

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BULLITT UTILITIES, INC.'S NOTICE OF)
SURRENDER AND ABANDONMENT OF) CASE NO. 2015-00290
UTILITY PROPERTY)

NOTICE OF FILING


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

- The digital video recording of the evidentiary hearing conducted on August 27, 2015 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on August 27, 2015 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on August 27, 2015.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at: http://psc.ky.gov/av_broadcast/2015-00290/2015-00290_27Aug15_Inter.asx. Parties wishing an annotated digital video

recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 1st day of September 2015.

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

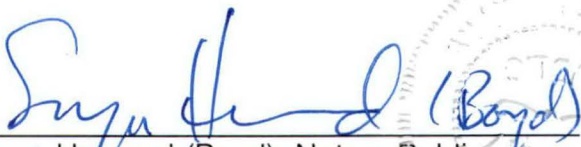
BULLITT UTILITIES, INC.'S NOTICE OF)
SURRENDER AND ABANDONMENT OF) CASE NO. 2015-00290
UTILITY PROPERTY)


CERTIFICATE

I, Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on August 27, 2015. Hearing Log, Exhibit, Exhibit List, and Witness List are included with the recording on August 27, 2015.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of August 27, 2015.
4. The "Exhibit List" attached to this Certificate correctly lists the Exhibit introduced at the Hearing of August 27, 2015.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of August 27, 2015 and the time at which each occurred.

Given this 31st day of August, 2015.


Sonya Harward (Boyd), Notary Public
State at Large
My commission expires: August 27, 2017





Date:	Type:	Location:	Department:
8/27/2015	Other	Public Service Commission	Hearing Room 1 (HR 1)

Judge: Jim Gardner; Dan Logsdon

Witness: Chris Cogan (for Bullitt Utilities/Carroll M. Cogan); Jerry Kennedy (called by Commission Staff); Roger Recktenwadt (for AG)

Clerk: Sonya Harward

Event Time	Log Event
9:50:12 AM	Session Started
9:50:16 AM	Session Paused
9:59:36 AM	Session Resumed
9:59:38 AM	Vice Chairman Jim Gardner - Opening Remarks Note: Harward, Sonya Introduces the case, and then introduces himself and Commissioner Dan Logsdon
10:00:16 AM	Attys. Rob Moore and John Baughman - Counsel for Bullitt Utilities
10:00:29 AM	Atty. John Wooldrige - Counsel for Bullitt County Note: Harward, Sonya He also stated taht he will stand in for Bullitt County Sanitation District for any legal matters that they may incur.
10:00:56 AM	Attys. Greg Dutton and Stephanie Kingsley - Attorney General
10:01:07 AM	Attys. David Spenard, Jonathan Beyer, and John Park - Commission Staff
10:01:29 AM	Vice Chairman Gardner - Addresses Outstanding Motion Note: Harward, Sonya Motion is for Chris Cogan to testify telephonically. No objections and motion is sustained.
10:03:05 AM	Discussion about Public Comment Note: Harward, Sonya Decided that public comments will follow the telephonic testimony of Chris Cogan due to a time constraint.
10:03:17 AM	Discussion about Opening Statements Note: Harward, Sonya Opening statements will be allowed.
10:05:11 AM	Discussion about Opening Statements Note: Harward, Sonya Vice Chairman Gardner - Brief opening statements will be allowed about the notice of abandonment, then Chris Cogan will testify.
10:07:10 AM	Vice Chairman Gardner - Comment Regarding Abandonment Note: Harward, Sonya Notes the two ways abandonment can occur per the statute, and the situation in the case being heard.
10:08:00 AM	Atty. Moore - Opening Statement for Bullitt Utilities Note: Harward, Sonya Brief states the purpose of the utility's request to abandon, incuding the financial situation and expense to operate the facility.
10:10:20 AM	Atty. Wooldridge - Opening Statement for Bullitt County Note: Harward, Sonya On behalf of the Bullitt County Santitation District, they are in compliance with the agreement currently in place, but there are major issues outside of this case that concern if they can continue to recieve it. Note: Harward, Sonya Remarks about Bullitt County wanting the Franklin Circuit Court to appoint a reciever to operate the plant quickly if the abandonment is approved.
10:10:55 AM	Camera Lock Camera 7 Activated
10:11:49 AM	Camera Lock Deactivated

10:11:52 AM	Atty. Dutton - Opening Statement for AG Note: Harward, Sonya	Remarks about contract with Bullitt County Sanitation District expiring in 2016 and the need to get a long-term plan to provide service to these customers.
10:13:23 AM	Paused to Set Up Phone for Testimony	
10:13:36 AM	Session Paused	
10:16:08 AM	Session Resumed	
10:16:13 AM	Vice Chairman Gardner Note: Harward, Sonya	Confirms that Chris Cogan is on the phone and makes sure everyone can hear the phone conversation.
10:16:47 AM	Chris Cogan is sworn in - Witness for Bullitt Utilities	
10:17:05 AM	Atty. Moore Direct Examination of Witness Cogan Note: Harward, Sonya	Witness Cogan is the power of attorney for Carroll S. Cogan, the president of Bullitt Utilities. He adopts the statements in the document filed, including the request for Bullitt Utilities to abandon its utility property to the Commission.
10:18:12 AM	Atty. Wooldridge Cross Exam of Witness Cogan Note: Harward, Sonya	Asking about his knowledge regarding Bullitt Utilities and its daily operation.
10:18:20 AM	Camera Lock Camera 7 Activated	
10:19:08 AM	Atty. Wooldridge to Witness Cogan Note: Harward, Sonya	Asking if sewage is being directed to Bullitt County Sanitation District by using the equipment in place when the diaster occurred.
10:20:08 AM	Camera Lock Deactivated	
10:20:13 AM	Atty. Dutton Cross Exam of Witness Cogan Note: Harward, Sonya	Asking if there is any agreement being put in place for long-term service after the expiration of the current agreement with Bullitt County Sanitaiton District .
10:22:27 AM	Atty. Dutton to Witness Cogan Note: Harward, Sonya	Asking if Bullitt Utilities will still be liable for the debt it has if it is granted the abandonment.
10:22:36 AM	Atty. Moore - Objection Note: Harward, Sonya	Asking for a legal conclusion.
10:23:07 AM	Atty. Dutton to Witness Cogan Note: Harward, Sonya	Asking if Witness is aware of any ongoing administrative proceedings with regards to the Environmental Energy Cabinet against Bullitt Utilities.
10:24:01 AM	Atty. Dutton to Witness Cogan Note: Harward, Sonya	Asking if it is correct that Bullitt Utilities has not completed the supplemental environmental project SEP that was required by the Agreed Order it has with the Enivronmental Energy Cabinet.
10:24:15 AM	Atty. Moore - Objection Note: Harward, Sonya	Asking for a legal conclusion.
10:24:43 AM	Atty. Spenard Cross Exam of Witness Cogan Note: Harward, Sonya	Asking about the Witness's Power of Attorney he has for his father, Carroll Cogan. Asking if the grant of authority is durable and specifically authorizes him to exercise Carroll Cogan's rights in regards to Bullitt Utilities.
10:26:25 AM	POST-HEARING DATA REQUEST by David Spenard Note: Harward, Sonya	Supply a copy of the Power of Attorney - this can be filed with a request for confidential treatment.
10:27:01 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness about the secretary listed on its annual report, and the minutes filed in this proceeding today, regarding if she is still the secretary.

