

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

*Electronic* Proposed Acquisition by )  
Bluegrass Water Utility Operating )  
Company, LLC and the Transfer of )  
Ownership and Control of Assets by: ) No. 2019-00360  
Center Ridge Water District, Inc.; )  
Joann Estates Utilities, Inc.; and )  
River Bluffs, Inc. )

---

**Response to  
Commission Staff’s First Request for Information**

---

Applicants, Bluegrass Water Utility Operating Company, LLC (“Bluegrass”), Center Ridge Water District, Inc. (“Center Ridge”), Joann Estates Utilities, Inc. (“Joann Estates”), and River Bluffs, Inc. (“River Bluffs”), herewith submit responses to the Commission Staff’s First Request for Information. Signed, notarized verifications for these Responses appear on the following pages. Bluegrass has verified the responses to 1 PSC 1b & c, 3-10, 11b, 12-14, and 16. The transferring utilities have verified their respective responses to 1 PSC 1a & d-i, 11a, and 15; in addition, Center Ridge has verified the response to 1 PSC 2. The undersigned counsel is responsible for any objection noted for a particular response.

Respectfully submitted,

/s/ Kathryn A. Eckert

Katherine K. Yunker

[kyunker@mcbayerfirm.com](mailto:kyunker@mcbayerfirm.com)

Kathryn A. Eckert

[keckert@mcbayerfirm.com](mailto:keckert@mcbayerfirm.com)

MCBRAYER PLLC

201 East Main Street; Suite 900

Lexington, KY 40507-1310

859-231-8780

fax: 859-231-1175

*Attorneys for Applicants*

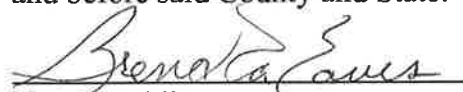
**VERIFICATION**

STATE OF MISSOURI                    )  
                                                  )  
COUNTY OF ST. LOUIS                )

I, Mike Duncan, Director of Business Operations of Central States Water Resources, Inc., the manager of Applicant Bluegrass Water Utility Operating Company, LLC being duly sworn, state that I prepared or supervised the preparation of the following responses to PSC's First Request for Information, and that the matters and things set forth in the responses are true and correct to the best of my knowledge, information and belief formed after reasonable inquiry.

  
Mike Duncan

Subscribed and sworn to this 4<sup>th</sup> day of December 2019, before me a Notary Public in and before said County and State.

  
Notary Public



(SEAL)

My Commission expires: 01-31-2021

**VERIFICATION**

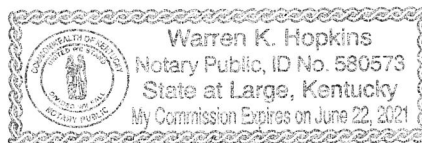
STATE OF KENTUCKY )  
 )  
COUNTY OF Calloway )

I, William Duncan, President of Center Ridge Water District, Inc. being duly sworn, state that I prepared or supervised the preparation of the following responses to PSC's First Request for Information, and that the matters and things set forth in the responses are true and correct to the best of my knowledge, information and belief formed after reasonable inquiry.

William M. Duncan  
William Duncan

Subscribed and sworn to this 4<sup>th</sup> day of December 2019, before me a Notary Public in and before said County and State.

Warren K. Hopkins  
Notary Public



(SEAL)

My Commission expires: 6-22-2021


VERIFICATION

STATE OF KENTUCKY                    )  
                                                  )  
COUNTY OF MCCracken            )

I, Brian Waid, a member of Joann Estates Utilities, Inc. being duly sworn, state that I prepared or supervised the preparation of the following responses to PSC's First Request for Information, and that the matters and things set forth in the responses are true and correct to the best of my knowledge, information and belief formed after reasonable inquiry.

  
Brian Waid

Subscribed and sworn to this 5 day of December 2019, before me a Notary Public in and before said County and State.

  
Notary Public

(SEAL)

My Commission expires: 6/19/21

Luke Nance, Notary Public  
State At Large, Kentucky  
My Commission Expires: 06-19-2021  
Notary ID: 581451

**VERIFICATION**

STATE OF KENTUCKY                    )  
                                                  )  
COUNTY OF Jefferson                )

I, Betsy Helm, a member of River Bluffs, Inc. being duly sworn, state that I prepared or supervised the preparation of the following responses to PSC's First Request for Information, and that the matters and things set forth in the responses are true and correct to the best of my knowledge, information and belief formed after reasonable inquiry.

Betsy C Helm  
Betsy Helm

Subscribed and sworn to this 3rd day of December 2019, before me a Notary Public in and before said County and State.

[Signature] 12/19/19  
Notary Public

(SEAL)

My Commission expires: 3-18-23

## Request

1. For each system that is proposed to be acquired, provide the following information:
    - a. The number of employees currently employed by each utility.
    - b. The number of employees to be retained by the new owners.
    - c. The number of employees to be employed at each utility.
    - d. A copy of the current permits.
    - e. If no current permits exist, a copy of the most recent expired permits and any applications to renew permits.
    - f. Customer deposits held, if any, and identify how those customer deposits will be credited to the customers.
    - g. The number of customers served and the rates charged.
    - h. For each system, provide the location of the nearest sewer regional facility.
    - i. For each system, state whether a study has been considered or completed to determine the cost of connecting to the nearest sewer regional facility versus rebuilding or rehabilitating the current system. If so, provide the study. If not, explain why the study has not been conducted.
- 

## Response

- a. *See* the table of information provided at the end of this response.
- b. None.
- c. After the proposed transfer (if approved), personnel to operate and maintain the transferred systems and customer service personnel will be employees of third parties contracted by Bluegrass Water. Please see the responses to 1 PSC 07 and 1 PSC 12.
- d, e. KPDES Permits and applications for renewal:

- Joann Estates-Timberland: The most recently effective permit (attached at KY19-360JA\_00001) expired 10/31/19. Joann Estates applied on 9/3/19 to renew the permit (see KPDES Forms 1 & SC, attached at KY19-360JA\_00016).
- Center Ridge Water District: Not applicable.
- River Bluffs, Inc.: Current permit attached at KY19-360JA\_00023.
- f. No customer deposits are held by any of the transferring utilities.
- g. See the table of information provided at the end of this response.
- h. The sewer service providers with the nearest known facilities are as follows:
- Joann Estates-Timberland: Paducah McCracken County Joint Sewer Authority.
- Center Ridge Water District: Not applicable. The closest hookup for both water and sewer service is the City of Murray.
- River Bluffs, Inc.: Oldham County Environmental Authority (“OCEA”).
- i. Cost of connection study considered or completed:
- Joann Estates-Timberland: None. Other portions of Joann Estates’ system were recently transferred to Paducah McCracken County Joint Sewer Authority pursuant to the Order issued November 20, 2018 in Case No. 2018-00347; as noted in that Order (p.2): “The sewer facility serving the Timberland subdivision is not included in the proposed transfer because of the cost to connect the facilities, which are three miles from [JSA’s] current facilities.”

Center Ridge Water District: Not applicable. No comparative-cost study about connecting to City of Murray water service facilities has been considered or done.

River Bluffs, Inc.: In 2012 and 2013, River Bluffs attempted to negotiate a sale of the waste-water treatment plant (“WWTP”) to OCEA, which declined to purchase. No studies have been performed or completed to determine the cost of connecting the WWTP to OCEA’s facilities versus rebuilding or rehabilitating the current system.

---

Response to 1 PSC 1(a) & (g):

<b>Utility</b>	<b>(a) # of employees</b>	<b>(g)1: # of customers</b>	<b>(g)2: flat rate/month (per current tariff)</b>
Joann Estates-Timberland	1 (only Brian Waid)	69 (Timberland)	\$34.71 (single family residential)
Center Ridge Water District	1 (only William Duncan)	339	\$22.79
River Bluffs, Inc.	2 part-time	182	\$58.16 (residential unit)



# KPDES



KENTUCKY POLLUTANT  
DISCHARGE ELIMINATION  
SYSTEM

# PERMIT

PERMIT NO.: KY0083755

AI NO.: 3070

**AUTHORIZATION TO DISCHARGE UNDER THE  
KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM**

**Pursuant to Authority in KRS 224,**

Joann Estates Utilities, Incorporated  
6500 US 60 West  
Paducah, Kentucky 42001

**is authorized to discharge from a facility located at**

Timberland Subdivision  
Timberland Drive  
Paducah, McCracken County, Kentucky

**to receiving waters named**

West Fork Massac Creek at latitude 37°04'45"N and longitude 88°46'52"W

**in accordance with effluent limitations, monitoring requirements and other conditions set forth in this permit.**

This permit shall become effective on November 1, 2014.

