

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE CITY OF WARSAW S SERVICE	)	
CONTRACT WITH THE GALLATIN	)	CASE NO. 2003-00276
COUNTY WATER DISTRICT	)	

O R D E R

On July 22, 2003, Gallatin County Water District ( Gallatin District ) filed for Commission approval of a proposed water supply agreement ( Agreement ) between Gallatin District and the city of Warsaw ( Warsaw ). Pursuant to the Agreement, Gallatin District agreed to change the boundaries of its territory and to collect sewer and garbage charges on behalf of Warsaw in territories that were recently annexed to Warsaw but receive water service from Gallatin District. In addition, the terms of the Agreement set out various territories within and contiguous to the limits of the city that Gallatin District and Warsaw would serve now and in the future. Upon initial review, the Commission determined that further review was necessary.

The Agreement made reference to various maps, parcels, and plats that are available in the office of the Gallatin County Property Valuation Administrator and were attached to the Agreement. The filing with the Commission omitted those maps. In response to a data request, the omitted maps were filed with the Commission.

The Agreement allows Gallatin District to charge an administrative fee of \$2.50 per customer for the customers served by city sewer and garbage collection. This fee would be added to the appropriate customer s bill, collected by Gallatin District, and

retained by Gallatin District. No regulation or law prohibits Gallatin District and Warsaw from negotiating and contracting for such an administrative fee.

The Agreement provides that water service may be terminated for a customer's failure to pay the sewer bill. Gallatin District cannot, however, terminate water service for the customer's failure to pay the garbage collection bill. KRS 96.930 - 96.943 controls the enforcement of sewer charge collections by terminating or discontinuing water service. The Agreement complies with the statute and provides for termination of water service for failure to pay sewer charges.

The Agreement also includes provisions for changing Gallatin District's territory or boundary. The Agreement should be approved, subject to Gallatin District's meeting the requirements of KRS 74.110. KRS 74.110 sets out the lawful method to alter the territorial limits of a water district.

The Commission finds, after complete and thorough review of the facts of the case herein, that the Agreement should be approved upon the condition that applicants will meet the requirements of KRS 74.110. This statute requires that the County Judge/Executive of Gallatin County issue an order confirming or approving the territory/boundary change of Gallatin District as set out in the Agreement.

The Commission, being otherwise sufficiently advised, HEREBY ORDERS that:

1. The Agreement between Gallatin District and Warsaw is hereby approved subject to and conditioned upon Gallatin District's compliance with KRS 74.110.
2. The aforementioned order by the County Judge/Executive shall be filed with the Commission and made a part of the record herein prior to change of Gallatin District's territorial boundary.

Done at Frankfort, Kentucky, this 10<sup>th</sup> day of December, 2003.

By the Commission

ATTEST:

  
Executive Director