CRAWFORD & BAXTER, P.S.C. ATTORNEYS-AT-LAW CARROLLTON. KY

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION
"IOSION"

IN THE MATTER OF:

CARROLL COUNTY WATER DISTRICT NO.1

COMPLAINANT

VS.

CASE NO. 2007-00202

GALLATIN COUNTY WATER DISTRICT

DEFENDANT

DEFENDANT

CARROLL COUNTY WATER DISTRICT NO. 1'S ANSWERS TO INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS PROPOUNDED BY DEFENDANT GALLATIN COUNTY WATER DISTRICT

Comes now the Defendant Carroll County Water District No. 1 (hereinafter "CCWD#1"), and for its Answers to Interrogatories and Requests for Production of Documents states as follows:

INTERROGATORIES

1. Identify the name(s), address(es) and telephone number(s) of each person providing information used to respond to this discovery request.

ANSWER: Attorney Ruth H. Baxter, P.O. Box 353, Carrollton, Kentucky 41008, Phone No. (502) 732-6688. James L. Smith, Manager, Carroll County Water District No. 1, P.O. Box 350, Ghent, Kentucky 41045, Phone No. (502) 347-9500.

2. State the name, occupation, business address, business telephone number, residential address and residential telephone number of each person you expect to call as a witness at the PSC hearing or who has knowledge of facts and circumstances you rely upon as to any issue

in this case, together with a summary of the matters to be testified about or within the knowledge of each such person.

ANSWER: a.) James L. Smith, Manager, Carroll County Water District No. 1, P.O. Box 350, Ghent, Kentucky 41045, Phone No. (502) 347-9500;

- b.) Harold "Shorty" Tomlinson, Carroll County Judge Executive, Carroll County Courthouse, 440 Main Street, Carrollton, Kentucky 41008, Phone No. (502) 732-7000;
- c.) Darrell Lykins, Employee of Carroll County Water District No. 1, P.O. Box 350, Ghent, Kentucky 41045, Phone No. (502) 347-9500; and,
- d.) Morris Courtney, Gallatin County Water District, 4500 Highway 355, Sparta, Kentucky 41086, Phone No. (859) 643-5200.
- 3. Please identify by name and description each of the items, including, but not limited to, documents, photographs, videos, charts, maps, models, plats, drawings or diagrams which you intend to use and rely upon as an exhibit, or to which reference will be made, in the course of the PSC hearing of this matter.

ANSWER: a.) All documents, charts, plats, drawings or diagrams produced pursuant to the request of the Kentucky Public Service Commission;

- b.) All documents, charts, plats, drawings or diagrams produced through discovery from any and/or all parties to this proceeding;
- c.) Diagram prepared by James L. Smith, a copy of which is attached as Exhibit "1" to these Interrogatories;
- d.) CCWD water system map prepared by PDR Engineers, attached as Exhibit "2" to these Interrogatories;

- e.) Four (4) photographs dated July 11, 2007, of site construction, copies o f which are attached as Exhibit "3" to these Interrogatories;
- f.) Photograph dated September 18, 2007, of construction along Highway 1039, a copy of which is attached as Exhibit "4" to these Interrogatories;
 - g.) Such other documents as may be needed following completion of discovery;
 - h.) All documents, charts, plats, drawings or diagrams required for rebuttal.
- 4. State the name, business address and business telephone number of each engineer who provides technical assistance on CCWD projects, including all projects and on-going operations in Gallatin County.

ANSWER: a.) Jim West, Strand Associates, 629 Washington Street, Columbus, Indiana 47202, Phone No. (812) 372-9911;

- b.) Don Willingham, Tetra Tech, Inc., 800 Corporate Drive, Suite 100, Lexington, Kentucky 40503, Phone No. (859) 223-8000;
- c.) Kerry Odle, CMW, Inc., 138 N. Keenland Drive, Suite E, Richmond, Kentucky 40475, Phone No. (859) 623-2966;
- d.) Dean Tanner, Viox & Viox, 466 Erlanger Road, Erlanger, Kentucky 41018, Phone No. (859) 727-3293; and,
- e.) James L. Smith, Manager, Carroll County Water District No. 1, P.O. Box 350, Ghent, Kentucky 41045, Phone No. (502) 347-9500.
- 5. State the name, business address and business telephone number and residential address and telephone number, and occupation of each person you expect to call as an expert witness at the PSC hearing, the subject matter on which the expert will testify, and the substance of the expert's testimony.

