

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC INVESTIGATION INTO)	
MILBURN WATER DISTRICT TO DETERMINE)	
THE FEASIBILITY OF MERGER WITH A)	CASE NO.
PROXIMATE UTILITY PURSUANT TO KRS 74.361)	2021-00341
OR ABANDONMENT PURSUANT TO)	
KRS 278.020(6), KRS 278.021)	

ORDER

On January 28, 2026, Graves County Water District (Graves District) and Milburn Water District (Milburn District) (collectively, the Parties) filed a joint motion requesting to continue the existing stay of proceedings (Joint Motion) until June 30, 2027.

Pursuant to Commission Order issued August 15, 2024, the Parties were granted a stay of proceedings for 180 days to develop a comprehensive plan for serving Carlisle County’s schools and various areas within Carlisle County, as well as an extension for the Parties’ responses to the Commission Staff’s Feasibility Study until further Order by the Commission.¹ The Parties were then granted a further stay of proceedings by Order issued March 6, 2025, through November 30, 2025, to allow Carlisle County Fiscal Court, the School District, the Engineers, and Milburn District adequate time to further develop and execute its water supply plans.²

¹ Order (Ky PSC Aug. 15, 2024).

² Order (Ky. PSC Mar. 6, 2025).

In their Joint Motion, the Parties provided a list of the following events and updates that have occurred since the last stay of proceedings was granted:

- a. Bacon, Farmer, Workman Engineering and Testing, Inc. (Engineer) designed a two-phase infrastructure improvement project (the Project) to be financed with appropriated funds. The Project's first phase involves construction of approximately seven miles of new six-inch potable water main. The second phase involves the construction of a 75,000-gallon capacity elevated water storage tank near the School District's campus.
- b. The proposed plans for the Project's first phase include the construction of approximately 35,843 linear feet of six-inch polyvinyl chloride (PVC) water line, 4,511 linear feet of eight-inch high density polyethylene (HDPE) water line, 116 linear feet of 4-inch PVC water line, 217 linear feet of 3-inch PVC water line, an automatic control valve assembly, a new pressure reducing valve assembly, and new meters and service connections to 87 existing customers and one new customer (the School District). It also includes forty-one new fire hydrant assemblies, replacing ten existing fire hydrants.
- c. The plans provide for the replacement of an existing six-inch water main, constructed in approximately 1970 and running from the Graves District's existing master meter along Kentucky Highway 80 and Kentucky Highway 1371 for approximately 3.73 miles. From the existing water main's terminus, an additional 3.3 miles of water main will be constructed, running west and then north along Kentucky Highway 1371 and then west along Kentucky Highway 1377 to the School District's campus.
- d. The Kentucky Division of Water (KDOW) has reviewed and approved the plans and specifications for the first phase.
- e. The Engineer anticipates that an advertisement for bids for a contract to construct the project's first phase will be published no later than January 29, 2026 and expects to conduct a bid opening on February 19, 2026. A contract for construction of the Project's first phase is expected to be awarded no later than February 28, 2026. Construction of the Project's first phase is expected to begin in March 2026 and be completed in July 2027. Total estimated cost for the project's first phase is \$3.25 million.
- f. Carlisle Fiscal Court has acquired most easements necessary for the proposed water main's route. Only a small number of easements remain to be acquired.
- g. Carlisle Fiscal Court will be the contracting entity for the construction contracts for the Project's first and second phases and will provide the funding for those contracts. It previously contracted for the Engineer's

services. While the Carlisle Fiscal Court will provide funding for the construction contracts and engineering services, it is working closely with Milburn District on the Project.

- h. The Engineer expects to prepare and submit to KDOW plans for the proposed 75,000-gallon capacity elevated water storage tank by March 2026. Construction on this facility is expected to begin in Summer 2026 and be completed in late 2027. Total estimated cost for construction of the elevated water storage tank is \$1.0 million.
- i. Fiscal Court has reached agreement for the purchase of a property situated approximately 1.89 miles to the southeast of the School District campus to serve as the site for the proposed 75,000-gallon capacity elevated water storage tank. The formal closing on the purchase of this property has not yet occurred.
- j. Proceedings to enlarge Milburn District's territory have begun. On January 16, 2026, Milburn District petitioned the Carlisle County Judge Executive pursuant to KRS 74.110 to enlarge its territory to include the School District's campus and other unincorporated areas of Carlisle County. A hearing and decision on Milburn District's petition are expected by February 28, 2026.³