10:27:48 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness if he is aware that Bullitt Utilities' attorney sent a letter to the Commission on Aug. 21, 2015, regarding Bullitt Utilities' notice of abandonment. (Atty. Spenard reads a statement from the bottom paragraph on page 2 of this letter.)
10:28:57 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness if he received a copy of the Aug. 24, 2015 Order from the Commission.
10:29:50 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness if he is aware of Bullitt Utilities' compliance filing today in this case, which include minutes of a special meeting on Aug. 26, 2015.
10:30:38 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness about a statement in the minutes, regarding its resolution to abandon its property to the PSC, and if he knew that the Aug. 24 Order explained that the Commission is not authorized to accept the property.
10:31:32 AM	Atty. Moore - Objection Note: Harward, Sonya	Asking for a legal conclusion, but allows his Witness to answer to the extent in which he can.
10:32:49 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness if he is aware that the Commission has already issued an Order that denies Bullitt Utilities request to surrender the property to the Commission.
10:33:25 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Atty. Spenard reads statements and asks Witness Cogan for confirmation or denial of the statements regarding abandoning the utility, etc.
10:34:51 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness if the Hunters Hollow collecton system is currently connected to the Bullitt County Sanitation District. When confirmed, he is asked how it is connected, if it is functioning properly, the operator's daily tasks regarding the operation of the system, and what reports are prepared by the operator.
10:36:45 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking how abandonment of the system would change the day-to-day operations of the Hunters Hollow system.
10:37:30 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness about his understanding regarding the Commission's jurisdiction extending only to the rates and services of the utility.
10:38:37 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness if Bullitt Utilities has a Kentucky pollution discharge elimination system permit.
10:39:38 AM	Atty. Spenard to Witness Cogan Note: Harward, Sonya	Asking Witness who is listed as the permittee holder for the Bullitt Utilities permits.
10:40:23 AM	Atty. Spenard - Regarding Post-Hearing Data Request Note: Harward, Sonya	Per Atty. Moore, a copy of the Power of Attorney will be submitted today.
10:40:47 AM	Atty. Moore Redirect Exam of Witness Cogan Note: Harward, Sonya	Clarified that the minutes attached to the compliance filing were prepared by Atty. Moore at Mr. Cogan's direction, that the operation of the treatment plan is done by Covered Bridge Utilities, and that the permits may be also be listed in Bullitt Utilities' name.

10:41:58 AM	Atty. Wooldridge Re-Cross Exam of Witness Cogan Note: Harward, Sonya	Confirming that Bullitt Utilities has no employees that function to make the systems work at Hunters Hollow or their other facilities, and that it has always been operated by Covered Bridge Utilities.
10:42:07 AM	Camera Lock Camera 7 Activated	
10:42:44 AM	Atty. Wooldridge to Witness Cogan Note: Harward, Sonya	Asking about cost of Covered Bridge to monitor the system, and the cost of chemicals, etc. being additional.
10:43:36 AM	Atty. Wooldridge to Witness Cogan Note: Harward, Sonya	Confirming that without the continuation of Covered Bridge Utilities' operating the system daily, there would be no sewage being treated.
10:45:13 AM	Atty. Wooldridge to Witness Cogan Note: Harward, Sonya	Asking about the amount of sewage the Bullitt County Sanitation District it is receiving daily, and if it is enough to make Bullitt Utilities' system be in compliance with the Division of Water.
10:46:08 AM	Vice Chairman Gardner - Concludes Call Note: Harward, Sonya	Addresses Witness Cogan and informs him that this concludes the questions for him, and thanks him for his cooperation on call.
10:46:27 AM	Camera Lock Deactivated	
10:47:00 AM	Discussion About Parties' Witnesses	
10:47:33 AM	Vice Chairman Gardner Calls for Public Comment	
10:47:46 AM	Quint McTyeire- Public Comment Note: Harward, Sonya	Here on behalf of Veolia Techonology. Veolia would like to be part of the long-term solution for this issue. Veolia has made an offer to Bullitt County Sanitation District to provide any support they can provide, contingent on payment of services going forward and approval of the surcharge.
10:50:04 AM	Vice Chairman Gardner to Mr. McTyeire Note: Harward, Sonya	Suggests that he speak to the parties, as they are all in the room today.
10:50:58 AM	Mayor Jim Eadens - Public Comment Note: Harward, Sonya	Mayor of the city of Hillview, with about 600 of the families on the system. There is no way the families can pay back the debt. Asking Commission not to put the debt on the families, but to put it on those who created the debt.
10:52:43 AM	John Talbott - Public Comment Note: Harward, Sonya	Here on behalf of PETCO. Bullitt Utilities owes them a substantial amount. They want to be part of the solution but also needs its payments.
10:53:59 AM	Vice Chairman - Return to Witness Examination	
10:54:18 AM	Atty. Wooldridge - Witness Note: Harward, Sonya	Bullitt County has a witness that will only tesitfy if necessary - Keith Griffy, Chief Finance Officer for Bullitt Counties.
10:54:45 AM	Witness Roger Rectenwald takes the stand and is sworn in. Note: Harward, Sonya	Director of Research and Planning for Kentucky Association of Counties
10:55:43 AM	Atty. Dutton Direct Exam of Witness Rectenwald Note: Harward, Sonya	Asking Witness if he is being compensated by any of the parties to this case for his appearance at the hearing today.
10:55:45 AM	Atty. Dutton to Witness Rectenwald Note: Harward, Sonya	Asking Witness to talk about his qualifications regarding sewage plants in Kentucky, and his familiarity with the history in this case.
10:57:05 AM	Atty. Dutton to Witness Rectenwald Note: Harward, Sonya	Asking Witness about aging systems and their likelihood of failing due to their age.