ANSWER: See Answer to Interrogatory No. 2.

6. What diameter is your water line closest to the area in controversy, at Ky. Hwy. 1039 and I-71 (i.e. 4", 8")?

ANSWER: Four inch (4").

7. Please describe any and all objections or protests made by CCWD relative to the entry into its service area by GCWD, and state whether same was in writing, the form of the objection, with whom it was registered, and the approximate date of same.

ANSWER: Objection as to relevancy, but without waiving objection, state that GCWD has never requested permission and/or authorization from CCWD to enter into its service area. Further, it did not apply for or receive a Certificate of Convenience and Necessity from the Public Service Commission to enter into CCWD's territorial boundaries. A meeting was held in February/March, 2007, by and between representatives from both water districts to discuss the issue. Correspondence dated February 15, 2007, and February 20, 2007, was exchanged by the parties' attorneys, a copy of which was provided to the Public Service Commission and served upon GCWD.

- 8. In the event CCWD is unable to serve the area in controversy by way of purchasing water from GCWD at the end of its existing 8" line closest to the subject area, please describe:
 - (a) how CCWD would propose to provide water service and fire protection to the area in controversy;

ANSWER: CCWD can adequately provide stated water service from a 4" pipeline 4700 feet away. CCWD is not in the fire protection business but could participate with the developer in making fire protection available.

(b) what additional equipment, apparati, lines and upgrades would be necessary to provide such service;

ANSWER: CCWD would construct 4700 feet of 4" pipeline for the water service. If fire protection is required, CCWD would participate in construction of 100,000 gallon elevated tank with developer.

(c) your best estimate of the cost of the above (a) and (b);

ANSWER: Approximately \$25,000.00 for the water line service. The cost of the tank would depend upon the fire protection service required and would range from \$350,000.00 to \$400,000.00 for the fire service.

(d) the length of time necessary to accomplish the above, and

ANSWER: It would take approximately two months for the water line service to be installed. We are unable to determine the time period for fire protection because the developer has not provided any documentation regarding fire protection needs at the present.

(e) the prospective source of funding of the above.

<u>ANSWER:</u> There would not be any funding necessary for the water service. For the fire service, KRWA Finance Corporation along with developer assessment would be utilized once justification for fire protection is established with an actual consumer needing such protection.

9. Please describe in detail CCWD's plan of how to provide water service and fire protection to the area in controversy.

ANSWER: The water service will be provided through CCWD's 4" pipeline nearby. Fire water service, if required, will be provided by construction of a 100,000 gallon storage tank. At this point in time, there has been no application for water service and/or water for fire protection made so we cannot confirm what engineering, if any, will be necessary.

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10. Please identify what water lines of GCWD installed since 1997 involved work performed by Darrell Lykins in the installation process.

ANSWER: The CCWD does not know what water lines were installed by GCWD, and/or what contractor was used to install water lines for GCWD.

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. All correspondence, documents, e-mail or other writings by and between the parties hereto concerning the extension of GCWD pipelines into any area within the service territory claimed by CCWD.

ANSWER: Correspondence by/between attorneys for CCWD and GCWD previously furnished.

- 2. Any and all correspondence, documents, e-mail or other writings by and between CCWD and the owners, lessees or developers of the area in controversy (that is, the site proposed to be served at I-71 and Ky. Hwy. 1039), or their agents, contractors, or employees.
- ANSWER: a.) An email dated January 23, 2007, from Adam Chaney to James

 L. (Jim) Smith, CCWD#1 marked as Exhibit "5";
- b.) A letter dated March 23, 2007, from James L. Smith, Manager CCWD#1, to Adam Chaney is marked as Exhibit "6";
 - c.) A letter from Mr. Chaney on August 1, 2007, marked as Exhibit "7";
- d.) A letter from Mr. Smith to Mr. Chaney dated August 7, 2007, a copy of which is marked as Exhibit "8".
- 3. A copy of any application of CCWD made with the Ky. Division of Water for the extension of its water service to the area in controversy, together with copies of the plans and specifications for the project.