The Parties argued the Commission should stay these proceedings until June 30, 2027, to allow the Carlisle Fiscal Court and Milburn District to proceed with the Project without distraction.⁴ Parties stated, by then, the Project's first phase will be completed, and the Commission can better assess the likelihood of the Carlisle Fiscal Court successfully implementing its plans to rebuild and improve Milburn District's facilities, extend much-needed water service to the school district, and lay the foundations for a county-wide water distribution system.⁵ Parties agreed to submit to the Commission quarterly reports on the Project's status, if the stay is granted, to provide the Commission

³ Joint Motion for a Stay of Proceedings Through June 30, 2027 (Joint Motion) (filed Jan. 28, 2026) at 3-6.

⁴ Joint Motion at 7.

⁵ Joint Motion at 7.

with adequate information to enable its monitoring of the project's progress, and requested that the Commission should identify any information that these status reports should contain.⁶

The Parties also argued that Commission Staff's merger feasibility study does not consider these new circumstances. The Parties stated before they submit any response, a review and reassessment of the study's findings and conclusions by Commission Staff is appropriate and necessary to ensure the resources of the Commission and the parties are not needlessly expended.⁷

The Commission, having considered the Parties' Joint Motion, finds good cause exists to grant an extension of the stay of this proceeding; however, it does not believe an extension of 16 months is necessary or practical to provide the Commission with information necessary to move forward in this matter. Instead, the Commission finds that the Parties should be granted an extension of the stay of this proceeding until March 1, 2027. The Commission further finds that, as agreed, the Parties should file status updates to inform the Commission of progress on the proposed plan being implemented between Carlisle County and Milburn District. Status updates should include, but are not limited to (1) all information regarding the cost of the proposed Project, including bids received and awarded, as referenced in the Parties' proposed plan; (2) any changes to the proposed Project; (3) the start and completions dates of each phase of the Project, (4) a summary of any on-going progress made towards the Project, and (5) an incremental cost and volume analysis for Milburn District that reflects the completed project. The analysis

⁶ Joint Motion at 7.

⁷ Joint Motion at 8.

should include each operating cost, depreciation, new customers and projected volume for each, any anticipated modifications to the existing tariff classifications, and any other pertinent information.

The Commission further finds that, at the conclusion of this stay of proceedings, the Parties should file their responses to the Commission Staff's Feasibility Study. Given the Parties' assertions that the Feasibility Study does not consider the proposed plans Parties have since presented, the Parties' responses should include not only a summary of the progress of the proposed Project, but all updated information regarding any permitted water provider in Graves or Carlisle counties that impacts the previous findings in Staff's Feasibility Study. In addition, it may be helpful for the Joint Parties to file a comprehensive plan for further improvements to Milburn District and an update on the financial status of Milburn District in light of the proposed plans.

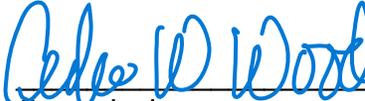
IT IS THEREFORE ORDERED that:

1. The Parties' motion for an extension of the stay of this proceeding is granted in part, through March 1, 2027.
2. At the conclusion of the stay of proceedings, on or before April 1, 2027, Parties shall file their responses to Commission Staff's Feasibility Study.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director





*Graves County Water District
P. O. Box 329
301 East Broadway
Mayfield, KY 42066

*Milburn Water District
7731 State Route 80 East
Arlington, KY 42021

*Graves County Water District
Graves County Water District
P. O. Box 329
301 East Broadway
Mayfield, KY 42066

*Milburn Water District
Milburn Water District
7731 State Route 80 East
Arlington, KY 42021

*Donna Curtsinger
Milburn Water District
P. O. Box 550
Cunningham, KY 42035

*Glenn D. Denton
Denton Law Firm, PLLC
555 Jefferson Street, Suite 301
P.O. Box 0969
Paducah, KY 42002

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801

*Holly M. Homra
Denton Law Firm, PLLC
555 Jefferson Street, Suite 301
P.O. Box 0969
Paducah, KY 42002

*Michael W Hogancamp
Calisle County Attorney
Courthouse, 985 US Highway 62, Suite
P.O. Box 249
Bardwell, KY 42023