

RECEIVED

SEP 12 2007

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPALACHIAN WASTE CONTROL ) CASE NO. 2007-00093

REPORT ON FINANCIAL OPERATIONS  
OF APPALACHIAN WASTE CONTROL

Comes Squire N. Williams III, Special Master Commissioner and Temporary Receiver for Appalachian Waste Control, and, in accordance with the April 27, 2007 Order of the Public Service Commission, submits the following Report on Financial Operations of Appalachian Waste Control.

INTRODUCTION

The Commission's Order calls for a report on financial operations for the period from February 1, 2007 through July 31, 2007. Detailed records of monthly maintenance were not kept by Prestonsburg City's Utilities Commission (hereinafter "PCUC") until after the Commission issued its Order, however. Accordingly, the following Report includes information regarding labor and material costs incurred by PSUC in making initial repairs to the five facilities that make up Appalachian Waste Control, and detailed monthly maintenance reports for the months of May, 2007 through July, 2007. Also included in this Report are the fees and costs for administrative, legal and billing services incurred by the office of the undersigned as temporary Receiver of Appalachian Waste Control beginning in January, 2007.

COSTS AND EXPENSE

1. Repair and Startup Costs

Startup repair costs incurred by PCUC (pumping each plant, and numerous repairs made to each plant (See Exhibit A) \$ 12,059.03

2. Monthly Maintenance Costs

**January, 2007**

Administrative and legal  
(Receiver) \$ 2,635.88

**February, 2007**

Administrative and legal  
(Receiver) \$ 2,178.53

**March, 2007**

Administrative and legal  
(Receiver) \$ 5,428.84

**April, 2007**

Administrative and legal  
(Receiver) \$ 2,892.00

**May, 2007**

Maintenance Costs (PCUC): \$ 9,637.25 (See Exhibit B)

Billing, administrative, and legal  
(Receiver) 2,437.35  
**May Total** \$ **12,074.60**

**June, 2007**

Maintenance Costs (PCUC): \$ 8,198.93 (See Exhibit C)

Billing, administrative, and legal  
(Receiver) 2,287.31  
**June Total** \$ **10,486.24**

**July, 2007**

Maintenance Costs (PCUC): \$ 8,222.96 (See Exhibit D)

Billing, administrative, and legal  
(Receiver) 3,088.19  
**July Total** \$ **11,311.15**

**RATES COLLECTED**

Approximately 90 customers.

<b>March, 2007</b> (Covering January, February, and March, 2007)	\$ 4,002.40
<b>April, 2007</b>	\$ 1,571.88
<b>May, 2007</b> (First billing at \$56.72 per customer)	\$ 3,590.04
<b>June, 2007</b>	\$ 5,298.06
<b>July, 2007</b>	\$ <u>3,443.60</u>
Total collected Jan-July, 2007:	\$ 17,905.98

**BOND MONEY COLLECTED**

Funds relinquished to Receiver from bond posted by Jeffrey Lance Bowling with the Franklin Circuit Court \$ 10,000.00

**BREAKDOWN**

<u>Account Titles</u>		<u>Operations</u>
Operating Revenues (Jan-July)	\$	17,905.98
Bond Relinquished		<u>10,000.00</u>
	\$	27,905.98
<u>Operating Expenses:</u>		
Operation & Maintenance Expenses:		
Electricity	\$	1,534.85
Legal Fees (PCUC legal fees incurred)		8,400.00
Regular Maintenance (labor, pumping, disposal, repairs, general upkeep)		28,987.50
Material Costs		6,395.82
Administrative Fees (Invoicing, accounting postage, copies, etc.)		1,955.35
Receiver Fees (Jan-July)		18,660.00
Engineering Fee		<u>1,200.00</u>
Total Operating Expenses (Jan-July)		<u>\$67,133.52</u>
Net Operating Income		\$(39,227.54)

**REVISED STATEMENT OF MONTHLY EXPENSES**

Actual monthly expenses for Appalachian Waste Control for the three months of May, June, and July, 2007 have averaged \$11,290.66 per month.