10:57:18 AM	Atty. Moore - Objection Note: Harward, Sonya	The question is almost testimony, and the witness answering the question since he has not testified that he has knowledge of other systems, design defects that caused Hunters Hollow to fail, etc.
10:58:18 AM	Atty. Dutton to Witness Rectenwald Note: Harward, Sonya	Asking Witness to respond about his knowledge of other systems failing.
10:58:50 AM	Atty. Moore - Objection Note: Harward, Sonya	There is no pending question.
10:59:29 AM	Atty. Dutton to Witness Rectenwald Note: Harward, Sonya	Asking Witness for his opinion on package treatment plants in Kentucky.
11:02:21 AM	Atty. Dutton to Witness Rectenwald Note: Harward, Sonya	Asking Witness if, in this situation, it would set bad precedence to allow this owner to walk away from this failing treatment plant.
11:02:44 AM	Atty. Spenard Cross Exam of Witness Rectenwald Note: Harward, Sonya	Asking Witness if all package treatment plans are under the Commission jurisdiction. Also asks Witness where the Hunters Hollow system is located, and what has happened to the numerous package treatment plants in the neighboring county, Jefferson county.
11:03:30 AM	Atty. Spenard to Witness Rectenwald Note: Harward, Sonya	Asking Witness what the purpose of the Bullitt County Sanitation District is.
11:04:48 AM	Atty. Spenard to Witness Rectenwald Note: Harward, Sonya	Asking Witness if he knows if Bullitt County Sanitation District reached out to Bullitt Utilities to have that system made part of its system prior to the failure.
11:07:21 AM	Atty. Spenard to Witness Rectenwald Note: Harward, Sonya	Asking Witness what he thinks the typical life span is for a package treatment plant.
11:08:18 AM	Atty. Spenard to Witness Rectenwald Note: Harward, Sonya	Asking Witness if he knows of any policy of the Commonwealth of Kentucky requiring owners of package treatment plants to hook on to municipal systems if they were within a certain distance of the municipal system.
11:08:36 AM	Atty. Moore - Objection Note: Harward, Sonya	Questioning is not about the abandonment of the facility.
11:09:03 AM	Atty. Spenard - Response to Objection	
11:09:47 AM	Atty. Spenard to Witness Rectenwald Note: Harward, Sonya	Asking Witness if he has spoken with anyone at Bullitt County Sanitation District with regard to this failure, and if he has been asked to attend any Bullitt County Sanitation District board meetings regarding this issue.
11:10:53 AM	Atty. Moore Cross Exam of Witness Rectenwald Note: Harward, Sonya	Asking about his comments regarding the failure of the system in this case not being unique to this system and asks him for the studies he as done for the Bullitt Utilities wastewater treatment facility.
11:11:47 AM	Exhibit 1 - Bullitt Utilities Note: Harward, Sonya	Copy of three letters from Christopher T. Crumpton and Robert T. Trautwein (BlueStone Engineers, PLLC and Trautwein Engineering) to Robert C. Moore, dated April 30, 2014, July 22, 2014, and May 20, 2015.
11:12:29 AM	Atty. Dutton - Objection	
11:12:44 AM	Vice Chairman Gardner - Regarding Exhibit	

11:13:08 AM	Atty. Moore to Witness Rectenwald Note: Harward, Sonya	Referencing Exhibit 1 - Bullitt Utilities to this Hearing, asking Witness to read from the May 20, 2015 letter.
11:15:04 AM	Atty. Moore to Witness Rectenwald Note: Harward, Sonya	Asking if the design failure that caused this defect is similar to the failure of other package treatment plants.
11:16:20 AM	Atty. Moore to Witness Rectenwald Note: Harward, Sonya	Asking if Witness has any reason to dispute the statement regarding the reason for failure of this plant.
11:16:33 AM	Atty. Spenard - Objection Note: Harward, Sonya	Witness is not qualified to answer the question. Also, the line of questioning regards a document that the Commission has denied admission to in Case No. 2014-00255.
11:17:10 AM	Atty. Moore - Response to Objection	
11:18:19 AM	Atty. Moore to Witness Rectenwald Note: Harward, Sonya	Asking Witness for his opinion, in light of the report, regarding whether lack of maintenance was the cause or contributing factor for the failure of this plant.
11:19:39 AM	Atty. Wooldridge Cross Exam of Witness Rectenwald Note: Harward, Sonya	Asking Witness what he does in terms of Research and Planning for KACo.
11:20:12 AM	Atty. Wooldridge to Witness Rectenwald Note: Harward, Sonya	Asking if KACo has been involved with the surcharge requested by Bullitt Utilities.
11:20:56 AM	Atty. Wooldridge to Witness Rectenwald Note: Harward, Sonya	Asking Witness what the purpose was for his testimony today regarding the abandonment.
11:22:46 AM	Atty. Wooldridge to Witness Rectenwald Note: Harward, Sonya	Asking Witness how much involvement he has had with Bullitt County Sanitation District regarding the proximity of their system to the area served by Bullitt Utilities.
11:23:48 AM	Atty. Wooldridge to Witness Rectenwald Note: Harward, Sonya	Asking Witness if he knows of the limited resources of Bullitt County Sanitation District.
11:24:30 AM	Atty. Wooldridge to Witness Rectenwald Note: Harward, Sonya	Asking if KACo would take part or oppose any sewer charge that might be imposed on the customers if and when a receiver is appointed.
11:25:13 AM	Discussion of Exhibit 1 - Bullitt Utilities Note: Harward, Sonya	Atty. Moore moved it into the record. Vice Chairman Gardner accepts the Exhibit only for the limited purpose of cross examination, not for the truth of the statement since the Commission would want to cross examine the individuals who made the statement to determine its truth.
11:25:20 AM	Witness Rectenwald is dismissed from the stand.	
11:26:53 AM	Break	
11:30:38 AM	Session Paused	
11:33:13 AM	Session Resumed	
11:33:28 AM	Witness Jerry Kennedy takes the stand and is sworn in. Note: Harward, Sonya	District Manager for Bullitt County Sanitation District
11:34:00 AM	Atty. Spenard Direct Exam of Witness Kennedy Note: Harward, Sonya	Asks the Witness for his experience and background.
11:34:55 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness how many wastewater treatment plant operators Bullitt County Sanitation District employees.

