Rules and Regulations and state and federal regulations.

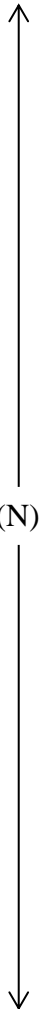
D. Alternative Discharge Limits

1. Where an effluent from a categorical industrial process(es) is mixed prior to treatment with wastewater other than that generated by the regulated process, the District may derive alternative discharge limits for the discharge permit. These alternative limits shall be applied to the mixed effluent and shall be calculated using the Combined Wastestream Formula.

2. Where the effluent limits in a Categorical Pretreatment Standard are expressed only in terms of mass of pollutants per unit of production (production-based standard), the Manager/Superintendent may convert the limits to equivalent limitations expressed either as mass of pollutant discharged per day or of effluent concentration for purposes of calculating effluent permit limitations applicable to the permittee. The permittee shall be subject to all permit limits calculated in this manner under 40 CFR 403.6(c) and must fully comply with these alternative limits.

3. All categorical users subject to production-based standards must report production rates annually so that alternative permit limits can be calculated if necessary. The categorical user must notify the District thirty (30) days in advance of any major change in production levels that will affect the limits for the discharge permit.

4. Where the District's wastewater treatment system achieves consistent removal of pollutants limited by federal pretreatment standards, the District may apply to the Cabinet for modification of specific limits in the federal pretreatment standards. The District may modify pollutant discharge limits in the federal pretreatment standards if the requirements contained in 40 CFR § 403.7 are fulfilled and prior Cabinet approval is obtained.



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E. Permit Duration

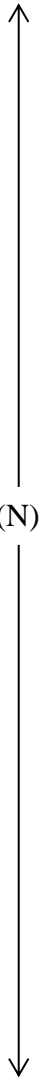
Permits shall be issued for a specified time period not to exceed one year. A permit may be issued for a period less than a year or may be stated to expire on a specific date. The user shall apply for permit reissuance a minimum of 60 days prior to the expiration of the user's existing permit. The District may modify a permit's terms and conditions of the permit during the term of the permit as limitations or requirements. The District shall inform a user of any proposed change in its permit at least 30 days prior to the effective date of change. Any change or new condition in the permit shall include a reasonable time schedule for compliance.

F. Permit Transfer

Industrial User Permits are issued to a specific user for a specific operation. No Industrial User Permit may be assigned, transferred or sold to another owner, user, premises, or a new or changed operation without thirty (30) days' prior written notice to the District and provision of a copy of the existing permit to the assignee, transferee or acquiring party. The District may deny the transfer of the permit for reasonable cause, but shall state its reasons in writing to the transferee and transferor within 30 days of receipt of the transferor's written notice.

G. Compliance Data Reporting

Within ninety (90) days following the date for final compliance with applicable categorical Pretreatment Standards or, in the case of a new user, following commencement of the introduction of wastewater into the District's treatment works, a user subject to Federal Categorical Pretreatment Standards and Requirements shall submit to the District a report indicating the nature and concentration of all pollutants in the discharge from the regulated process that are limited by Categorical Pretreatment Standards and Requirements and the average and maximum daily flow for these process units in the user's facility which are limited by such Categorical Pretreatment Standards or Requirements. In its report, the user shall state whether the applicable Categorical Pretreatment Standards or Requirements are being met on a



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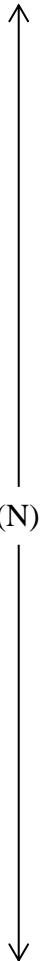
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consistent basis and, if not, what additional pretreatment and time schedule is necessary to bring the user into compliance with the applicable Categorical Pretreatment Standards or Requirements. This statement shall be signed by an authorized representative of the user.