**RATE BASED UPON HISTORICAL OPERATIONS FOR THREE MONTH PERIOD**

Taking into account the average monthly expenses for the months of May, June, and July, 2007, the monthly rate based upon such expenses and 90 customers, comes to \$125.45.

Respectfully submitted,



Squire N. Williams III  
Special Master Commissioner  
P.O. Box 676  
Frankfort, Kentucky 40602  
(502) 227-2271

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via regular US Mail, postage prepaid on this the 12 day of September, 2007 upon the following:

Beth O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

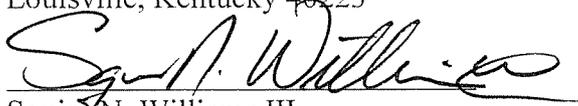
Shannon Stamper  
General Counsel  
Environmental Public Protection  
Fifth Floor, Capital Plaza Tower  
Frankfort, Kentucky 40601

David Edward Spenard  
Assistant Attorney General  
1024 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601-8204

John West  
Environmental Public Protection  
Fifth Floor, Capital Plaza Tower  
Frankfort, Kentucky 40601

Michael and Marsha Stafford  
199 Preston Estates  
Paintsville, Kentucky 41240

Kipley J. McNally  
2527 Nelson Miller Pky. Suite 104  
Louisville, Kentucky 40223



Squire N. Williams III

# Prestonsburg City's Utilities Commission

Water, Waste Water and Natural Gas System

(Municipally Owned)

2560 South Lake Drive

Prestonsburg, Kentucky 41653-1048

Phone (606) 886-6871 • Fax (606) 886-8779

TDD: Ky Relay #711

## Start-up for 5 (five) Appalachian Waste Control Treatment Plants

Pumping each plant-----16 hours---\$135.00 per hour-----\$2160.00

Labor required for pumping plants--16 hours/2-men--\$115.00 per hour---\$1840.00

### Repairs to WWTP's

These services include spraying down all plants, repairing all air lines (including valves) needed to operate the facilities, making electrical repairs required, replacing two pumps-one @# Prestons Estates-, one @ Richmond Hills, installing walkways to be able to access needed areas around the plant, and several man hours to complete all work performed.

### Materials:

E-One Pump---Quantity 2-- -1/Prestons Estates--1/Richmond Estates-----\$1860.00

Ferguson Enterprises---Misc. Pipe and Supplies-----\$ 48.94

Ace Hardware-----Misc. Pipe and Supplies-----\$ 99.62

Logan Corporation-----Steel Decking-----\$ 250.77

Lowe's -----PVC Valve-----\$ 4.97

Advance Auto-----Blower Belt/Gear Oil-----\$ 10.36

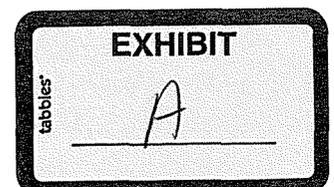
Napa-----FHP Belt-----\$ 11.99

Mountain Enterprises---Stone-----\$ 22.38

Total Materials-----\$ 2309.03

Labor required for repairs-----20 hours/5 men---\$287.50 per hour-----\$ 5750.00

Total for start-up services-----\$ 8059.03



---

OPERATIONS REPORT

PRESTONSBURG CITY'S UTILITIES COMMISSION

JOHNSON COUNTY WWTP's

May 2007

05-02-07

General maintenance including, but not limited to, yard care( weed control, tree trimming,) sludge return, addition of Cl2 tablets, sludge removal, and odor control. Repaired air line @ Preston Estates. 4-men @\$135.00 per hour per 2- man team. Total 8-hours.

\$2160.00

05-12-07

General maintenance( same as above ).  
Checked all plants. 1-man @ 67.50 per hour. Total 4.5 hours.

\$303.75

05-18-07

General maintenance, repaired air flow problem @ Preston Estates  
Checked all plants. 4-men @ \$135.00 per hour per 2- man team. Total 4-hours.

\$1080.00

05-19-07

General maintenance. Checked all plants.  
1-man @ 67.50 per hour. Total 4.5 hours.

