

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL OF MERGER )  
BETWEEN MARROWBONE CREEK WATER )  
DISTRICT, SHELBY VALLEY WATER ) CASE NO. 9499  
DISTRICT, POND CREEK WATER DISTRICT )  
AND JOHN'S CREEK WATER DISTRICT )

O R D E R

On January 24, 1986, the Commission received from the Pike County Fiscal Court a request for Commission assistance to accomplish the merger of existing water districts into a county-wide water system. The Commission has treated this filing as an application by the four water districts involved for approval of their intended merger. The request included resolutions from the Marrowbone Creek, Shelby Valley, Pond Creek and John's Creek Water Districts. On April 17, 1986, the Commission ordered the Districts to provide additional information in order to evaluate their request.

FINDINGS AND ORDERS

The Commission, after consideration of the intent of KRS 74.361 and KRS 74.363, is of the opinion and finds that:

1. KRS 74.363 establishes a statutory basis for merger, and sets forth the method of merger. It states in part, "water

districts may by concurrent action and by approval of a majority of the membership of the board of each merge their districts into one."

2. Section (1) of KRS 74.361 establishes a statutory basis for merger and sets forth the purposes of merger. It states in part:

The General Assembly of the Commonwealth of Kentucky determines as a legislative finding of fact that reduction of the number of operating water districts in the Commonwealth will be in the public interest, in that merger of such districts will tend to eliminate wasteful duplication of costs and efforts, result in a sounder and more businesslike degree of management, and ultimately result in greater economies, less cost, and a higher degree of service to the general public; and that the public policy favors the merger of water districts wherever feasible.

3. KRS 74.363 establishes the responsibility for retiring the debts of a merged water district. It states in part:

Bonded obligations. . .shall continue to be retired. . .from funds collected over the same area. . .until all bonded obligations of the old district have been retired.

The districts have made it known to the Commission that they anticipate having a debt retirement plan finalized by June 30, 1986.

4. The water districts of Pike County should be merged under a name that is descriptive of its purpose and that is distinct from the name of any existing utility or organization. The name of the merged district should be the Mountain Water District.

5. The Mountain Water District should petition the County Judge/Executive of Pike County for definition of the territorial limits of the District, to include all of the territory now covered by the merging districts.

IT IS THEREFORE ORDERED that

1. Marrowbone Creek Water District, Shelby Valley Water District, Pond Creek Water District, and John's Creek Water District shall be merged as of June 30, 1986. As of that date, the above four water districts shall operate as one district under the name "Mountain Water District."

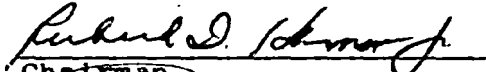
2. The District shall submit to the Commission by July 11, 1986, a schedule of events describing the refinancing plan for the District's debts. This schedule shall be updated quarterly and submitted to the Commission until such time as the debt retirement plan is fully implemented.


3. The water districts of Pike County shall continue the work essential to accomplishment of the merger. All aspects of the merger, including those set out by the Findings herein shall be accomplished within a reasonable time, following the effective merger date of June 30, 1986.

4. All parties of interest are advised that additional Orders may be required to address situations specific to the merging of the Pike County water districts.

Done at Frankfort, Kentucky, this 27th day of June, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary