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September 30, 2016

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Chairman Michael J. Schmitt, Attorney Kentucky Public Service Commission P.O. Box 615, 211 Sower Avenue, Frankfort, Kentucky, 40602 PUBLIC SERVICE COMMISSION

Dear Chairman Schmitt,

We, the undersigned residents of Bush Gardens Subdivision, located along Toms Creek off KY1559, at Sitka in Johnson County, respectfully request that the Public Service Commission honor its offer to "assist and mediate" in accord with the commission order in Case No. 2015-00306, signed on March 24, 2016. We have come to a consensus among the residents to submit the proposal attached to this letter for consideration by all concerned. As expressed in the order, the Commission did recognize that the approved monthly rate of \$123.65 per customer would result in "hardships" for the residents and it has. There are eight houses in our subdivision but two are now vacant. And, due to the high rate even if we wanted to sell our home we have little chance of doing so.

Our intent is to find a less costly alternative to BGE's current sewage treatment process, which collects the discharge from the individual septic tanks installed during construction of our homes and passes it through a small, antiquated wastewater package treatment plant.

We do not have any ill intent toward the owners of Bush Gardens Enterprises, LLC., but cannot afford to pay this rate. We ask, as encouraged to do so on page 14 of the order, for the assistance of the Commission's staff and the AG's staff in working with BGE so that we can have an affordable and safe community for our families.

Respectfully,

Cc:

Mr. David Bowling & Mrs. Linda Bowling, BGE, LLC, Mr. Aaron R. Davis, Attorney

Ms. Talina Mathews, Executive Director, KY PSC

Ms. Angela Goad, Assistant AG, Rate Intervention Division

Judge/Executive R. T. "Tucker" Daniel, Johnson County Fiscal Court

Mr. David Sellards, Environmentalist, Johnson County Health Department

Mr. Kenneth Spach, Kentucky Department for Public Health

Mr. Jeff Cummins, Division of Enforcement, KY Energy and Environment Cabinet

Proposed Community Drain Field To Serve Bush Gardens Subdivision Sitka, Johnson County, KY

Background: At present, Bush Gardens Enterprises, LLC.("BGE") owns and operates a DOW permitted (2003) package wastewater treatment plant. As of March 24, 2016 the system came under PSC regulations and was granted a rate. There are a total of eight (8) houses on the system, two of which have recently become unoccupied. The system was apparently designed to receive the effluent from septic tanks – such that each house has a 1,000 gallon concrete tank located in the front yard and the effluent is collected via a 4" pvc lateral line connected to an 8" pvc line constructed on a utility easement running along the right shoulder of Tobacco Road as you enter the subdivision off of KY 1559. The treatment plant effluent is discharged to Toms Creek at a point approximately 9.6 miles above the confluence of Toms Creek and the Levisa Fork of the Big Sandy River in Johnson County.

The following proposal offered for consideration by all involved serves four purposes. It relieves Mrs. Linda Bowling, the owner of BGE, of the well documented system regulatory problems; it relieves Mrs. Bowling from the high costs associated with system operation; makes marketable eight additional housing lots owned by David and Linda Bowling; and it relieves the residents from the high monthly sewer rates approved by the PSC.

Proposal: Plan, construct and discharge the effluent from the septic tanks into a community drain field, sufficient in size to accommodate both the eight (8) current homes plus up to eight (8) additional homes which may be built in the subdivision. The incremental steps required to accomplish this alternative would be taken in the following sequence:

- 1. The Bowlings and BGE would have to agree and grant permission in writing to the Johnson County Health Department (JCHD) for a JCHD representative accompanied by a KY Department of Public Health soils scientist to enter that portion of the Bowling property located adjacent to and west of their package treatment plant located near the end of Tobacco Road, consisting of several acres which back up against lots #13-20, as shown on the plat survey, extending to the south, to the adjacent bank of Toms Creek. This would allow the JCHD to take and analyze several soil samples to determine the suitability of the soils on this site for development of a community drainage field as an alternative to the package septic treatment system.
- If the JCHD soil analysis indicates that the existing soils are <u>not</u> adequate to support a community drain field, further effort will be taken to secure samples of additional earthen fill material from the Johnson County Road Department and/or from the nearby site of the bridge replacement project on KY 1559, over Toms Creek. A request would be made to the JCHD to sample these materials as well.
- 3. If the soil samples of existing materials on site <u>or</u> the samples of other materials that may be brought in to improve the suitability of the site, indicate that the site is or can be made to be adequate for a drainage field at minimal cost, a calculation

of the total amount of property required to support a community drain field sufficient in size to accommodate two drainage cells, each of which can accommodate 16 homes will be determined by the JCHD. The development of two(2) cells better assures the site's long term capacity to serve as a community drainage area. Once the Bowlings have reviewed the JCHD report and have issued a signed statement to the JCHD that they agree to allow the drain fields proposal to go forward, then the parties would take the following actions:

- The residents currently living in the subdivision would meet and agree to a. form a non-profit homeowners association, which would own and operate the collection line, and plan, construct, own and operate the required dosing tank, low pressure pumps and drain field in accord with JCHD regulations. Articles of incorporation would be drafted and submitted in accord with KRS 273 and the corporation would be structured so that the current six (6) residents together with whomever may purchase the two existing/currently unoccupied homes in the subdivision would serve as board members. The corporation would also allow for future inclusion as board members, the owners of up to eight (8) new homes which may be constructed in the subdivision. By contract agreement between each home owner and the association, both present and future, all residents would commit to having their respective septic tank pumped at least every five(5) years, at their expense, and commit to make monthly payments to the home owners association in an amount to be determined by the board of directors annually, each January, effective for that calendar year, based on the verified costs incurred the previous year, to maintain and operate the collection line, dosage tank, pumps and drain field, in accord with JCHD regulations. The homeowners association would retire via monthly payments, any capital expense incurred in the development of the drain field not covered by another fund source. Such payments, if any, would be made over a period of time subject to negotiations between a fund source and the home owners association.
- b. BGE would agree to transfer ownership of the 8" sewer collection line along Tobacco Road the home owners association, at no cost (this line presently receives septic effluent from lots 1 thru 5, 9,10 & 11, and potentially would receive the future effluent from lots #13 thru 20, as shown on the plat survey, on file, copy attached).
- c. Additionally, Mr. David Bowling and Mrs. Linda Bowling would agree to transfer title, at no cost, to the home owners association, title to that tract of property determined by the JCHD to be required for the development of the two (2) drain field cells, each capable of providing sufficient drainage for and not to exceed sixteen (16) homes in all. Such transfer would be conditioned upon the home owners association developing the two cells of the drain field within a specified time frame, such that the septic effluent is re-directed to the drain field immediately, upon JCHD's approval of the drain field.
- d. Linda Bowling and BGE,LLC, would be authorization by DOW to decommission the package treatment plant and discharge line to Toms Creek.