This permit and the authorization to discharge shall expire at midnight, October 31, 2019.

September 15, 2014

**Date Signed**

A handwritten signature in black ink, appearing to read 'Peter T. Goodmann', located above the signature line.

**Peter T. Goodmann, Director  
Division of Water**

**DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
Division of Water, 200 Fair Oaks Lane, Frankfort, Kentucky 40601**

**THIS KPDES PERMIT CONSISTS OF THE FOLLOWING SECTIONS.**

**1. EFFLUENT AND MONITORING REQUIREMENTS..... 3**

1.1. MONITORING LOCATIONS ..... 3

1.2. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS..... 3

1.3. STANDARD EFFLUENT REQUIREMENTS ..... 3

**2. ADDITIONAL REQUIREMENTS..... 6**

2.1. SCHEDULE OF COMPLIANCE ..... 6

2.2. OTHER PERMITS ..... 6

2.3. SUFFICIENTLY SENSITIVE ANALYTICAL METHODS ..... 6

2.4. CERTIFIED LABORATORY REQUIREMENTS ..... 6

2.5. ANTIDegradation ..... 6

2.6. REPORTING OF MONITORING RESULTS..... 6

2.7. REOPENER CLAUSE ..... 6

2.8. OUTFALL SIGNAGE ..... 7

2.9. DISCHARGE AND MONITORING POINT ACCESSIBILITY..... 7

2.10. DISPOSAL OF NON-DOMESTIC WASTES..... 7

2.11. CERTIFIED OPERATORS ..... 7

2.12. CONNECTION TO REGIONAL SEWER SYSTEM ..... 7

**3. STANDARD CONDITIONS..... 9**

3.1. DUTY TO COMPLY ..... 9

3.2. DUTY TO REAPPLY ..... 9

3.3. NEED TO HALT OR REDUCE ACTIVITY NOT A DEFENSE..... 9

3.4. DUTY TO MITIGATE ..... 9

3.5. PROPER OPERATION AND MAINTENANCE..... 9

3.6. PERMIT ACTIONS..... 9

3.7. PROPERTY RIGHTS ..... 9

3.8. DUTY TO PROVIDE INFORMATION ..... 9

3.9. INSPECTION AND ENTRY ..... 9

3.10. MONITORING AND RECORDS ..... 10

3.11. SIGNATORY REQUIREMENT ..... 10

3.12. REPORTING REQUIREMENTS ..... 11

3.13. BYPASS..... 12

3.14. UPSET..... 13

**4. ABBREVIATIONS, ACRONYMS AND DEFINITIONS ..... 15**

**1. EFFLUENT AND MONITORING REQUIREMENTS**

**1.1. Monitoring Locations**

The following table lists the outfalls authorized by this permit, the latitude and longitude of each and the DOW assigned KPDES outfall number.

MONITORING LOCATIONS					
Number	Type	Latitude (N)	Longitude (W)	Receiving Waters	Description of Outfall
001	Direct	37°04'45"	88°46'52"	West Fork Massac Creek	Sanitary wastewater

**1.2. Effluent Limitations and Monitoring Requirements**

Beginning on the effective date and lasting through the term of this permit discharges from Outfall 001 shall comply with the effluent limitations.

Effluent Characteristic	EFFLUENT LIMITATIONS						MONITORING REQUIREMENTS	
	Loadings (lbs/day)		Concentrations (specify units)				Monitoring Frequency	Sample Type
	Monthly Average	Weekly Average	Minimum	Monthly Average	Weekly Average	Maximum		
Effluent Flow (Design 0.025 MGD)	Report	Report	N/A	N/A	N/A	N/A	1/Month	Instantaneous
pH (Standard Units)	N/A	N/A	6.0	N/A	N/A	9.0	1/Month	Grab
CBOD <sub>5</sub>	2.1	3.1	N/A	10 mg/l	15 mg/l	N/A	1/Month	24-Hr Composite
TSS	6.3	9.4	N/A	30 mg/l	45 mg/l	N/A	1/Month	24-Hr Composite
Ammonia (as NH <sub>3</sub> N)								
May 1 – October 31	0.4	0.6	N/A	2 mg/l	3 mg/l	N/A	1/Month	24-Hr Composite
November 1 – April 30	1.9	2.8	N/A	9 mg/l	13.5 mg/l	N/A	1/Month	24-Hr Composite
E. Coli (colonies/100 ml) <sup>1</sup>	N/A	N/A	N/A	130	240	N/A	1/Month	Grab
Dissolved Oxygen	N/A	N/A	7 mg/l	N/A	N/A	N/A	1/Month	Grab
Total Residual Chlorine	N/A	N/A	N/A	0.011 mg/l	0.019 mg/l	N/A	1/Month	Grab

<sup>1</sup> The effluent limitations for *Escherichia Coli* are 30 day and 7 day Geometric Means.

**1.3. Standard Effluent Requirements**

The discharges to waters of the Commonwealth shall not produce floating solids, visible foam or a visible sheen on the surface of the receiving waters.

Samples and measurements taken in accordance with the requirements of specified Section 1.2 shall be representative of the volume and nature of the monitored discharge and shall be taken at nearest accessible point after final treatment, but prior to actual discharge to or mixing with the receiving waters or wastestreams from other outfalls.

# **SECTION 2**

## **ADDITIONAL REQUIREMENTS**

## **2. ADDITIONAL REQUIREMENTS**

### **2.1. Schedule of Compliance**

The permittee shall attain compliance with all requirements of this permit on the effective date of this permit unless otherwise stated.

### **2.2. Other Permits**

This permit has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal, and local agencies.

### **2.3. Sufficiently Sensitive Analytical Methods**

Analytical methods utilized to demonstrate compliance with the effluent limitations established in this permit shall be sufficiently sensitive to detect pollutant levels at or below the required effluent limit. It is the responsibility of the permittee to demonstrate compliance with permit parameter limitations by utilization of sufficiently sensitive analytical methods.

### **2.4. Certified Laboratory Requirements**

All laboratory analyses and tests required to demonstrate compliance with the conditions of this permit shall be performed by EEC certified general wastewater laboratories and EEC certified field-only laboratories. Compliance with this requirement shall commence on January 1, 2015 for analyses and tests performed by a general wastewater laboratory and January 1, 2016 for field-only wastewater laboratories.

### **2.5. Antidegradation**

For those discharges subject to the provisions of 401 KAR 10:030 Section 1(3)(b)5, the permittee shall install, operate, and maintain wastewater treatment facilities consistent with those identified below.

None

### **2.6. Reporting of Monitoring Results**

The completed DMR for each monitoring period must be entered into the Division of Water approved electronic system no later than midnight on the 28<sup>th</sup> day of the month following the monitoring period for which monitoring results were obtained. The use of mailed (hardcopy) DMRs has ceased and electronic DMR submittal is required.

For information regarding electronic submittal of DMRs, please visit the Division's website at <http://water.ky.gov/permitting/Pages/netDMRInformation.aspx> or contact the DMR Coordinator at (502) 564-3410.

### **2.7. Reopener Clause**

This permit shall be modified, or alternatively revoked and reissued, to comply with any applicable effluent standard or limitation issued or approved in accordance with 401 KAR 5:050 through 5:080, if the effluent standard or limitation so issued or approved:

1. Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
2. Controls any pollutant not limited in the permit.

This permit may be reopened to implement the findings of a reasonable potential analysis performed by the Division of Water.