11:35:29 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness for the purpose of the Bullitt County Sanitation District, starting with when it was formed.
11:36:36 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness if the Bullitt County Sanitation District's board of directors has adopted a resolution indicating any willingness to serve as the receiver of Bullitt Utilities Hunter Hollow system.
11:36:44 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness when is the soonest that Bullitt County Sanitation District could consider taking receivership of Bullitt Utilities' Hunter Hollow system, and asks Witness to describe any issues that would have to be considered.
11:39:36 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness if Hunters Hollow is currently connected to the Bullitt County Sanitation District and if it is working as intended by its design.
11:41:24 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness if Bullitt County Sanitation District employees check on the Hunters Hollow system on a daily basis.
11:42:04 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness how the use of Bullitt County Sanitation District employees would change if it was appointed receivership of Hunters Hollow.
11:42:42 AM	Atty. Spenard to Witness Kennedy Note: Harward, Sonya	Asking Witness if Bullitt County Sanitation District is looking for legal counsel to represent it in this matter.
11:44:27 AM	Atty. Wooldridge Cross Exam of Witness Kennedy Note: Harward, Sonya	Asking Witness what the cost is to put in a pump, as per the solution to the failure of the station.
11:45:27 AM	Atty. Wooldridge to Witness Kennedy Note: Harward, Sonya	Asking Witness what the financial situation is of the Bullitt County Sanitation District.
11:46:10 AM	Atty. Wooldridge to Witness Kennedy Note: Harward, Sonya	Asking Witness about problems under wet conditions.
11:47:07 AM	Atty. Wooldridge to Witness Kennedy Note: Harward, Sonya	Clarifying that Bullitt County and Bullitt Fiscal Court do not fund the Bullitt County Sanitation District.
11:47:29 AM	Atty. Dutton Cross Exam of Witness Kennedy Note: Harward, Sonya	Asking Witness if the intention is to recapture the capacity fully when the agreement expires.
11:49:22 AM	Atty. Dutton to Witness Kennedy Note: Harward, Sonya	Asking Witness if he has the ability to achieve capacity from other places.
11:50:34 AM	Atty. Moore Cross Exam of Witness Kennedy Note: Harward, Sonya	Asking Witness if he knows whether Bullitt County would enter into an interlocal agreement allowing MSD to bring its system down into Bullitt County to assist in the wastewater issues Bullitt County is experiencing.
11:51:20 AM	Atty. Moore to Witness Kennedy Note: Harward, Sonya	Asking Witness about MSD offering to connect the Hunters Hollow system to the closest MSD line in Jefferson County.
11:52:31 AM	Atty. Moore to Witness Kennedy Note: Harward, Sonya	Asking if Bullitt County Sanitation District also has a problem in wet conditions.

11:53:10 AM Atty. Wooldridge Re-Cross Exam of Witness Kennedy
Note: Harward, Sonya Asking Witness if Bullitt County Utilities District will honor its agreement whether or not the Commission allows the abandonment or if a receiver is appointed.

11:53:36 AM Witness Kennedy is dismissed from the stand.

11:54:12 AM Atty. Moore - Issue
Note: Harward, Sonya Asks if the filing regarding the compliance to the Commission's Aug. 24th Order needs to be entered as an Exhibit.

11:54:22 AM Vice Chairman Gardner - Response to Issue
Note: Harward, Sonya It does not need to be entered in this hearing because it is already in the record.

11:54:31 AM Hearing Adjourned

11:54:44 AM Session Paused

11:59:03 AM Session Ended

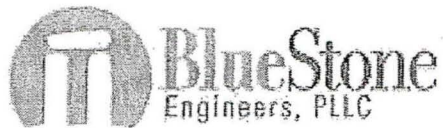


Name:

Description:

Bullitt Utilities - Exhibit 1

Copy of three letters from Christopher T. Crumpton and Robert T. Trautwein (BlueStone Engineers, PLLC and Trautwein Engineering) to Robert C. Moore, dated April 30, 2014, July 22, 2014, and May 20, 2015.



Mr. Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street
P. O. Box 676
Frankfort, KY 40602-0676

April 30, 2014

SUBJECT: Hunters Hollow Treatment Plant
Field Inspection for Steel Tank
Bullitt County, Kentucky

Dear Mr. Moore:

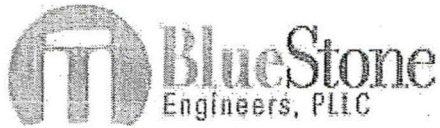
This letter serves as a summary of a structural field inspection and review of site conditions for the recent tank failure at the Hunters Hollow Treatment Plant in Bullitt County, Kentucky.

The field review noted that multiple sections of the steel aeration tank separated from both the concrete foundation and clarifier tankage spilling contents of the treatment facility across the site and parking area. A temporary treatment system has been installed on-site to currently handle treatment of as much flow as possible. Sections of the steel aeration tank were observed laying at different locations just outside the tank's original perimeter with some sections intact while others had been cut to allow sections to be stacked near each other.

Inspection of the existing welds did not identify that structural tank failure occurred at these weld joints, as can be seen in the attached photographs. The steel tank pieces were welded to a piece of 8" channel to join the tank that was originally set in a concrete foundation about 4" deep (on the channel). These steel tank pieces and channel were observed to have been ripped out of the concrete foundation of the tank. Additionally, large chunks of concrete foundation were scattered about the site and around the steel tank pieces that had been stacked.

Since the lower portion of the tank receives a higher structural load and based on review of the channel pulled from the concrete foundation, we have estimated that separation must have occurred at the bottom of the tank and from a possible rupture or failure directly at the concrete foundation level. This could have been caused from concrete cracking, or insufficient sub-surface conditions that allows differential settlement. It was noted from talking with the treatment plant operator that this site has typically been identified as a wet "swampy" area adjacent to this existing stream.

We were unable to inspect the tank concrete foundation in detail due to the great amount of sludge that was covering the entire foundation section. Once this material has been cleared from the site additional inspection of the concrete foundation slab is recommended. Additionally, testing by a geotechnical engineer to determine concrete foundation thickness, soil testing beneath the slab, and depth to rock is also



recommended. This could also determine if any groundwater is present underneath the slab. Additionally, once the sludge has been removed specific areas of the concrete foundation can be further inspected to identify if the exact location of the failure can be determined.

As can be expected, the portion of the exterior wall of the main aeration tank still standing was more heavily reinforced in the area connected to the digester tank and interior clarifier tank, as well as being supported by the stairs and connecting catwalks at this location. This section is still standing and pieces of the steel tank separated from this section at the welds due to the force of the wall being pulled out of the concrete foundation.

Again, we recommend that additional inspection and testing be performed in order to identify more details of the failure.

If you have questions please do not hesitate to give me a call at (502) 292-9288.