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ANSWER: None; No official request has been made to CCWD to provide service within the area in controversy, therefore, no application has been made by CCWD.

4. A copy of all engineering plans, specifications or reports procured by CCWD for any planned extension of its service to the area in controversy, together with any approvals, rejections, modifications or evaluations of or to same issued by any state agency.

ANSWER: See Answer to Request No. 3.

5. Any documents, writings, e-mail or other instrument's evidencing GCWD's present or past plans for financing the extension of its service to the area in controversy, regardless of whether same remain viable at present.

ANSWER: None as no financing will be necessary to extend water service to the area in question.

CRAWFORD & BAXTER, P.S.C. ATTORNEYS AT LAW 523 Highland Avenue P.O. Box 353 Carrollton, Kentucky 41008 Phone: (502) 732-6688

Facsimile: (502) 732-6920 E-mail Address: CBJ523@aol.com

Attarnava for Complainant

Attorneys for Complainant Carroll County Water District No. 1

By: Muth H. Baxter

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Responses was mailed postage prepaid, on this the day of October, 2007, to:

CRAWFORD & BAXTER, P.S.C. ATTORNEYS-AT-LAW CARROLLTON, KY

Hon. Stephen P. Huddleston P.O. Box 807 Warsaw, Kentucky 41095 Attorney for Defendant

and the original to:

Commonwealth of Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602-0615

By: Ruth H. Baxter

Attorney for the Complainant

Carroll County Water District No. #1

MHH

This the 1st day of October, 2007.

Dennis Crawford/Chairperson

Carroll County Water District No. 1

205 Main Cross Street

P.O. Box 350

Ghent, Kentucky 41045

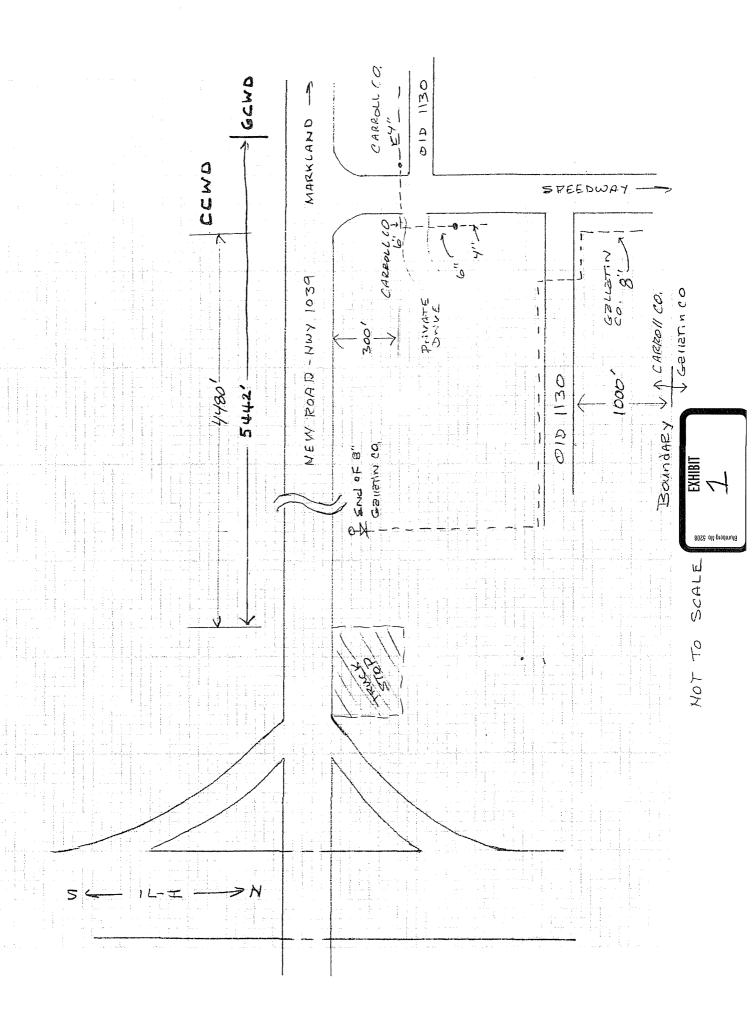
STATE OF KENTUCKY)