H. Periodic Compliance Reports

1. All significant industrial users shall submit to the District every six (6) months unless required more frequently by the Industrial User Permit (or on dates specified in the Permit), a report indicating, at a minimum, the nature and concentration of pollutants in the effluent which are limited by such Pretreatment Standards or the discharge permit and information and compliance status with regard to Best Management Practices. In addition, the District may require the submittal on the report of a record of all daily flows which during the reporting period exceeded the average daily flow. The District may agree to alter the months during which the above reports are to be submitted. The District may conduct the monitoring required by the User's Industrial User Permit. In such instance, the significant industrial user shall not be required to monitor or report to the District the analytical results from the monitoring conducted by the District. However, all monitoring results that the User obtains shall be submitted to the District in accordance with 40 CFR § 403.8.

2. All analyses shall be performed by a laboratory certified by the Kentucky Division of Water and acceptable to the District. Analytical procedures shall be in accordance with procedures contained in 40 CFR Part 136 and 40 CFR Part 261 or with any other test procedures approved by the U.S. EPA Administrator. Sampling shall be performed in accordance with the techniques approved by the U.S. EPA Administrator. Samples collected to satisfy reporting requirements must be based on data obtained through appropriate sampling and analysis performed during the period covered by the report.



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3. If 40 CFR Part 136 does not include a sampling or analytical technique for the pollutant(s) in question, sampling and analysis shall be performed in accordance with the procedures set forth in the EPA publication "Sampling and Analysis Procedures for Screening of Industrial Effluents for Priority Pollutants," April 1977, and amendments thereto, or with any other sampling and analytical procedures approved by the U.S. EPA Administrator.

4. At least ninety (90) days prior to initiation of discharge to the sanitary sewer, a categorical industrial user shall submit a Baseline Monitoring Report (BMR) to the District. Submission of the Permit Application required by the District shall satisfy this requirement. At a minimum, the BMR or Permit Application shall contain:

a. Production Data: a process description, SIC code number, raw materials used, chemicals used, final product, pretreatment industrial category (if applicable), and a schematic which indicates points of discharge to the sewer system.

b. Identifying information to include name, address of facility, owner(s), contact person and any other permits held by the facility.

c. Wastewater characteristics: total plant flow, types of discharges, average and maximum flows from each process.

d. Nature/Concentration of pollutants: analytical results for all pollutants regulated by these Rules and Regulations and/or any applicable federal pretreatment standard and sample type and location. All analyses must conform to 40 CFR Part 136.

e. Information concerning any pretreatment equipment used to treat the facility's discharge.



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5. New Sources shall give estimates of the information requested in sections (c) and (d) above, but at no time shall a New Source commence discharge(s) to the District's sewer system of substances that do not meet provisions of these Rules and Regulations. All New Sources must be in compliance with all provisions of these Rules and Regulations, State and federal pretreatment regulations prior to commencement of discharge to the District's sewer system.

I. Permit Violations

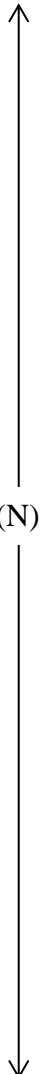
1. All significant industrial users must notify the District within 24 hours of first becoming aware of a permit violation. This notification shall include the date of violation, the parameter violated and the amount in exceedance.

2. The user shall immediately repeat the sampling and analysis of the parameter(s) in question and submit the results to the District within thirty (30) days after becoming aware of the violation. However, the user is not required to take this action if the District performs the sampling within the same time period for the same parameter(s) in question.

3. Compliance with the terms of a Industrial User Permit shall be deemed in compliance with the terms of these Rules and Regulations.

J. Monitoring

1. The District shall require significant industrial users to provide and operate, at the user's own expense, monitoring facilities to allow inspection, sampling, and flow measurement of the building sewer and/or internal drainage system. The monitoring facility should normally be situated on the user's premises, but the District may, when such a location would be impractical or cause undue hardship on the user, allow the facility to be constructed in a public right-of-way. The District shall review and approve the location, plans, and specifications for such monitoring facilities and may require them to be constructed to provide for the separate monitoring and sampling of industrial waste and sanitary sewage flows.