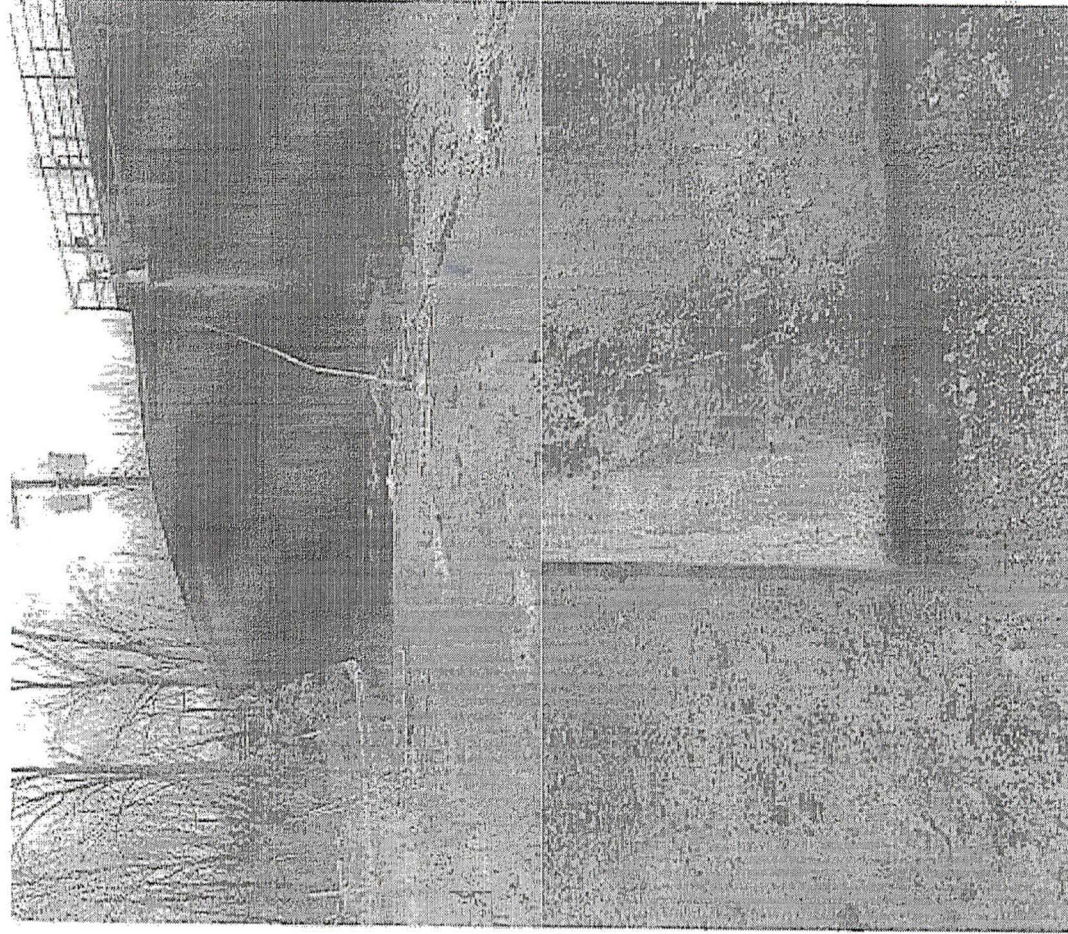
Sincerely,

A handwritten signature in cursive script, appearing to read 'Chris Crumpton'.

Christopher T. Crumpton/Civil Engineer

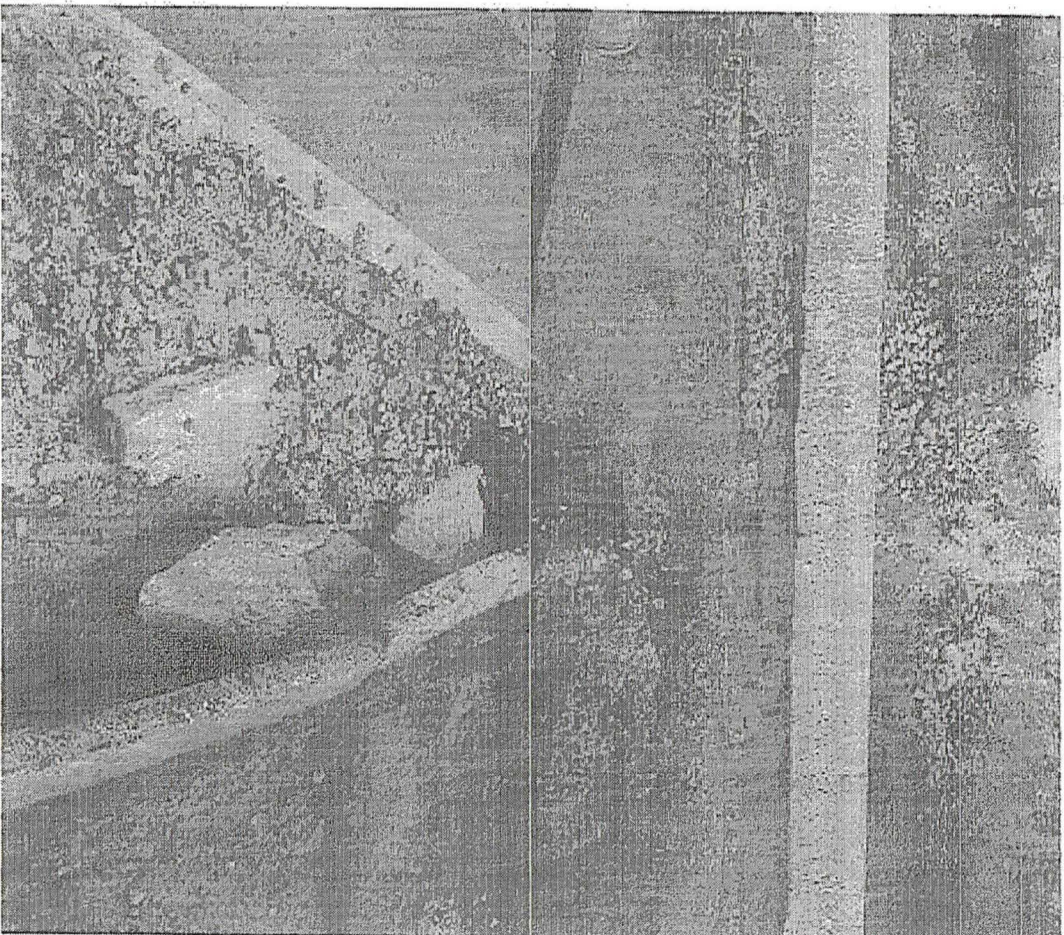
A handwritten signature in cursive script, appearing to read 'Robert T. Trautwein'.