\$303.75

05-21-07

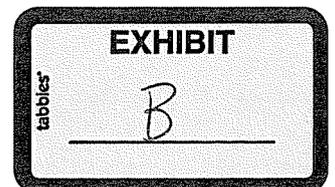
General maintenance.  
Checked all plants. 4- men @ 135.00 per hour per 2-man team. Total 8-hours.

\$2160.00

05-25-07

General maintenance. Rented small excavator in order to remove trees/vegetation around fencing and pla @ Richmond Estates. 2-men @ 135.00 per hour per 2-man team. 1-man @ 67.50 per hour. Total 8-hours

\$1620.00



05-26-07

General maintenance. Checked 4- plants.  
1- man @ \$67.50 per hour. Total 3-hours.

\$202.5

05-30-07

General maintenance. Removed sludge from 4- plants.  
Checked all plants. Discovered electrical problem @ Neal Price. Returned and repaired problem. 2- men  
\$135.00 per hour. Total 6-hours. 1-man @ 67.50 per hour. Total-2 hours.

\$945.00

Total materials/equipment-----\$394.54

Richmond Hills-----\$193.35

Neil Price-----\$ 36.48

Preston Estates-----\$ 70.74

Burkeshire-----\$ 93.82

Paradise Valley-----\$ 73.32

Total power costs-----\$467.71

Total maintenance-----\$8,775.00

Total-----\$9,637.25

**Will Williams**

---

**From:** David Ellis [dmepcuc@bellsouth.net]  
**Sent:** Monday, July 16, 2007 10:25 AM  
**To:** Will Williams  
**Cc:** Kipley J. McNally; Eddie Campbell  
**Subject:** JOHNSON COUNTY WWTP'S OPERATIONS REPORT (JUNE  
OPERATIONS REPORT

## PRESTONSBURG CITY'S UTILITIES COMMISSION

## JOHNSON COUNTY WWTP'S

JUNE 2007

06-01-07

General maintenance including, but not limited to, yard care( weed trimming), sludge return, addition of Cl2 tablets, sludge removal, and odor control.

2-men @ \$135.00 per hour per 2-man team. Total 6-hours.

\$810.00

06-07-07

General maintenance, Applied 15 gallons of weed killer.

3- men @ \$202.50 per hour. Total 6-hours.

\$1215.00

06-12-07

General maintenance, repaired air lines and return lines.

Pumped sludge from Neil Price and Paradise Valley.

3- men @ \$202.50 per hour. Total 7-hours.

\$1417.50

06-13-07

General maintenance. Repaired skimmer on Preston Estates. Repaired return line at Neil Price.

1- man @ \$67.50 per hour. Total 5-hours.

\$337.50

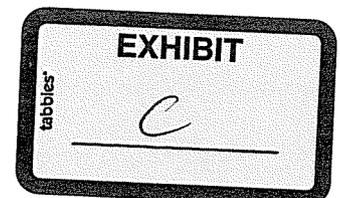
06-14-07

General maintenance. Repaired return line at Prestons Estates. Repaired skimmer at Neil Price.

1-man @ \$67.50 per hour. Total 3-hours.

\$202.50

8/13/2007



06-18-07

General maintenance. Collected samples at each plant.  
2-men @ \$135.00 per hour. Total 5-hours.

\$675.00

06-19-07

General maintenance. Applied 25 gallons of grease removal product. Removed sludge on secondary at Paradise Valley. Replaced 1 bucket of Cl2 tablets.  
1-man @ \$67.50 per hour. Total 4-hours.

\$270.00

06-22-07

General maintenance. Repaired return at Preston Estates. Adjusted skimmer at Neil Price. Applied 4-gallon of grease removal product. Replaced 2 buckets of Cl2 tablets.  
1-man @ \$67.50 per hour. Total 4-hours.

\$270.00

06-26-07

General maintenance. Removed sludge at Paradise Valley.  
3-men @ \$202.50 per hour. Total 3-hours.

\$607.50

06-30-07

General maintenance. Repaired air line at Preston Estates.  
1-man @ \$67.50 per hour. Total 4-hours.