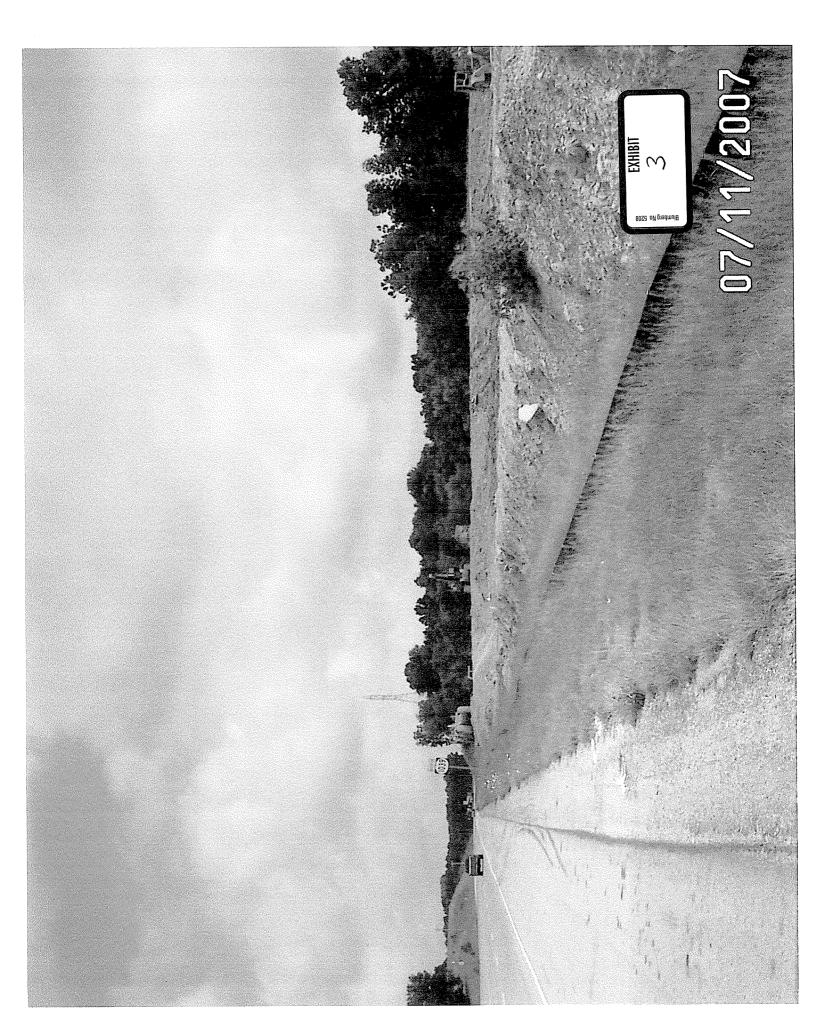
COUNTY OF CARROLL)

Subscribed and sworn to before me by Dennis Crawford, Chairperson of the Carroll County Water District No. 1, on this the 1st day of October, 2007.