Robert T. Trautwein/Structural Engineer

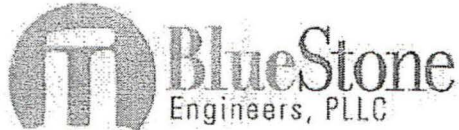


BlueStone
Engineers, PLLC

TRAUTWEIN
ENGINEERING







Mr. Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street
P. O. Box 676
Frankfort, KY 40602-0676

July 22, 2014

**SUBJECT: Hunters Hollow Treatment Plant
 Field Inspection & Analysis for Structural Slab/Foundation
 Bullitt County, Kentucky**

Dear Mr. Moore:

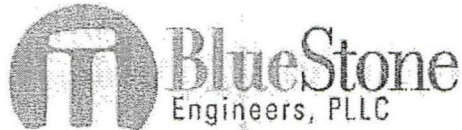
Background:

This letter serves as a summary of an additional structural field inspection to review the concrete foundation and slab for the subject treatment plant, after the sludge was vacuumed out to clean the area. The purpose of the inspection was to check the remaining concrete slab under the original tank, and to inspect the foundation area where the steel tank sides (and channel) were pulled away from the foundation during the failure. Reference Exhibit "A" to identify location of pictures taken during the review process (Exhibit "A" is an aerial view of the site prior to the failure looking east towards Blue Lick Road).

The field review noted that the "interior" concrete slab was actually in very good condition and did not show signs cracking or settlement (Exhibit "B"). A concrete scan was not performed, but the interior slab should have steel reinforcement that held the slab in place during the failure of the tank. While not all of the slab was visible due to some portions still remaining covered with sludge material and/or the remaining section of reinforced mixing tank/stairs and clarifier, Exhibit "C" shows the areas that were cleared and visible, mostly on the west side to the south and southeast (a majority of the slab that existed under the area of the aeration tank that failed).

Interior Slab Review:

The concrete slab "edge" where the concrete abutted the steel tank channel on the interior side is in good condition as shown in Exhibit "D". Only a couple damaged locations are shown along this interior edge, from where the temporary welded steel reinforcement bars were installed in the foundation at the time of the initial concrete pour to provide a connection for the tankage while the steel channel was installed and the second concrete pour for the foundation was completed. Exhibit "D" additionally shows various locations along the exterior foundation slab indicating the variable width of concrete slab on the "exterior" portion of the foundation. These widths range from only 4 or 5 inches, all the way up to 2 feet.



The most notable area of damage is shown in the southeast quadrant of the tankage -- this area looks to have received the most damage along the exterior foundation as compared to rest of the perimeter foundation -- this can be seen in Exhibit "E".

Most important to note is that none of the exterior portion of the concrete foundation that held the steel channel in place includes structural steel reinforcement. Upon failure of the tank and foundation, when the steel channel was pulled from the foundation, these exterior pieces of concrete slab separated into typical 3' and smaller sections that are scattered around the site. Examples of some of these exterior foundation slab pieces are shown in Exhibit "F". These exterior slab pieces were found as far as 100 feet away from the tank foundation site.

Note from our initial inspection letter dated April 30, 2014:

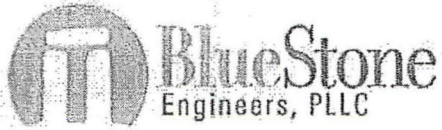
"Inspection of the existing welds did not identify that structural tank failure occurred at these weld joints, as can be seen in the attached photographs. The steel tank pieces were welded to a piece of 8" channel to join the tank that was originally set in a concrete foundation about 4" deep (on the channel). These steel tank pieces and channel were observed to have been ripped out of the concrete foundation of the tank. Additionally, large chunks of concrete foundation were scattered about the site and around the steel tank pieces that had been stacked."

Conclusion:

From inspection of the interior slab condition (very good), as well as inspection of the exterior of the foundation section (pieces that have broken off from the foundation and are scattered about the site) this is indicative of a shear failure of the concrete foundation between the interior and exterior sections of the foundation where the steel channel was installed, see Exhibit "G" for typical detail. Since the exterior portion of the concrete foundation did not include any additional steel reinforcement, the section of foundation from the steel channel outward separated along the shear plane and pulled free from the interior foundation and slab during the failure of the plant. Most likely this occurred at the exterior foundation's weakest point along the perimeter, which from the review of the perimeter damage seems to be at location "X" as seen in Exhibit "A" and "B", and as shown on Exhibit "E". Pictures of the exterior foundation pieces showing the shear plane are shown on Exhibit "F".

As discussed previously, additional testing may be performed by a geotechnical engineer to excavate the existing slab at specified locations to compare depth and thicknesses of the concrete slab and foundation, however this may not be needed since it is apparent that:

1. Along the exterior of the concrete foundation that the slab and foundation thickness varies.



2. The exterior portion of the concrete foundation did not include steel reinforcement to account for "tension" force created by the channel pulling out of the foundation. Thus, the many pieces of concrete foundation that separated from the tank foundation demonstrate this smooth "shear plane" on their interior side.
3. The interior slab looks to be in excellent condition

If you have questions please do not hesitate to give me a call at (502) 292-9288.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Chris Crumpton'.

Christopher T. Crumpton/Civil Engineer

A handwritten signature in cursive script, appearing to read 'Robert T. Trautwein'.

Robert T. Trautwein/Structural Engineer



Exhibit "A" – Hunters Hollow WWTP
(looking East)