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2. There shall be ample room in or near such sampling manhole or facility to allow accurate sampling and preparation of samples for analysis. The facility shall be designed and maintained in a manner such that the safety of District and industrial personnel shall be foremost. The facility, sampling, and measuring equipment shall be maintained at all times in a proper operating condition at the expense of the user.

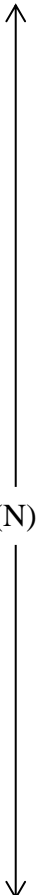
3. Whether constructed on public or private property, the sampling and monitoring facilities shall be provided in accordance with the District's requirements and all applicable local construction standards and specifications. Construction shall be completed within ninety (90) days following approval of the location, plans and specifications.

4. All sampling analyses done in accordance with approved federal EPA procedures by the industrial user during a reporting period, as required by the user's Industrial User Permit or by the District, shall be submitted to the District.

5. An industrial user shall not change the sampling point or monitoring facilities used in required sampling without the District's prior approval.

K. Inspection and Sampling

1. The District may inspect any user's facilities to ascertain the user's compliance with these Rules and Regulations. Authorized District personnel shall be permitted access at all reasonable times to a user's premises for the purposes of inspection, sampling, copying records, records examination or the performance of any duty reasonably related to the enforcement of these Rules and Regulations.



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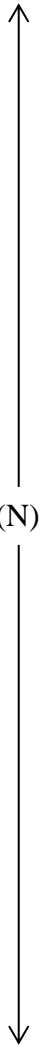
2. The user shall permit the District, the Cabinet and the EPA to install on its property such devices necessary for sampling, inspection, compliance monitoring or metering operations. If a user has security measures in force which would require proper identification and clearance before entry into its premises, the user shall make necessary arrangements with its security personnel to permit District, Cabinet and EPA personnel upon presentation of suitable identification to enter for the purposes of performing their specific responsibilities.

L. Pretreatment

All significant industrial users shall provide necessary wastewater treatment as required to comply with these Rules and Regulations and achieve compliance with any applicable Federal Categorical Pretreatment Standards within the time limitations as specified by the Federal Pretreatment Regulations. The District may require the development of a compliance schedule for installation of pretreatment technology and/or equipment by any industrial user that cannot meet discharge limits required by these Rules and Regulations. A user shall provide, operate, and maintain at its own expense any facility necessary to pretreat wastewater to the level required by these Rules and Regulations. Prior to the construction of any pre-treatment facility, the user shall submit to the District detailed plans showing the pretreatment facilities and operating procedures for its review and approval. Review of such plans and operating procedures does not relieve the user from responsibility for modifying its facility to produce an effluent that complies with these Rules and Regulations. Prior to any change in its pretreatment facilities or method of operation, a user shall obtain the District's approval for such change.

M. Annual Publication

The District shall annually publish in a newspaper of general circulation that provides meaningful public notice a list of industrial users which were in significant non-compliance with any Pretreatment Requirements or Standards. The notification shall also summarize any enforcement actions taken against the user(s) during the same twelve (12) months.



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N. Significant Non-Compliance

A user is defined as being in significant non-compliance when it commits or meets one or more of the following conditions:

1. Causes imminent endangerment to human health or the environment or results in the exercise of emergency authority;
2. Involves failure to report noncompliance accurately;
3. Results in a chronic violation defined here as sixty-six percent (66%) or more of all measurements taken during a six (6) month period that exceed (by any magnitude) the daily maximum limit or the average limit for the same pollutant parameter;
4. Results in a Technical Review Criteria (TRC) Violation defined here as thirty-three percent (33%) or more of all measurements for each pollutant parameter taken during a six (6) month period that equal or exceed the product of the daily maximum limit or the average limit multiplied by the applicable TRC (TRC = 1.4 for BOD, TSS, fats, and O&G and 1.2 for all other pollutants except pH).
5. Any violation of a pretreatment effluent limit that the District determines has caused, alone or in combination with other discharges, interference or pass through or has endangered the health of District personnel or the public;
6. Any discharge causing imminent endangerment to human health/welfare or to the environment or resulting in the District's use of its emergency authority to halt or prevent such a discharge;
7. Violations of Compliance Schedule Milestones, failure to comply with schedule milestones for starting or completing construction or attaining final compliance by ninety (90) days or more after the schedule date;