This permit shall be reopened if Division of Water determines surface waters are aesthetically or otherwise degraded by substances that:

- (a) Settle to form objectionable deposits;
- (b) Float as debris, scum, oil, or other matter to form a nuisance;
- (c) Produce objectionable color, odor, taste, or turbidity;
- (d) Injure, are chronically or acutely toxic to or produce adverse physiological or behavioral responses in humans, animals, fish, and other aquatic life;
- (e) Produce undesirable aquatic life or result in the dominance of nuisance species; or
- (f) Cause fish flesh tainting.

The permit as modified or reissued under this paragraph shall also contain any other requirements of KRS Chapter 224 when applicable.

### **2.8. Outfall Signage**

The KPDES permit establishes monitoring points, effluent limitations, and other conditions to address discharges from the permitted facility. In an effort to better document and clarify these locations the permittee should place and maintain a permanent marker at each of the monitoring locations.

### **2.9. Discharge and Monitoring Point Accessibility**

As previously stated in Section 3.9, the permittee shall allow authorized agency representatives to inspect the facility and collect samples to determine compliance. In order for such monitoring to be conducted either by the permittee or authorized agency personnel all monitoring and discharge points required by this permit shall be readily and safely accessible in all weather conditions.

### **2.10. Disposal of Non-Domestic Wastes**

The pass through or non-treatment by the wastewater treatment plant of chemicals or compounds which may injure, be chronically or acutely toxic to or produce adverse physiological or behavioral responses in humans, animals, fish and other aquatic life is not desirable. Materials such as acids, caustics, herbicides, household chemicals or cleansers, insecticides, lawn chemicals, non-biodegradable products, paints, pesticides, pharmaceuticals, and petroleum based products may not be treatable by the wastewater treatment plant and should not be introduced and other environmentally sound methods for disposal should be utilized. The permittee should educate users of its system that introduction of such chemicals or compounds could result in an adverse environmental impact and provide the users with alternative disposal measures.

### **2.11. Certified Operators**

Pursuant to 401 KAR 5:010, Section 1 a treatment plant with a design capacity of less than or equal to 50,000 gallons per day shall be under the primary responsibility of a certified operator holding an active Class I, II, III, or IV treatment certificate.

### **2.12. Connection to Regional Sewer System**

This treatment unit is temporary and in no way supersedes the need of a regional sewer system. The permittee will eliminate the discharge and treatment unit by connection to a regional sewer system when it becomes available as defined in 401 KAR 5:002.

**SECTION 3**  
**STANDARD CONDITIONS**



### **3. STANDARD CONDITIONS**

The following conditions apply to all KPDES permits.

#### **3.1. Duty to Comply**

The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of KRS Chapter 224 and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. Any person who violates applicable statutes or who fails to perform any duty imposed, or who violates any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty as provided at KRS 224.99.010.

#### **3.2. Duty to Reapply**

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit.

#### **3.3. Need to Halt or Reduce Activity Not a Defense**

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

#### **3.4. Duty to Mitigate**

The permittee shall take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment.

#### **3.5. Proper Operation and Maintenance**

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit.

#### **3.6. Permit Actions**

This permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition.

#### **3.7. Property Rights**

This permit does not convey any property rights of any sort, or any exclusive privilege.

#### **3.8. Duty to Provide Information**

The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit or to determine compliance with this permit. The permittee shall also furnish to the Director upon request, copies of records required to be kept by this permit.

#### **3.9. Inspection and Entry**

The permittee shall allow the Director, or an authorized representative (including an authorized contractor acting as a representative of the Administrator), upon presentation of credentials and other documents as may be required by law, to:

- (1) Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- (2) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
- (3) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- (4) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act, any substances or parameters at any location.

### **3.10. Monitoring and Records**

- (1) Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
- (2) Except for records of monitoring information required by this permit related to the permittee's sewage sludge use and disposal activities, which shall be retained for a period of at least five (5) years (or longer as required by 401 KAR 5:065 Section 2(10) [40 CFR 503]), the permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Director at any time.
- (3) Records of monitoring information shall include:
  - (i) The date, exact place, and time of sampling or measurements;
  - (ii) The individual(s) who performed the sampling or measurements;
  - (iii) The date(s) analyses were performed;
  - (iv) The individual(s) who performed the analyses;
  - (v) The analytical techniques or methods used; and
  - (vi) The results of such analyses.
- (4) Monitoring must be conducted according to test procedures approved under 401 KAR 5:065 Section 2(8) [40 CFR 136] unless another method is required under 401 KAR 5:065 Section 2(9) or (10) [40 CFR subchapters N or O].
- (5) KRS 224.99-010 provides that any person who knowingly violates KRS 224.70-110 or other enumerated statutes, or who knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall be guilty of a Class D felony and, upon conviction, shall be punished by a fine of not more than \$25,000, or by imprisonment for not more than one (1) year, or both. Each day upon which a violation occurs shall constitute a separate violation.

### **3.11. Signatory Requirement**

- (1) All applications, reports, or information submitted to the Director shall be signed and certified pursuant to 401 KAR 5:060, Section 4 [40 CFR 122.22].
- (2) KRS 224.99-010 provides that any person who knowingly provides false information in any document filed or required to be maintained under KRS Chapter 224 shall be guilty of a Class D felony and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars (\$25,000), or by imprisonment, or by fine and imprisonment, for each separate violation. Each day upon which a violation occurs shall constitute a separate violation

### **3.12. Reporting Requirements**

#### **3.12.1. Planned Changes**

The permittee shall give notice to the Director as soon as possible of any planned physical alterations or additions to the permitted facility. Notice is required only when:

- (i) The alteration or addition to a permitted facility may meet one (1) of the criteria for determining whether a facility is a new source in KRS 224.16-050 [40 CFR 122.29(b)]; or
- (ii) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under KRS 224.16-050 [40 CFR 122.42(a)(1)].
- (iii) The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan.

#### **3.12.2. Anticipated Noncompliance**

The permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

#### **3.12.3. Transfers**

This permit is not transferable to any person except after notice to the Director. The Director may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary under KRS 224 [CWA; see 40 CFR 122.61; in some cases, modification or revocation and reissuance is mandatory].

#### **3.12.4. Monitoring Reports**

Monitoring results shall be reported at the intervals specified elsewhere in this permit.

- (i) Monitoring results must be reported on a Discharge Monitoring Report (DMR) or forms provided or specified by the Director for reporting results of monitoring of sludge use or disposal practices.
- (ii) If the permittee monitors any pollutant more frequently than required by the permit using test procedures approved under 401 KAR 5:065 Section 2(8) [40 CFR 136], or another method required for an industry-specific waste stream under 401 KAR 5:065 Section 2(9) or (10) [40 CFR subchapters N or O], the results of such monitoring shall be included in the calculation and reporting of the data submitted in the DMR or sludge reporting form specified by the Director.
- (iii) Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified by the Director in the permit.

#### **3.12.5. Compliance Schedules**

Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this permit shall be submitted no later than fourteen (14) days following each schedule date.

#### **3.12.6. Twenty-four-Hour Reporting**

- (i) The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within twenty-four (24) hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the

noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

(ii) The following shall be included as information which must be reported within twenty-four (24) hours under this paragraph.

(A) Any unanticipated bypass which exceeds any effluent limitation in the permit. (See §122.41(g))

(B) Any upset which exceeds any effluent limitation in the permit.

(C) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Director in the permit to be reported within twenty-four (24) hours.

(iii) The Director may waive the written report on a case-by-case basis for reports under paragraph (1)(6)(ii) of this section if the oral report has been received within twenty-four (24) hours.

### **3.12.7. Other Noncompliance**

The permittee shall report all instances of noncompliance not reported under Sections 3.12.1, 3.12.4, 3.12.5, and 3.12.6, at the time monitoring reports are submitted. The reports shall contain the information listed in Section 3.12.6.

### **3.12.8. Other Information**

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, it shall promptly submit such facts or information.

## **3.13. Bypass**

### **3.13.1. Definitions**

(i) Bypass means the intentional diversion of waste streams from any portion of a treatment facility.

(ii) Severe property damage means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

### **3.13.2. Bypass Not Exceeding Limitations**

The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of Section 3.13.1.

### **3.13.3. Notice**

(i) Anticipated bypass. If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass.

(ii) Unanticipated bypass. The permittee shall submit notice of an unanticipated bypass as required in Section 3.12.6.

### **3.13.4. Prohibition of Bypass**

(i) Bypass is prohibited, and the Director may take enforcement action against a permittee for bypass, unless:

(A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

(B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of

reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and

(C) The permittee submitted notices as required under Section 3.13.3.

(ii) The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three (3) conditions listed above in Section 3.13.3.

### **3.14. Upset**

#### **3.14.1. Definition**

Upset means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

#### **3.14.2. Effect of an Upset**

An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of Section 3.14.3 are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

#### **3.14.3. Conditions Necessary for a Demonstration of Upset**

A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- (i) An upset occurred and that the permittee can identify the cause(s) of the upset;
- (ii) The permitted facility was at the time being properly operated; and
- (iii) The permittee submitted notice of the upset as required in Section 3.12.6; and
- (iv) The permittee complied with any remedial measures required under Section 3.4.

#### **3.14.4. Burden of Proof**

In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

**SECTION 4**  
**ABBREVIATIONS, ACRONYMS AND DEFINITIONS**

**4. ABBREVIATIONS, ACRONYMS AND DEFINITIONS**

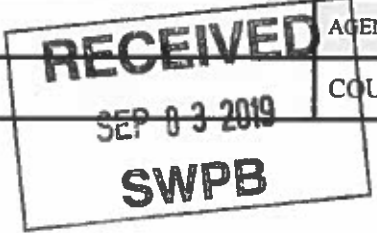
<b>Abbreviation or Acronym</b>	<b>Full Phrase</b>	<b>Definition</b>
MGD	Million Gallons Per Day	A measure of flow
cfs	cubic feet per second	A measure of flow
SU	Standard Units	A measure of pH
mg/l	milligrams per liter	A measure of pollutant concentration (1000 milligrams = 1 gram)
µg/l	micrograms per liter	A measure of pollutant concentration (1000 micrograms = 1 milligram)
°F	Degrees Fahrenheit	A measure of temperature
°C	Degrees Centigrade or Celsius	A measure of temperature
N/A	Not Applicable	
lbs/day	pounds per day	A measure of pollutant loading
Grab	Grab Sample	A sample taken from a wastestream on a one-time basis without consideration of the flow rate of the wastestream and without consideration of time.
24-Hr Composite	24-hour Composite Sample	Sample composed of discrete equal volume aliquots (100 ml minimum) collected every 15 minutes over a 24-hour period and aggregated by an automated sampling device. The aggregate sample will reflect the average water quality of the compositing or sample period.

3070

<b>Form 1</b>	<b>KENTUCKY POLLUTION DISCHARGE ELIMINATION SYSTEM</b> Permit Application	 Division of Water
---------------	----------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------

NAME OF FACILITY: Timberland Subdivision	AGENCY USE ONLY
------------------------------------------	-----------------

PERMIT NO.: KY0083755	COUNTY: McCracken
-----------------------	-------------------



This is an application to: (check one)

Apply for a new permit.

Apply for reissuance of expiring permit.

Modify an existing permit.\* (Give reason for modification under Section III)

A complete application consists of this form (Form 1), and one or more of the following: Form A, Form B, Form C, Form F, or Form SC.

**I. FACILITY AND CONTACT INFORMATION**

Name of business, municipality, company, etc. requesting permit: Joann Estates Utilities Incorporated

Owner Name (and Title if applicable): Brian waid

Owner Mailing Address (Street, etc.): 6500 OLD HWY 60

Owner City, State, Zip: West Paducah KY 42001

Owner Telephone Number: 270-201-0225

Owner Email Address: waidbrian@gmail.com

Type of Ownership:	<input type="checkbox"/> Publicly Owned	<input checked="" type="checkbox"/> Privately Owned	<input type="checkbox"/> State Owned	<input type="checkbox"/> Both Publicly and Privately Owned	<input type="checkbox"/> Federally Owned
--------------------	-----------------------------------------	-----------------------------------------------------	--------------------------------------	------------------------------------------------------------	------------------------------------------

Contact Name and Title (if different):

Contact Mailing Address (if different):

Contact City, State, Zip (if different):

Contact Telephone Number (if different):

Contact Email Address (if different):

NetDMR Official Contact for Facility: Todd Teas

NetDMR Official Contact Telephone Number: 270-564-8574

NetDMR Official Contact Email Address: toddteas@yahoo.com

**II. FACILITY LOCATION**

Facility Location (street, road, highway, etc.): Timberland Subdivision Timberland Drive

Facility City, State, Zip: Paducah KY 42001

Facility Latitude (Decimal Degrees): 37 04' 45''N


Facility Longitude (Decimal Degrees): 88 46' 52'' W

Attach a site location map with the facility and outfalls clearly marked. Provide either an aerial map, topographic map, or other map that identifies the site location and significant features.



<b>III. FACILITY DESCRIPTION</b>	
Provide a brief description of activities, products, etc.: Sanitary Wastewater Treatment Plant	
* Reason for modifying existing permit, if applicable: N/A	
Principal SIC Code and description: Domestic wastewater	
Other SIC Codes:	
<b>IV. OPERATOR INFORMATION</b>	
Treatment Plant Operator Name: Todd Teas	
Operator Mailing Address (Street, etc.): 1105 Sheehan Bridge Rd	
Operator City, State, Zip: Paducah KY 42003	
Operator Telephone Number: 270-564-8574	
Operator Email Address: toddteas@yahoo.com	
Operator Certification Class: WW Treatment III	Operator Certification Number: 13178
<b>V. ENVIRONMENTAL PERMITS/REGISTRATIONS FOR THIS FACILITY</b>	
KPDES Permit Number: KY0083755	Issue Date of Current Permit: 11-1-2014
Expiration Date of Current Permit: 10-31-2019	Date of Original Permit Issuance:
<input type="checkbox"/> Other DOW Permits (list):	
<input type="checkbox"/> Sludge Disposal Permit Number:	
<input type="checkbox"/> Air Emission Source Control Permit Number:	
<input type="checkbox"/> Solid Waste or Special Waste Permit Number:	
<input type="checkbox"/> Hazardous Waste Registration or Permit Number:	
<input type="checkbox"/> Surface Mine or Underground Mine Permit Number:	
<input type="checkbox"/> Other (specify):	
<b>VI. PERMIT FEE (See instructions)</b>	
Select the type of permit being requested. See instructions for applicable fees and methods of payment. Additional information can be found in "General Instructions" at <a href="http://Water.Ky.Gov/Permitting/WastewaterDischarge">Water.Ky.Gov/Permitting/WastewaterDischarge</a>	
<input type="checkbox"/> Major Industry	<input type="checkbox"/> Large Non-POTW
<input type="checkbox"/> Minor Industry	<input type="checkbox"/> Intermediate Non-POTW
<input type="checkbox"/> Non-Process Industry	<input checked="" type="checkbox"/> Small Non-POTW
<input type="checkbox"/> Surface Mining Operation	<input type="checkbox"/> 501(c)(3)

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Exempt Publicly Owned Facility
\$ Total Amount Enclosed \$ 440 <sup>05</sup>	

<b>IX. CERTIFICATION</b>	
I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.	
PRINTED NAME AND TITLE: Brian Ward	
SIGNATURE: 	DATE: 8-29-15
TELEPHONE NO. 270-201-0225	EMAIL: wardbrian@gmail.com

Return completed application form and attachments to:  
 Division of Water  
 Surface Water Permits Branch  
 300 Sower Boulevard, 3<sup>rd</sup> Floor  
 Frankfort, KY 40601

Direct questions to: Surface Water Permits Branch at (502) 564-3410.

3070

<b>Form SC</b>	<b>KENTUCKY POLLUTION DISCHARGE ELIMINATION SYSTEM</b> Permit Application	 Division of Water
----------------	----------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------

NAME OF FACILITY: Timberland subdivision	<b>RECEIVED</b> SEP 03 2019	AGENCY USE ONLY
PERMIT NO.: KY0083755		COUNTY: McCracken

**I. OUTFALL LOCATION**

For each outfall, list the latitude and longitude of its location to five decimal points.