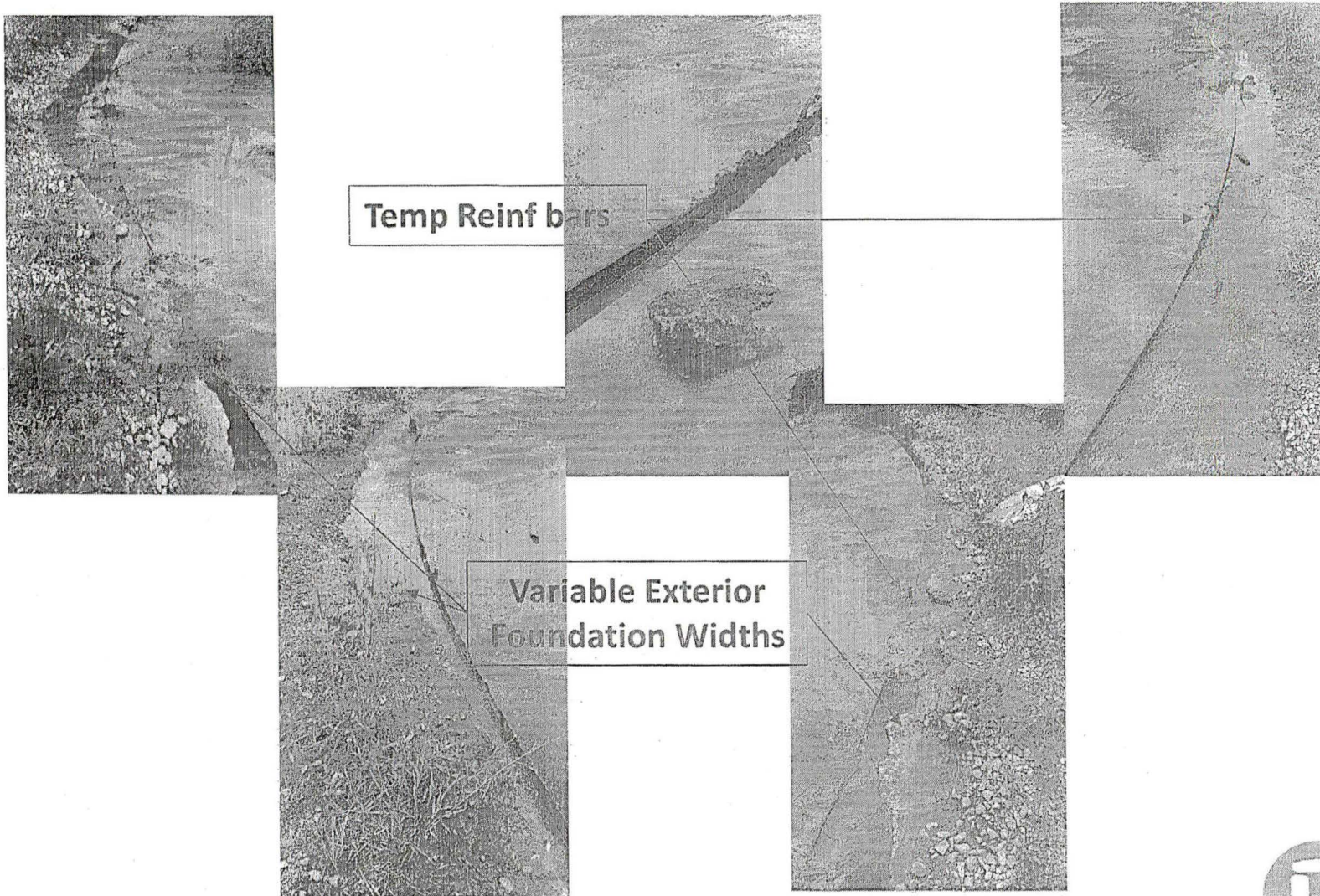
Exhibit "B" – Interior Concrete Slab
(looking East)



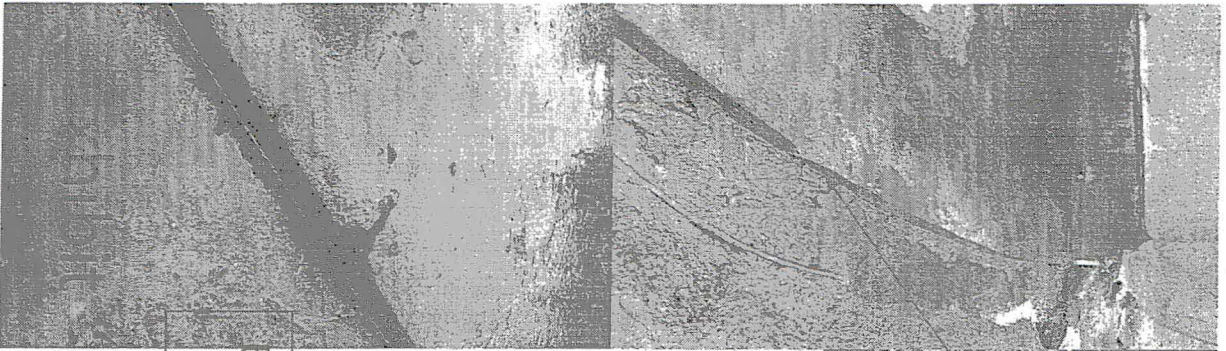


Exhibit "C" – Interior Concrete Slab

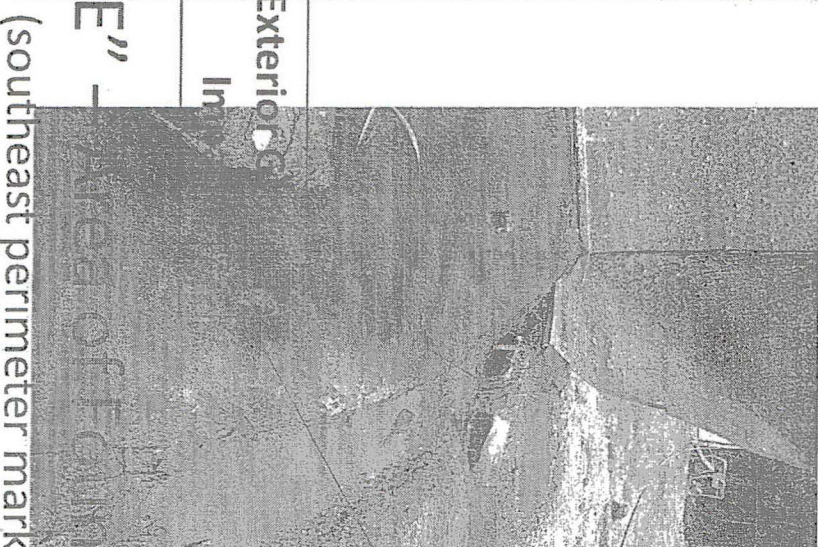




**Exhibit "D" – Concrete Slab Edge &
Variable Exterior Foundation Widths**



Exterior of
Interior



Damaged

"E" - Areas of Erosion
(southeast perimeter marked with X)