My commission expires: 10-13-2009

Delbu M Folly NOTARY PUBLIC, KY STATE AT LARGE

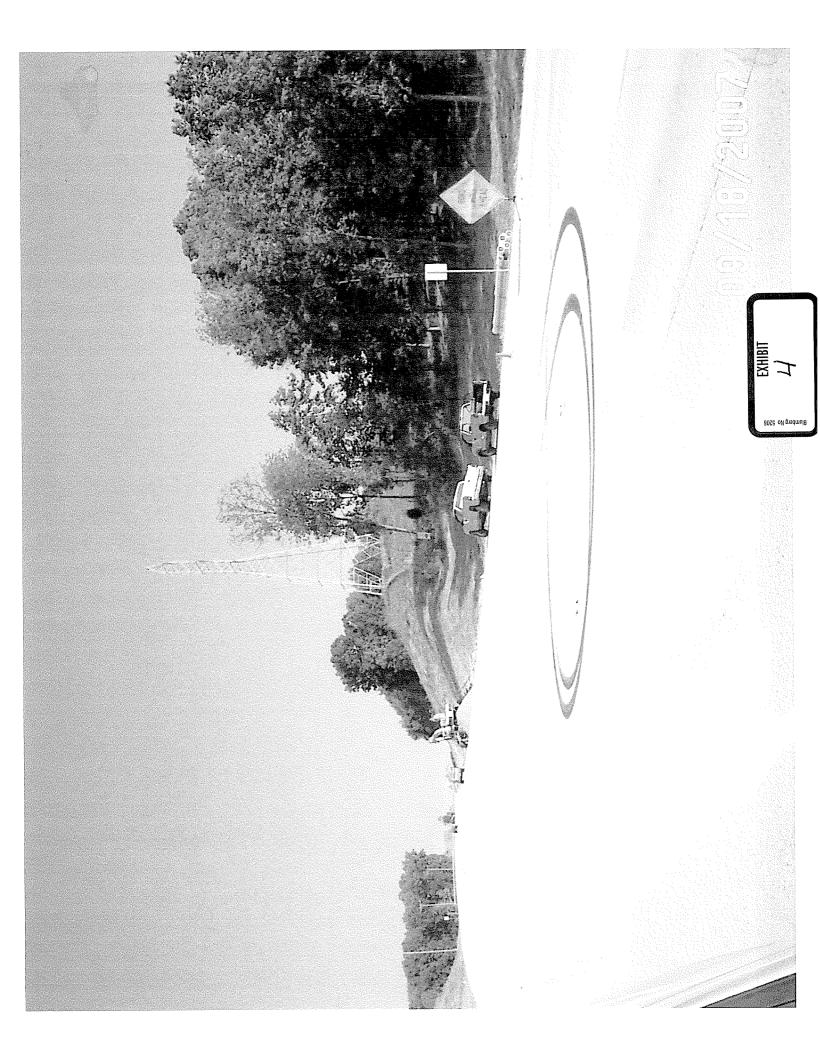












jim smith

From: Adam Chaney [adamcwwb@fuse.net]
Sent: Tuesday, January 23, 2007 11:53 AM

To: carrollcountywat@bellsouth.net

Subject: Water Line on new 1039 connector Rd.

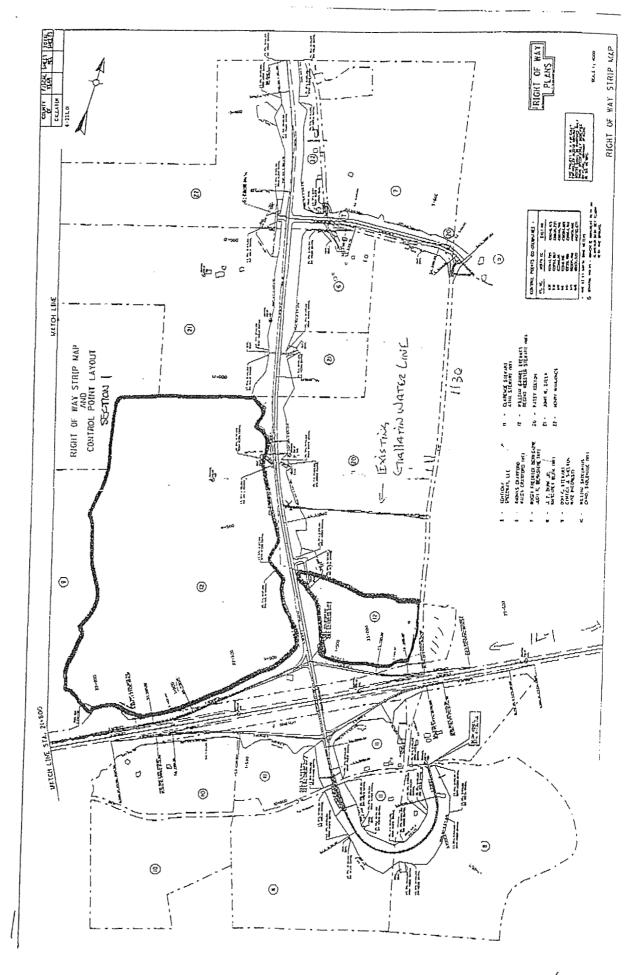
Jim,

Per our phone conversation yesterday, please see the attached map with our property highlighted in yellow and an approximate location of the water line through Patsy Keeton's property. We have estimated the distance from the stub to the middle of our property at about 2500 feet. Please let me know if you need any additional information.