OUTFALL NUMBER	LATITUDE In Decimal Degrees	LONGITUDE In Decimal Degrees	RECEIVING WATER (name)
1	37 04'45"N	88 46'52"W	West Fork Massac Creek

**II. FLOWS, SOURCES OF POLLUTION, AND TREATMENT TECHNOLOGIES**

A. Attach a line drawing showing the water flow through the facility. Indicate sources of intake water, operations contributing wastewater to the effluent, and treatment units labeled to correspond to the more detailed descriptions in Item B.

B. For each outfall, provide a description of:  
 (1) operations contributing wastewater to the effluent;  
 (2) the average and/or design flow contributed by each operation; and  
 (3) the treatment received by the wastewater.

OUTFALL NUMBER	SOURCES OF WASTEWATER		TREATMENT DESCRIPTION (refer to Table SC-1 for description)
	Operations Contributing to Flow	Average / Design Flow (include units)	
1	.025MGD	.025MGD	2E-2F-3A-3P

**III. FACILITY DISCHARGE**

A. Check the appropriate boxes indicating the types of wastewater discharged.

Domestic wastewater (60% or more sanitary sewage)

Non-contact cooling water

Filter backwash

Other non-process wastewaters. Provide description:

**B. Does discharge occur all year?**

Yes.

How many days per week does discharge occur? 7

What is the average duration of discharge? Specify hours or days. 24/7

No.

**C. Except for stormwater runoff, leaks, or spills, are any of the discharges intermittent or seasonal?**

Yes. If yes, provide description of approximate number, duration, and volume of seasonal or intermittent flows.

No.

**D. Provide the basis for design and sizing of the wastewater facility.**

**E. If the facility is a new discharger, what is the anticipated discharge date?**

Treatment Plants Only to complete Section F & G.

**F. Does all water used at facility (except for human consumption) flow to a treatment plant?**

Yes.

No. If no, please describe.

**G. What is the design capacity of the treatment system .025MGD MGD**

**IV. AREA SERVED BY WASTEWATER TREATMENT PLANT**

NAME OF AREA OR COMMUNITY	ACTUAL POPULATION SERVED
Timberland Subdivision	78 connections
<b>Total Population Served</b>	

**V. COOLING WATER ADDITIVES**

Are cooling water additives used?

Yes. In the table below, list each additive, its composition, concentration, and feed rate. Attach Safety Data Sheets for each.

No

NAME OF ADDITIVE	COMPOSITION	CONCENTRATION	FEED RATE

VI. EFFLUENT CHARACTERISTICS		OUTFALL NO: 1		
Complete Sections A, B, and C for each outfall.				
A. What is the frequency and duration of flow? 24/7				
B. In the first part of the table below, provide results of effluent analysis for each pollutant / parameter listed.				
C.				
POLLUTANT/PARAMETER	UNITS	MAX DAILY VALUE	AVG DAILY VALUE	NUMBER OF SAMPLES
<input type="checkbox"/> BOD <sub>5</sub> or <input type="checkbox"/> CBOD <sub>5</sub>	mg/l	3	3	Monthly
Total Suspended Solids	mg/l	18.2	18.2	Monthly
E.Coli	colonies/ 100 ml	59	59	Monthly
Total Residual Chlorine	mg/l	< .011	< .019	Monthly
Oil and Grease	mg/l	N/A	N/A	N/A
Chemical Oxygen Demand	mg/l	N/A	N/A	N/A
Total Organic Carbon	mg/l	N/A	N/A	N/A
Ammonia	mg/l	.38	.38	Monthly
Discharge of Flow	MGD	.025	.025	Monthly
pH	s.u.	7.4	7.4	Monthly
Temperature (winter)	°F	N/A	N/A	N/A
Temperature (summer)	°F	24c	24c	Monthly
METALS	UNITS	AVG CONCENTRATION		
<input type="checkbox"/> Antimony	µg/l			
<input type="checkbox"/> Arsenic	µg/l			
<input type="checkbox"/> Beryllium	µg/l			
<input type="checkbox"/> Cadmium	µg/l			
<input type="checkbox"/> Chromium	µg/l			
<input type="checkbox"/> Copper	µg/l			
<input type="checkbox"/> Lead	µg/l			
<input type="checkbox"/> Mercury	µg/l			
<input type="checkbox"/> Nickel	µg/l			
<input type="checkbox"/> Selenium	µg/l			
<input type="checkbox"/> Silver	µg/l			
<input type="checkbox"/> Thallium	µg/l			
<input type="checkbox"/> Zinc	µg/l			

**VII. CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

PRINTED NAME AND TITLE: Brian Waid

SIGNATURE: 

DATE: 8-29-19

TELEPHONE NO. 270-291-0225

EMAIL: waidb@gnal.com

Return completed application form and attachments to:  
Division of Water  
Surface Water Permits Branch  
300 Sower Boulevard, 3<sup>rd</sup> Floor  
Frankfort, KY 40601

Direct questions to: Surface Water Permits Branch at (502) 564-3410.

**KPDES**



**KENTUCKY POLLUTANT  
DISCHARGE ELIMINATION  
SYSTEM**

**PERMIT**

**AUTHORIZATION TO DISCHARGE UNDER THE  
KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM**

**PERMIT NO.: KY0043150**

**AGENCY INTEREST NO.: 3367**

**Pursuant to Authority in KRS 224,**

River Bluffs Inc  
5501 West Highway 524  
Westport, KY 40077

**is authorized to discharge from a facility located at**

River Bluffs Inc  
13121 Creekview Road  
Prospect, Oldham County, Kentucky

**to receiving waters named**

Unnamed Tributary of Pond Creek

**in accordance with effluent limitations, monitoring requirements and other conditions set forth in this permit.**

This permit shall become effective on January 1, 2020.

This permit and the authorization to discharge shall expire at midnight, December 31, 2024.

November 22, 2019

**Date Signed**

A handwritten signature in black ink, appearing to read "Peter T. Goodman".

**Peter T. Goodman, Director**

**Division of Water**

**THIS KPDES PERMIT CONSISTS OF THE FOLLOWING SECTIONS:**

**1. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS.....4**

1.1. Compliance Monitoring Locations (Outfalls) ..... 4

1.2. Effluent Limitations and Monitoring Requirements ..... 4

1.3. Standard Effluent Requirements ..... 5

**2. STANDARD CONDITIONS.....7**

2.1. Duty to Comply ..... 7

2.2. Duty to Reapply..... 7

2.3. Need to Halt or Reduce Activity Not a Defense..... 7

2.4. Duty to Mitigate..... 7

2.5. Proper Operation and Maintenance..... 7

2.6. Permit Actions..... 7

2.7. Property Rights ..... 7

2.8. Duty to Provide Information ..... 7

2.9. Inspection and Entry ..... 8

2.10. Monitoring and Records ..... 8

2.11. Signatory Requirement ..... 9

2.12. Reporting Requirements..... 9

2.13. Bypass ..... 10

2.14. Upset..... 11

**3. OTHER CONDITIONS .....14**

3.1. Schedule of Compliance..... 14

3.2. Other Permits..... 14

3.3. Continuation of Expiring Permit..... 14

3.4. Antidegradation ..... 14

3.5. Reopener Clause ..... 14

3.6. Connection to Regional Sewer System ..... 14

3.7. Certified Operators ..... 14

3.8. Outfall Signage ..... 14

**4. MONITORING AND REPORTING REQUIREMENTS .....16**

4.1. KPDES Outfalls..... 16

4.2. Sufficiently Sensitive Analytical Methods ..... 16

4.3. Certified Laboratory Requirements ..... 16

4.4. Submission of DMRs ..... 16



# **SECTION 1**

## **EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS**

**1. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS**

**1.1. Compliance Monitoring Locations (Outfalls)**

The following table lists the outfalls authorized by this permit, the latitude and longitude of each and the DOW assigned KPDES outfall number:

TABLE 1.					
Outfall No.	Outfall Type	Latitude (N)	Longitude (W)	Receiving Water	Description of Outfall
001	External	38.37645°	85.60515°	Unnamed Tributary of Pond Creek	Domestic Wastewater