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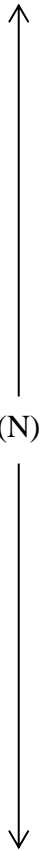
- 8. Failure to provide required reports within thirty (30) days of the due date; or,
- 9. Any violation or group of violations, which may include violation(s) of Best Management Practices, which the Manager/Superintendent determines will adversely affect the operation or implementation of the local pretreatment program.

O. Confidential Information

All documents that a user provides to the District shall be subject to public inspection pursuant to KRS 61.870-.884. A user may request in writing that the District withhold a document from public inspection or that it be notified in advance of any release of such document to the public pursuant to KRS 61.870-.884 to object to such disclosure or otherwise assert its rights to prevent such disclosure. Failure to make such request shall be deemed consent to such release.

P. Certification Requirements

- 1. All applications, reports or information submitted to the District shall be signed and certified by an official whom the User has designated in writing to the District as its authorized official for such purposes. The District shall accept no document from the User until such written designation has been provided.
- 2. All permit applications shall be signed for a corporation by a principal executive officer no lower than the level of vice-president; for a partnership by a general partner; and for sole proprietorship by the proprietor.



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10. All other documents, including correspondence, reports and self-monitoring reports shall be signed by a person permitted under these Rules and Regulations to sign a permit application or his duly authorized representative. A person is a duly authorized representative only if the authorization is made in writing and specifies an individual or a position having managerial responsibility over facility or activity in question (e.g., plant manager, superintendent or equivalent position).

11. Any person signing a document under this section shall make the following written certification:

“I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person(s) who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”



Enforcement

A. Suspension or Discontinuance of Service For Failure to Comply With Rules

1. The District may suspend or discontinue wastewater treatment service and water service to any user failing to comply with these Rules and Regulations. Prior to any suspension or discontinuance of service, the District shall service a user found to be violating any provisions of these Rules and Regulations with written notice stating the nature of the violation(s). The user shall immediately remedy the violation or shall submit a written explanation of the violation and

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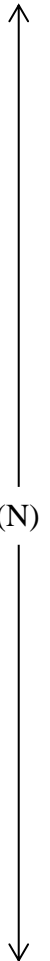
a plan for the satisfactory correction and prevention thereof, to include specific required actions, to the District. Submission of this plan does not relieve the user of potential liability for any violation occurring before or after receipt of the notice of the violation. If no plan of corrective action is submitted or the submitted plan is deemed inadequate or fails to cure the violation, the District may proceed to discontinue the user's water and wastewater service after providing the user at least ten (10) days written notice of such intention. Such notice shall be mailed or delivered to the user's last known address.

2. If a condition, including an actual or threatened discharge, presents or may present an imminent or substantial endangerment to the health or welfare of persons, to the environment, causes interference to the District's treatment works or causes the treatment works to violate any condition of its NPDES/KPDES Permit, the District may immediately discontinue water and wastewater service without notice, but shall immediately notify the user of the reasons for the discontinuance or refusal and the corrective action required before service may be restored.

3. If an Industrial User fails to comply with the terms of its Industrial User Permit, the District may, in lieu of suspending or discontinuing water service or wastewater service, may suspend the user's permit.

B. Requiring Performance Bonds or Liability Insurance

The District may decline to reissue a permit to any industrial user that has failed to comply with the provisions of these Rules and Regulations or any previous permit unless (1) such user first files with it a satisfactory bond, payable to the District, in a sum not to exceed a value determined by the District to be necessary to achieve consistent compliance; or (2) submits proof that it has obtained financial assurances sufficient to restore or repair the potential damage caused by an unauthorized discharge.