\$270.00

Materials/Equipment

15 gallon of Weed Killer @ \$15.00 per gallon--\$225.00  
29 gallon of grease removal product @ \$11.47 per gallon--\$332.30  
Vac-Truck @ \$135.00 per hour. Total 4-hours---\$540.00  
5-buckets of Cl2 tablets @ \$97.20 per bucket ----\$486.00

Total materials/equipment-----\$1583.30

Power costs

Richmond Hills-----\$243.74  
Neil Price-----\$ 54.11

Preston Estates-----	\$ 87.84
Burkeshire-----	\$ 74.85
Paradise Valley-----	\$ 80.09
Total Power Costs-----	\$540.63
Total maintenance-----	\$6075.00
Total-----	\$8198.93

**Will Williams**

---

**From:** David Ellis [dmepcuc@bellsouth.net]  
**Sent:** Tuesday, August 14, 2007 6:05 PM  
**To:** Will Williams  
**Subject:** JOHNSON COUNTY WWTP'S OPERATIONS REPORT (July

## OPERATIONS REPORT

## PRESTONSBURG CITY'S UTILITIES COMMISSION

## JOHNSON COUNTY WWTP'S

JULY 2007

07-05-07

General maintenance including, but not limited to, yard care (weed trimming), sludge return, addition of Cl<sub>2</sub> tablets, sludge removal, and odor control.

Worked on return @ Preston Estates. Also applied 35 gallon of grease removal product.

Repaired float @ Richmond Hills.

2-men @\$135.00 per hour. Total 5-hours.

\$675.00

07-11-07

General maintenance. Worked on return line @ Preston Estates.

1-man @ 67.50 per hour. Total 5-hours.

\$337.50

07-14-07

General maintenance. Worked on return line @ Preston Estates.

1-man @ \$67.50 per hour. Total 5-hours.

\$337.50

7-16-07

General maintenance. Used Vac-Truck @ Paradise Valley 3-hours.

3- men @ \$202.50 per hour. Total 7- hours.

\$1417.50

07-17-07

General maintenance. Used Vac-Truck @ Paradise Valley 2-hours.

2-men @ \$135.00 per hour. Total 3-hours.

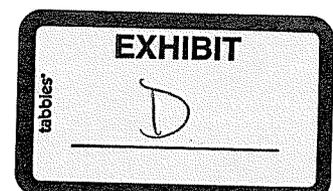
\$405.00

07-19-07

General maintenance. Collected samples @ all four plants.

1-man @ \$67.50 per hour. Total 5-hours.

8/15/2007



\$337.50

07-25-07

General maintenance. Replaced blower belt @ Preston Estates.  
 1-man @ \$67.50 per hour. Total 4-hours. 1-man @ 67.50 per hour. Total 2-hours.

\$405.00

07-28-07

General maintenance. Repaired return @ Paradise Valley.  
 1-man @ \$67.50 per hour. Total 7-hours.

\$472.50

Administrative fees. Preliminary engineering for Neil Price and Preston Estates.  
 \$150.00 per hour. Total 8-hours.

\$1200.00

Materials/Equipment

5-gallon weed killer @ 15.00 per gallon--\$75.00  
 35 gallon of grease removal product @ \$11.47 per gallon--\$401.45  
 Vac-Truck @ 135.00 per hour. Total 5-hours--\$675.00  
 Sludge disposal @ \$210.00 per thousand. Total 4,000.00 gallon--\$840.00  
 1-bucket of C12 tablets @ \$97.50 per bucket--\$97.50  
 1-blower belt @ \$20.00  
 Total materials/equipment-----\$2108.95

Power Costs

Richmond Hills-----\$223.84  
 Neil Price-----\$ 49.78  
 Preston Estates-----\$ 76.01  
 Burkeshire-----\$ 94.53  
 Paradise Valley-----\$ 82.35

Total Power Costs-----\$526.51

Total maintenance-----\$4387.50

Administrative fee-----\$1200.00

Total-----\$8,222.96