**1.2. Effluent Limitations and Monitoring Requirements**

Beginning on the effective date and lasting through the term of this permit, discharges from Outfall 001 shall comply with the following effluent limitations:

TABLE 2.									
EFFLUENT LIMITATIONS								MONITORING REQUIREMENTS	
Effluent Characteristic	Units	Loadings (lbs/day)		Concentrations				Frequency	Sample Type
		Monthly Average	Maximum Weekly Average	Minimum	Monthly Average	Maximum Weekly Average	Maximum		
Flow	MGD	Report	Report <sup>1</sup>	N/A	N/A	N/A	N/A	1/Month	Instantaneous
pH	SU	N/A	N/A	6.0	N/A	N/A	9.0	1/Month	Grab
CBOD <sub>5</sub> <sup>2</sup>	mg/l	N/A	N/A	N/A	30	45	N/A	1/Month	Composite <sup>3</sup>
Total Suspended Solids	mg/l	N/A	N/A	N/A	30	45	N/A	1/Month	Composite <sup>3</sup>
Ammonia (as mg/l NH <sub>3</sub> N)									
May 1 – October 31	mg/l	N/A	N/A	N/A	4.0	6.0 <sup>1</sup>	N/A	1/Month	Composite <sup>3</sup>
November 1 – April 30	mg/l	N/A	N/A	N/A	10.0	15.0 <sup>1</sup>	N/A	1/Month	Composite <sup>3</sup>
Dissolved Oxygen	mg/l	N/A	N/A	7.0	N/A	N/A	N/A	1/Month	Grab
E. Coli <sup>4</sup>	#/100 ml	N/A	N/A	N/A	130 <sup>5</sup>	240 <sup>6</sup>	N/A	1/Month	Grab
Total Residual Chlorine	mg/l	N/A	N/A	N/A	0.011	0.019 <sup>1</sup>	N/A	1/Month	Grab
Total Phosphorus	mg/l	N/A	N/A	N/A	Report	Report	N/A	1/Month	Grab
Total Nitrogen <sup>7</sup>	mg/l	N/A	N/A	N/A	Report	Report	N/A	1/Month	Grab
<sup>1</sup> Daily Maximum									
<sup>2</sup> CBOD <sub>5</sub> – Carbonaceous Biochemical Oxygen Demand, 5-day									

**TABLE 2.**

EFFLUENT LIMITATIONS								MONITORING REQUIREMENTS	
Effluent Characteristic	Units	Loadings (lbs/day)		Concentrations				Frequency	Sample Type
		Monthly Average	Maximum Weekly Average	Minimum	Monthly Average	Maximum Weekly Average	Maximum		
<sup>3</sup> A sample composed of four or more equal or flow-proportional aliquots collected over a period of no less than eight and no more than twenty-four hours and aggregated so that the aggregate sample reflects the average water quality of the effluent during the compositing or sample period									
<sup>4</sup> E. Coli – Escherichia Coli Bacteria									
<sup>5</sup> Thirty (30) day Geometric Mean									
<sup>6</sup> Seven (7) day Geometric Mean									
<sup>7</sup> Total Nitrogen is the summation of the analytical results for Total Nitrates, Total Nitrites, and Total Kjeldahl Nitrogen									

**1.3. Standard Effluent Requirements**

The discharges to Waters of the Commonwealth shall not produce floating solids, visible foam or a visible sheen on the surface of the receiving waters.

# **SECTION 2**

## **STANDARD CONDITIONS**

## **2. STANDARD CONDITIONS**

The following conditions apply to all KPDES permits.

### **2.1. Duty to Comply**

The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of KRS Chapter 224 and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. Any person who violates applicable statutes or who fails to perform any duty imposed, or who violates any determination, permit, administrative regulation, or order of the Cabinet promulgated pursuant thereto shall be liable for a civil penalty as provided at KRS 224.99.010.

### **2.2. Duty to Reapply**

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit.

### **2.3. Need to Halt or Reduce Activity Not a Defense**

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

### **2.4. Duty to Mitigate**

The permittee shall take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment.

### **2.5. Proper Operation and Maintenance**

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit.

### **2.6. Permit Actions**

This permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition.

### **2.7. Property Rights**

This permit does not convey any property rights of any sort, or any exclusive privilege.

### **2.8. Duty to Provide Information**

The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit or to determine compliance with this permit. The permittee shall also furnish to the Director upon request, copies of records required to be kept by this permit.

## **2.9. Inspection and Entry**

The permittee shall allow the Director, or an authorized representative (including an authorized contractor acting as a representative of the Administrator), upon presentation of credentials and other documents as may be required by law, to:

- (1) Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- (2) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
- (3) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- (4) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act, any substances or parameters at any location.

## **2.10. Monitoring and Records**

(1) Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

(2) Except for records of monitoring information required by this permit related to the permittee's sewage sludge use and disposal activities, which shall be retained for a period of at least five (5) years (or longer as required by 401 KAR 5:065, Section 2(10) [40 CFR 503]), the permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Director at any time.

(3) Records of monitoring information shall include:

- a) The date, exact place, and time of sampling or measurements;
- b) The individual(s) who performed the sampling or measurements;
- c) The date(s) analyses were performed;
- d) The individual(s) who performed the analyses;
- e) The analytical techniques or methods used; and
- f) The results of such analyses.

(4) Monitoring must be conducted according to test procedures approved under 401 KAR 5:065, Section 2(8) [40 CFR 136] unless another method is required under 401 KAR 5:065, Section 2(9) or (10) [40 CFR subchapters N or O].

(5) KRS 224.99-010 provides that any person who knowingly violates KRS 224.70-110 or other enumerated statutes, or who knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall be guilty of a Class D felony and, upon conviction, shall be punished by a fine of not more than \$25,000, or by imprisonment for not less than one (1) year and not more than five (5) years, or by both fine and imprisonment for each separate violation. Each day upon which a violation occurs shall constitute a separate violation.

**2.11. Signatory Requirement**

(1) All applications, reports, or information submitted to the Director shall be signed and certified pursuant to 401 KAR 5:060, Section 4 [40 CFR 122.22].

(2) KRS 224.99-010 provides that any person who knowingly provides false information in any document filed or required to be maintained under KRS Chapter 224 shall be guilty of a Class D felony and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars (\$25,000), or by imprisonment, or by fine and imprisonment, for each separate violation. Each day upon which a violation occurs shall constitute a separate violation.

**2.12. Reporting Requirements****2.12.1. Planned Changes**

The permittee shall give notice to the Director as soon as possible of any planned physical alterations or additions to the permitted facility. Notice is required only when:

(1) The alteration or addition to a permitted facility may meet one (1) of the criteria for determining whether a facility is a new source in KRS 224.16-050 [40 CFR 122.29(b)]; or

(2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under KRS 224.16-050 [40 CFR 122.42(a)(1)].

(3) The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan.

**2.12.2. Anticipated Noncompliance**

The permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

**2.12.3. Transfers**

This permit is not transferable to any person except after notice to the Director. The Director may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary under KRS 224 [CWA; see 40 CFR 122.61; in some cases, modification or revocation and reissuance is mandatory].

**2.12.4. Monitoring Reports**

Monitoring results shall be reported at the intervals specified elsewhere in this permit.

(1) Monitoring results must be reported on a Discharge Monitoring Report (DMR) or forms provided or specified by the Director for reporting results of monitoring of sludge use or disposal practices.

(2) If the permittee monitors any pollutant more frequently than required by the permit using test procedures approved under 401 KAR 5:065, Section 2(8) [40 CFR 136], or another method required for an industry-specific waste stream under 401 KAR 5:065, Section 2(9) or (10) [40 CFR subchapters N or O], the results of such monitoring shall be included in the calculation and reporting of the data submitted in the DMR or sludge reporting form specified by the Director.

(3) Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified by the Director in the permit.

#### **2.12.5. Compliance Schedules**

Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this permit shall be submitted no later than fourteen (14) days following each schedule date.

#### **2.12.6. Twenty-four-Hour Reporting**

(1) The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within twenty-four (24) hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

(2) The following shall be included as information which must be reported within twenty-four (24) hours under this paragraph.