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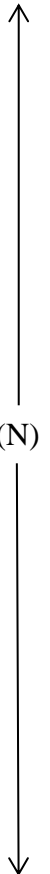
C. Penalties

The District may assess a penalty of not more than \$5,000 per violation per day against any Industrial User or Special Waste Hauler who has significantly violated or continues to violate these Rules and Regulations or any industrial permit issued pursuant to these Rules and Regulations. The District's Enforcement Response Plan on file with the Cabinet sets forth the criteria that the District shall consider in determining the amount of any penalty and circumstances for assessing a penalty. The District shall assess a penalty for a violation of its Rules and Regulation only after providing the Industrial User or Special Waste Hauler written notice of its intent to assess a penalty and the circumstances giving rise to the assessment of such penalty, allowing that customer an opportunity to present evidence and argument as to why the District's proposed action is not warranted, and considering any offered evidence and argument. The District shall provide written notification to the customer of its decision to assess any penalty and the reasons for the assessment, including the penalty amount.

In addition to the above described penalty and damages, the District may recover reasonable court reporter's fees, and other expenses associated with the enforcement activities, including sampling and monitoring expenses.

D. Recovery of Expenses for Enforcement Proceedings

The District may assess against and recover from any Industrial User whose violations of these Rules and Regulations require legal or administrative action to enforce the user's compliance the costs incurred to undertake such action, including attorney's fees and court costs.



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TITLE Chairman

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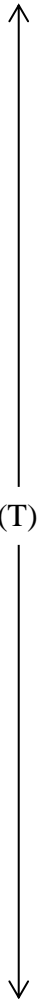
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Miscellaneous Provisions

1. Application for Service. A person desiring sewer service from the District shall execute a sewer user agreement before service is provided. Any change in the identity of the contracting Customer at a premise requires a new application. The District may after reasonable notice discontinue the water supply until such new application has been made and accepted, but the former applicant or customer of sewer shall remain liable for sewer services furnished to said premises until he has given notice in writing to the District to discontinue the supply. It is the Customer's responsibility to notify the Company if the identity of the person responsible for paying for service changes.
2. Right of Access. The District shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement, or removal of its property. The District may require an applicant for service to provide an easement for District facilities necessary to provide service to the applicant.
3. Relocation of Sewer Facilities. The District may, at the request of the customer or applicant for service, relocate or change District-owned equipment or facilities. Customer or Applicant shall reimburse the District for such changes at actual costs, including appropriate overhead costs.
4. Billing and Collection. All billing for service will be rendered on water usage as measured by a District water meter or sewage meter. Charges and fees for the provision of sewer service furnished by the District will be reflected on the monthly bills that the District issues for water service. The terms and conditions for water meters, monitoring of usage, and adjustment of bills are found in the District's tariff for water service on file with the Kentucky Public Service Commission.



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5. Liability of the District.

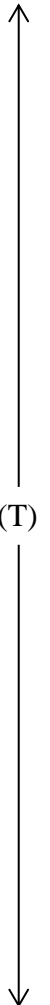
a. The District shall not in any way or under any circumstances be held liable or responsible to any person or persons for any loss or damage resulting from the sewer service, due to any cause whatsoever. The District will undertake to use reasonable care and diligence to prevent and avoid interruptions and fluctuations in the service, but does not guarantee that interruption will not occur.

b. The District will make every effort to maintain the sewer collection system that is required for reasonable service, but does not guarantee to furnish service at all times.

c. The District is not be responsible for accidents or damages resulting from the discontinuance of service, nor by reason of the breaking of any main, sewer pipe, fixture or appliance whether owned by the District or Customer. No person shall be entitled to damages nor have any portion of a payment refunded for any interruption of service. The District will exercise every care in this matter. Such circumstances require the District to interrupt service, it will make reasonable efforts to notify the Customers.

d. The District shall not be considered in any manner an insurer of property or persons. The District agrees to furnish such sewer service as shall then be available and not other or greater, and it shall be free and exempt from any and all claims for damages on account of any injury to property or persons for any other cause whatsoever.

