

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE FINANCIAL)
CONDITION OF WHITLEY COUNTY WATER) CASE NO.
DISTRICT NO. 1) 89-364

O R D E R

IT IS ORDERED that Whitley County Water District ("Whitley County") shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record within 21 days from the date of this Order. If the information cannot be provided within this time, Whitley County should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission. Whitley County shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. List all current holders of Whitley County water revenue bonds. List each bondholder's address and the amount of principal and interest owed to him.

2. Where are Whitley County's financial records currently kept? Who is their custodian?

3. Who is responsible for recording Whitley County's financial transactions?

4. Provide a copy of all monthly statements for the special interest-bearing account ordered established by the Commission in Case No. 8220.¹

5. Provide a list of all disbursements made from the special interest-bearing account ordered established by the Commission in Case No. 8220. Identify the purpose of each disbursement.

6. What portion, if any, of the funds deposited in this special account has been remitted to Whitley County bondholders? If no funds have been remitted, explain why not.

7. Provide a copy of all pleadings, memoranda, and other legal documents submitted in Alvis v. Witt, No. 82-95 (E.D. Ky.)

8. Has Whitley County ever sought the protection of federal bankruptcy laws? If yes, when? Provide a copy of all pleadings, memoranda, and other legal documents filed in the case. Where was petition for protection filed? What was its outcome?

9. How was Whitley County's current debt service plan developed? What alternatives, besides the present plan, were considered?

10. Identify the persons responsible for designing Whitley County's current debt service plan.

¹ Case No. 8220, The Application and Petition of the Whitley County Water District No. 1 for an Order Authorizing the Water District to Revise Rates, to Initiate a Metering Program to Begin Metering all Customers, for a Purchase Water Adjustment Clause, and for a Waiver by This Commission Permitting the Filing of This Application and the Processing of This Case Based upon Financial Statements for the Period Ending December 31, 1980.

11. Who did Whitley County consult when developing its debt service plan? Identify each person's occupation or profession. Why were these persons consulted?

12. List all local, state, and federal governmental agencies from which Whitley County sought assistance in dealing with its financial problems. List the dates of all contacts. Identify the governmental officials contacted.

13. Describe Whitley County's past and current efforts to obtain government assistance in dealing with its financial problems.

14. Provide a copy of all correspondence with governmental agencies in which assistance for Whitley County was discussed.

15. What, if any, assistance in dealing with its financial problems has Whitley County received from governmental agencies?

16. Given that its current method of allocating funds for debt service produced only \$5,504.86 in its first nine months, does Whitley County believe that this method will solve its debt service problems? Why?

Done at Frankfort, Kentucky this 21st day of December, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director