- a) Any unanticipated bypass which exceeds any effluent limitation in the permit. (See §122.41(g))
- b) Any upset which exceeds any effluent limitation in the permit.
- c) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Director in the permit to be reported within twenty-four (24) hours.

(3) The Director may waive the written report on a case-by-case basis under 40 CFR 122.41 (l), if the oral report has been received within twenty-four (24) hours.

#### **2.12.7. Other Noncompliance**

The permittee shall report all instances of noncompliance not reported under Sections 2.12.1, 2.12.4, 2.12.5 and 2.12.6, at the time monitoring reports are submitted. The reports shall contain the information listed in Section 2.12.6.

#### **2.12.8. Other Information**

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, it shall promptly submit such facts or information.

### **2.13. Bypass**

#### **2.13.1. Definitions**

(1) Bypass means the intentional diversion of waste streams from any portion of a treatment facility.

(2) Severe property damage means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.



**2.13.2. Bypass Not Exceeding Limitations**

The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of Section 2.13.3 and 2.13.4.

**2.13.3. Notice**

(1) Anticipated bypass. If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass.

(2) Unanticipated bypass. The permittee shall submit notice of an unanticipated bypass as required in Section 2.12.6.

**2.13.4. Prohibition of Bypass**

(1) Bypass is prohibited, and the Director may take enforcement action against a permittee for bypass, unless:

- a) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
- b) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and
- c) The permittee submitted notices as required under Section 2.13.3.

(2) The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three (3) conditions listed above in Section 2.13.4.

**2.14. Upset****2.14.1. Definition**

Upset means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

**2.14.2. Effect of an Upset**

An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of Section 2.14.3 are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

**2.14.3. Conditions Necessary for a Demonstration of Upset**

A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
- (2) The permitted facility was at the time being properly operated; and
- (3) The permittee submitted notice of the upset as required in Section 2.12.6; and

(4) The permittee complied with any remedial measures required under Section 2.4.

**2.14.4. Burden of Proof**

In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

# **SECTION 3**

## **OTHER CONDITIONS**

### **3. OTHER CONDITIONS**

#### **3.1. Schedule of Compliance**

The permittee shall attain compliance with all requirements of this permit on the effective date of this permit unless otherwise stated.

#### **3.2. Other Permits**

This permit has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal, and local agencies.

#### **3.3. Continuation of Expiring Permit**

This permit shall be continued in effect and enforceable after the expiration date of the permit provided the permittee submits a timely and complete application in accordance with 401 KAR 5:060, Section 2(4).

#### **3.4. Antidegradation**

For those discharges subject to the provisions of 401 KAR 10:030, Section 1(3)(b)5, the permittee shall install, operate, and maintain wastewater treatment facilities consistent with those identified in the Socioeconomic Demonstration and Alternatives Analysis (SDAA) submitted with the KPDES permit application.

#### **3.5. Reopener Clause**

This permit shall be modified, or alternatively revoked and reissued, to comply with any applicable effluent standard or limitation issued or approved in accordance with 401 KAR 5:050 through 5:080, if the effluent standard or limitation so issued or approved:

- (1) Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
- (2) Controls any pollutant not limited in the permit.

The permit as modified or reissued under this paragraph shall also contain any other requirements of KRS Chapter 224 when applicable.

#### **3.6. Connection to Regional Sewer System**

This WWTP is temporary and in no way supersedes the need of a regional sewer system. The permittee shall eliminate the discharge and WWTP plant by connection to a regional sewer system when it becomes available as defined in 401 KAR 5:002.

#### **3.7. Certified Operators**

The wastewater treatment plant shall be under the primary responsibility of a Class II Wastewater Treatment Plant Certified Operator or higher.

#### **3.8. Outfall Signage**

This KPDES permit establishes monitoring points, effluent limitations, and other conditions to address discharges from the permitted facility. In an effort to better document and clarify these locations, the permittee should place and maintain a permanent marker at each of the monitoring locations.

# **SECTION 4**

## **MONITORING AND REPORTING REQUIREMENTS**

#### **4. MONITORING AND REPORTING REQUIREMENTS**

##### **4.1. KPDES Outfalls**

Discharge samples and measurements shall be collected at the compliance point for each KPDES Outfall identified in this permit. Each sample shall be representative of the volume and nature of the monitored discharge.

##### **4.2. Sufficiently Sensitive Analytical Methods**

Analytical methods utilized to demonstrate compliance with the effluent limitations established in this permit shall be sufficiently sensitive to detect pollutant levels at or below the required effluent limit, i.e. the Method Minimum Level shall be at or below the effluent limit. In the instance where an EPA-approved method does not exist that has a Method Minimum Level at or below the established effluent limitation, the permittee shall:

- (1) Use the method specified in the permit; or
- (2) The EPA-approved method with an ML that is nearest to the established effluent limit.

It is the responsibility of the permittee to demonstrate compliance with permit parameter limitations by utilization of sufficiently sensitive analytical methods.

##### **4.3. Certified Laboratory Requirements**

All laboratory analyses and tests required to demonstrate compliance with the conditions of this permit shall be performed by a laboratory holding the appropriate general or field-only certification issued by the Cabinet pursuant to 401 KAR 5:320.

##### **4.4. Submission of DMRs**

The completed DMR for each monitoring period must be entered into the DOW approved electronic system no later than midnight on the 28<sup>th</sup> day of the month following the monitoring period for which monitoring results were obtained.

For more information regarding electronic submittal of DMRs, please visit the Division's website at: <https://eec.ky.gov/Environmental-Protection/Water/SubmitReport/Pages/NetDMR.aspx> or contact the DMR Coordinator at (502) 564-3410.

## Request

2. Refer to paragraph 9, wherein Joint Applicants refer to two prior cases, Case No. 2017-00359<sup>1</sup> and Case No. 2017-00164.<sup>2</sup> In Case No. 2017-00164, Center Ridge District was ordered to pay a \$36.80 refund to its customer, Peggy S. Rose. As a result of its failure to comply with the Commission's Order in Case No. 2017-00164, Center Ridge District was ordered to pay a \$2,500 penalty in Case No. 2017-00359.
  - a. Confirm whether Center Ridge District has paid the \$2,500 penalty. If not, identify which utility will be responsible for paying the penalty.
  - b. Confirm whether Center Ridge District has paid the \$36.80 refund to Peggy S. Rose. If not, identify which utility will be responsible for paying the refund.

---

<sup>1</sup> Case No. 2017-00359 *Center Ridge Water District No. 2 Alleged Failure to Comply with an Order by the Commission and 807 KAR 5:001, Section 20(6)* (Ky. PSC filed Nov. 2, 2017).

<sup>2</sup> Case No. 2017-00164 *Peggy S. Rose v. Center Ridge Water District No. 2* (Ky. PSC Jan. 10, 2018).

---

## Response

- a. No payment has been made. This would not transfer to Bluegrass Water.
- b. No payment has been made. This would not transfer to Bluegrass Water.

**Request**

3. Confirm the pro forma income statement uses the most recently filed annual report for each utility to estimate operating revenues and expenses.
- 

**Response**

Yes. The revenues and expenses in the *pro forma* income statement attached as Exhibit I to the Joint Application were taken from the most recent annual report publicly available, which for each transferring utility was its 2018 annual report.



**Request**

4. Provide the anticipated effect on future rates of each utility in the application.
- 

**Response**

Bluegrass Water anticipates that rates on all the systems will increase to cover the cost of providing safe, reliable service and to allow the opportunity for a fair return on the capital invested in the systems. Future rate cases will have to be approved by the Commission to ensure reasonable and fair rates will be in place.

**Request**

5. Describe the methodology that Central States Water Resources, Inc. (CSWR) will use to allocate costs to each utility for all management, financial reporting, underground utility safety and locations services, Commission and environmental regulatory reporting and management, record keeping, and other work performed by personnel at CSWR's corporate office. Also, state whether Bluegrass Water is considered one utility or more than one utility for purposes of allocating costs.
- 

**Response**

The Massachusetts Formula is used to allocate costs to each utility for the functions and work listed in the request. Bluegrass Water is considered to be one utility for purposes of allocating costs.