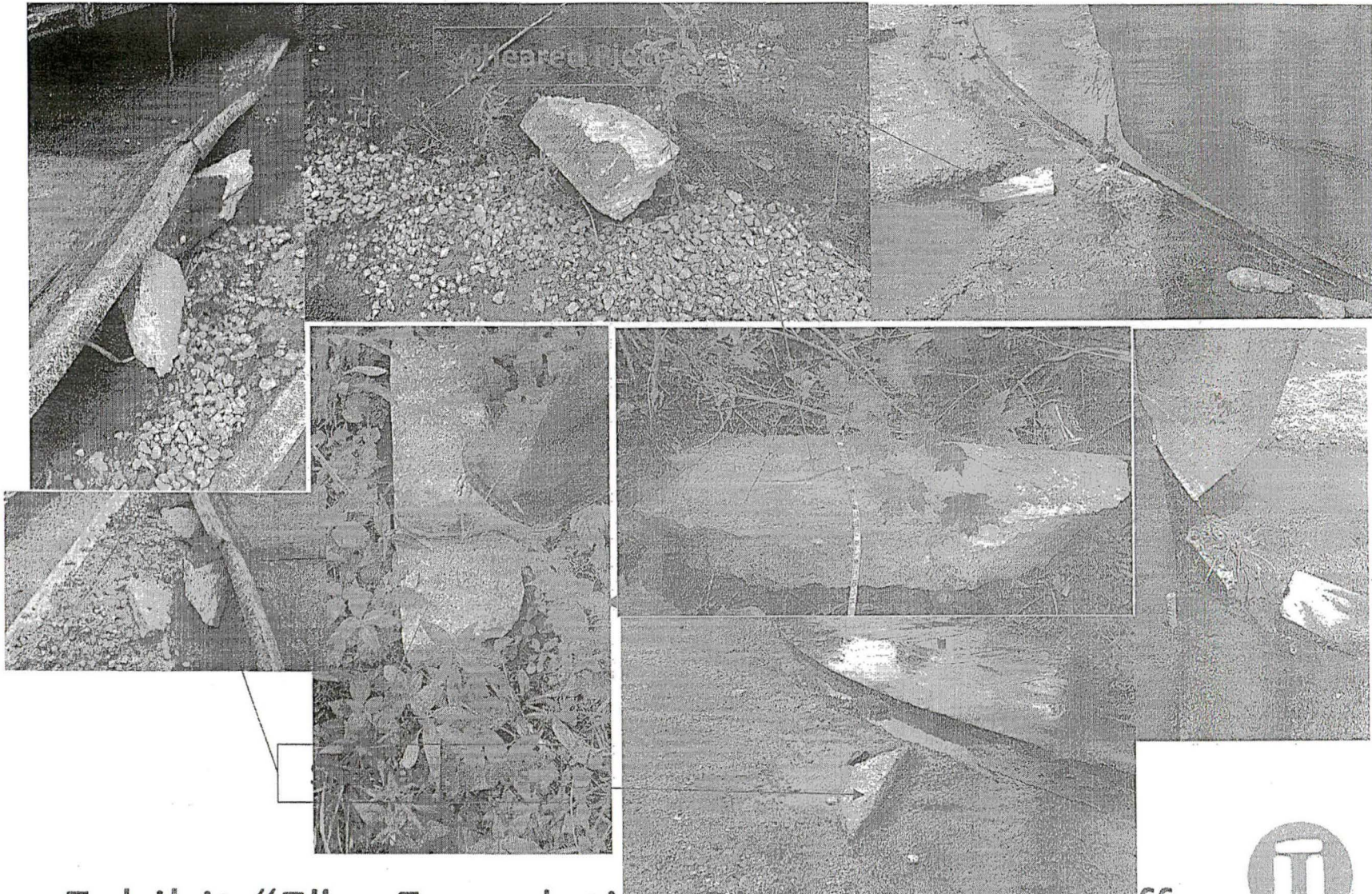
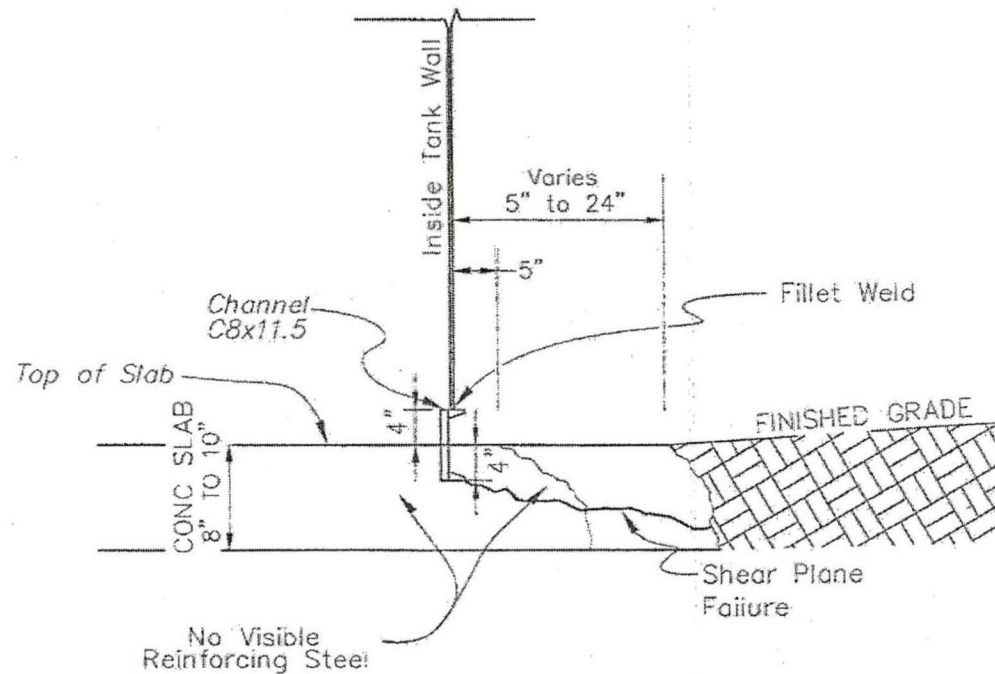


Exhibit "F" – Foundation Pieces Sheared off
(no steel reinforcement)



FOUNDATION DETAIL

Not to Scale

Exhibit "G" – Foundation Section
 (shear plane failure)





Mr. Robert C. Moore
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415 West Main Street
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May 20, 2015

**SUBJECT: Hunters Hollow Treatment Plant
Addendum for Field Inspection & Analysis for
Structural Slab/Foundation
Bullitt County, Kentucky**

Dear Mr. Moore:

As discussed in our follow-up summary letter dated June 22, 2014 for structural inspections of the Hunters Hollow Wastewater Treatment Facility, and based on the review of the concrete foundation, the lack of reinforcing steel in the outer foundation section would not have been identified from normal inspection or maintenance activities. Therefore, lack of maintenance of the facility does not appear to be a cause or contributing factor of the failure of the Hunters Hollow WWTP.

If you have questions please do not hesitate to give me a call at (502) 292-9288.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Crumpton'.

Christopher T. Crumpton
Project Engineer

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