Thanks

Adam Chaney
Member
Whitehorse Development Group, LLC
495 Erlanger Rd.
Suite 201A
Erlanger, KY 41018
o 859-342-6010
m 859-802-4802

Blumbarg No. 5206



CARROLL COUNTY WATER DISTRICT #1

PO BOX 350 Ghent KY 41045

Phone (502) 347-9500 Fax (502) 347-9333

March 23, 2007

Adam Chancy Chancy Land Developers LLC 495 Erlanger Road Suite 201 Erlanger, KY 41018

Ref. Love Truck Stop Hwy 1039, Gallatin Co.

Dear Adam,

From our previous conversation I understand this site will need approximately 10,000 gallons of water per day as an average usage. In order for proper sizing of the meter and pipeline to serve the facility we need to know what we should expect as a maximum daily flow, peak flow possibilities and required flow for any sprinkler systems that may be installed. If a timetable has been established for the construction of the facility this information would be helpful for planning purposes.

Sincerely,

James L. Smith, Manager

Carroll County Water District #1

Blumberg No. 5208

EXHIBIT

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Phone: (859) 342-7333

Fax: (859) 342-6080

Email: Adamcwwb@fuse.net

Whitehorse Development 495 Erlanger Rd. Suite 201 Erlanger, KY 41018



August 1, 2007

Jim Smith Carroll County Water P.O. Box 350 Ghent, Kentucky 41045

Dear Mr. Smith:

Thank you for taking the time to discuss the water issues relating to our I-71 and KY 1039 property in Gallatin Co. As we discussed, we are ready, willing and able to make application for Carroll County to provide water service to our property. In fact, the purpose of my initial call was to begin that process. However, based on the information you have shared with me, it is my understanding that Carroll Co. only has the ability to extend a 4" water line over 4000 ft. to our site. Our development includes a 21 acre Travel Center, requiring a minimum of 10,000 gallons per day, in addition to a fire suppression system and three hotel / restaurant outs-lots with similar needs. As you stated a 4" line cannot serve these needs. In order for Carroll County to service our site, you have indicated that a tower would have to be built and the line upgraded to a minimum 6" (preferably 8") line. Even if a project of this size were a possibility, by the time it had been designed, engineered and built to handle our current needs we could be waiting years. I cannot over emphasize the importance of immediate service to our site. As we discussed, the only feasible, timely approach for full service is through the existing 8" line that is owned by Gallatin Co.

When consulting with Carroll County and Gallatin County water districts prior to construction, both parties assured us that this issue would not affect our development. We moved forward with our plans based on those conversations. Now we are facing probable long delays. While we understand Carroll County's position on this issue and understand the reluctance to allow us to tap the 8" line, in the best interest of all involved, we would like to ask Carroll County Water District and Gallatin Co Water District to allow us to tap the 8" line that Gallatin Co. has stubbed within 800 ft. of our property. We suggest that any usage fees be escrowed in an interest bearing account until the dispute with Gallatin Co. and Carroll Co. has been resolved through PSC.

Thank you again for your time, and we look forward to a successful resolution of this issue for all involved.

Sincerely.

Adam Chaney

Member

Whitehorse Development Group, LLC

5023479333

CARBOLL COUNTY WATER DISTRICT #1

Phone (502) 347-9500 Fax (502) 347-9333

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PO BOX 350 Ghent KY 41045

August 7, 2007

Adam Chaney
Whitehorse Development Group, LLC
495 Erlanger Road
Suite 201
Erlanger, KY 41018

Dear Adam,

In response to your letter of 8/01/07 concerning your development, I offer the following:

Considering everything you have told me about your requirements for the Travel Center, Carroll County Water District #1 can very adequately supply these needs through the 4" pipeline you referenced in your letter.

Whether you extend Gallatin's 8" pipeline or our 4" pipeline to the Travel Center, additional investment will have to be made in road crossing and infrastructure to serve future facilities in the area.

Your request to extend Gallatin's 8" to the Travel Center can not be granted by either District at this time due to the agreed order in place through the P.S.C.

Sincerely,

James L. Smith, Manager Carroll County Water District #1

Bhumberg No. 32008