6. Customer Responsibility for District Property. Equipment furnished by the District shall be and remain the District's property. An applicant for service shall provide space for and exercise reasonable care to protect the District's property on the applicant's premises. In the event of loss or damage to the District's property arising from customer neglect, the cost of the necessary repairs or replacement shall be assessed to the customer.



DATE OF ISSUE August 9, 2019

MONTH / DATE / YEAR

DATE EFFECTIVE August 29, 2019

MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 47

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

7. Notice of Trouble. Customer shall immediately notify the District of any unsatisfactory service or of any defects, trouble or accidents affecting the provision of sewer service.

8. Customer's Electrical Connection. Where a grinder pump station has been installed to provide sewer service for a customer, the customer is responsible for the cost of installing the electrical connection from the customer's electric meter to the pump station, including disconnect box, wire and conduit. The electrical connection must be installed by an electrician and the installations must be inspected by an authorized electrical inspector. The customer and his contractors shall hold the District harmless from any loss or damage that may directly or indirectly result from the installation.

9. Damage to District's Facilities or Sewage Works. No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure, appurtenance, or equipment that is part of the District's Sewage Works. Any person violating this provision shall be subject to immediate discontinuance of water and sewer service.

10. Point of Delivery. Unless otherwise set forth in these Rules, the point of delivery is the District-designated point on the customer premises whether the District's sewer pump station or manhole is connected to the customer's service line. The customer is responsible for the maintenance and repair of all sewer lines and facilities located beyond the point of delivery. (T)

11. Discontinuance of Service. District may refuse to provide service to an applicant for service or terminate service to an existing customer for any grounds set forth in 807 KAR 5:006. (T)

12. Termination of Contract by Customer. A customer that has fulfilled his contract obligation and wishes to terminate service must provide at least three (3) days written notice of his request to terminate service. Notice to terminate service prior to the expiration of the contract term will not relieve the customer of any minimum or guaranteed payment required by any contract or rate.

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SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 48

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

13. Deposits. The District currently does not collect or require a cash deposit or other guarantee (N) to secure payment of bills.

14. Approval of Rules and Regulations. These Rules and Regulations are subject to the approval of the Public Service Commission of Kentucky, or its successor, and if any part thereof should be adjudged to be in violation of any rule or order made by the Commission, then that particular part shall be ineffective but without in any way affecting the other portions thereof.

15. Bill Format

McCreary County Water District
P.O. Box 488
Whitley City, KY 42653

CARRT B004 84
██
STEARNS KY 42647-0384

OFFICE HOURS
MONDAY-FRIDAY
8:00 A.M. - 4:30 P.M.
PHONE
(606) 376-2540
CLOSED SATURDAY, SUNDAY AND HOLIDAYS
NIGHT DEPOSITORY BOX LOCATED AT OFFICE
PAY BILL ONLINE:
WWW.MCCREARYWATER.COM

PREVIOUS READING	CURRENT READING	CONSUMPTION	CODE	AMOUNT
05/29/19	06/28/19	1 UNIT		
			WT	20.35
				19.35
				.61

ACTUAL READING
DUE DATE: 08/10/19
PAY AFTER DUE DATE: _____
PAY BY DUE DATE: 40.31

PLEASE MAIL YOUR PAYMENT IN THE ENVELOPE PROVIDED

MAKE CHECKS PAYABLE TO:
McCREARY COUNTY WATER DISTRICT
P.O. Box 488
Whitley City, KY 42653

AMOUNT ENCLOSED \$ _____

DUE DATE: 08/10/19
PAY AFTER DUE DATE: _____
PAY BY DUE DATE: 40.31

DO NOT WRITE BELOW THIS LINE - RETURN THIS PORTION WITH PAYMENT IN ENVELOPE PROVIDED

DATE OF ISSUE August 9, 2019

MONTH / DATE / YEAR

DATE EFFECTIVE August 29, 2019

MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. _____ DATED _____

AREA McCreary County, Kentucky

PSC KY NO. 2

Original SHEET NO. 49

McCreary County Water District

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

DATE OF ISSUE August 9, 2019
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