**Request**

6. Refer to paragraph 24. Provide an itemized breakdown of the costs that CSWR has incurred to date and is expected to incur until such time as the Closings for each transferring utility occurs.

---

**Response**

The pre-Closing costs for Bluegrass Water that Central States has been funding (and continues to fund) are expected to total **\$191,500** by the time of the respective Closing(s).

The breakdown of that total is:

Center Ridge	69,500
Joann Estates	58,500
River Bluff	<u>63,500</u>
TOTAL	\$191,500

Attached as KY19-360JA\_r00039 is a redacted copy of an itemized per-system breakdown of those anticipated costs. Confidential treatment for the redacted information is being sought in a concurrently-filed motion.

As indicated by the column headings on the attached spreadsheet, components of these costs funded by Central States include professional services such as engineering design, surveying, and legal title work, as well as third-party costs (*e.g.*, for title insurance and recording fees) paid at closing. Most of the total costs are for due diligence work relating to transferring utilities' assets and compliance efforts.

As of October 31, 2019, approximately 30% of the total expected costs have been paid or accrued. All of the costs incurred to that date were for professional services.

### Anticipated Pre-Closing Costs

System	Engineering Design	Facility Report	Construction Services	Surveying Services	GIS database	Legal Fees	Closing Costs	Organizational Expenses	Total:
Center Ridge	— redacted —								\$ 69,500
Joann Estates									\$ 58,500
River Bluffs									\$ 63,500
<b>TOTAL</b>									<b>\$ 191,500</b>

**Request**

7. In addition to the persons identified in Joint Applicants' Exhibit H, state who will operate the facilities on a day-to-day basis. Provide names of certified operators, their classification, contact information, and the plant they will operate.

---

**Response**

Bluegrass Water has yet to identify specific Kentucky-based operator personnel, but these will be in place prior to closing. Furthermore, Bluegrass Water anticipates that personnel will be provided through the appropriate O&A company, and plan to use Midwest Water Operations, LLC as has been Bluegrass Water's practice to date with its other Kentucky systems.

**Request**

8. Explain if Bluegrass Water intends to record on its books or on the books of each utility acquired an acquisition adjustment to reflect the amount by which the purchase price of each utility exceeds the net book value of each utility acquired.

---

**Response**

To the extent that there is a difference between net book value and purchase price at the time of the closing, Bluegrass Water intends to follow generally accepted accounting principles in recording an adjustment on its books to reflect any amount by which the purchase price exceeds the net book value of utility assets acquired. Bluegrass Water notes that the journal entries it filed after the closing of the acquisitions approved in Case No. 2019-00104 showed an acquisition adjustment entry (Acct # 114.0) for each system acquisition. *See Post-Closing Accounting Entries* filed 10/30/19 in compliance with Condition #1 in the Case No. 2019-00104 Final Order Appendix.

**Request**

9. State whether CSWR or Bluegrass Water has reviewed the Commission's most recent inspection reports for each of the utilities to be acquired.
- 

**Response**

Yes. As of December 2, 2019, Bluegrass Water has reviewed the Commission's most recent inspection reports for each of the transferring utilities as follows:

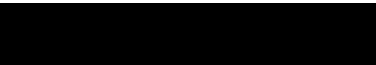
<u>Utility</u>	<u>Inspection Date</u>
Center Ridge	February 27, 2018
Joann Estates	August 27 and 31, 2018
River Bluffs	December 10, 2018

**Request**

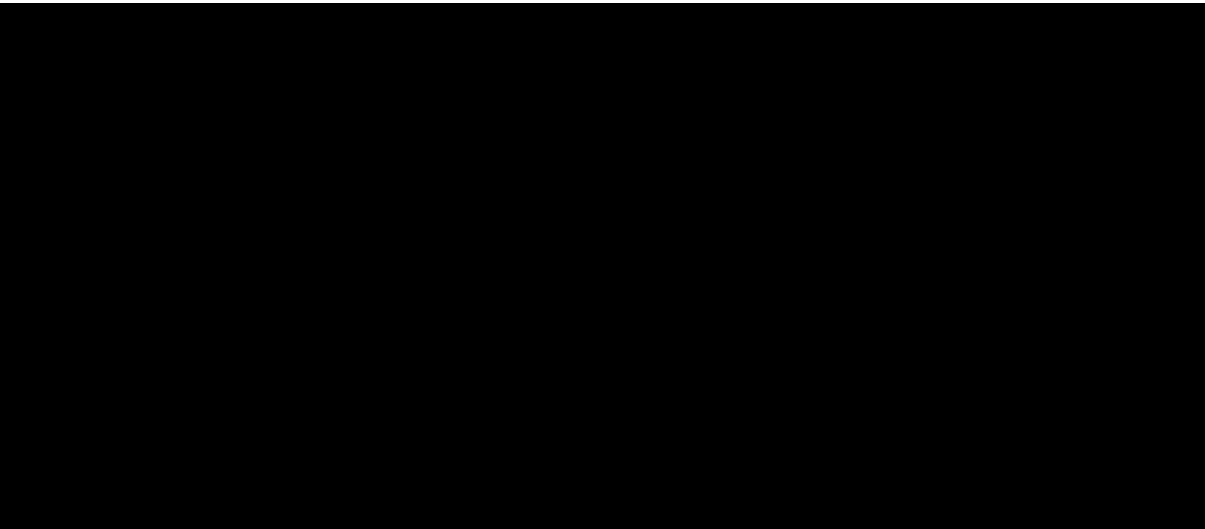
10. Explain how Bluegrass Water will resolve each of the outstanding violations cited by the Commission on all plants involved in the proposed transfer.
- 

**Response**

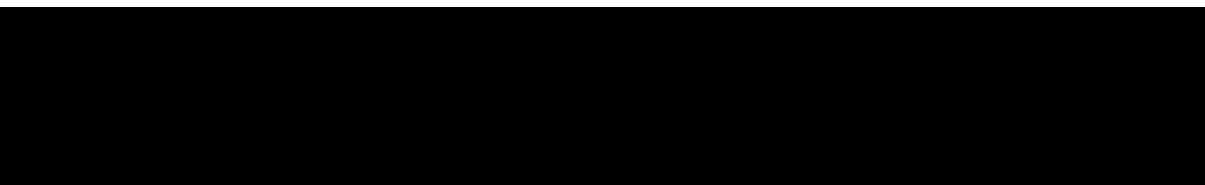
Bluegrass Water plans to address any unresolved identified deficiencies as follows:

1. For Center Ridge, the deficiency identified was that the utility's minimum storage capacity did not equal the average daily consumption as required by 807 KAR 5:066, Section 4. Planned improvements are expected to include 

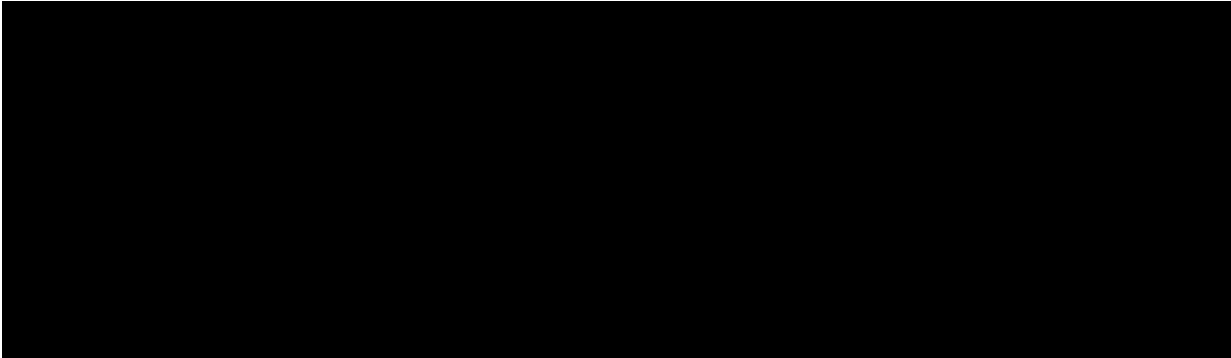
2. For Joann Estates, the deficiency identified was that the facility was not being properly operated and maintained as required. Planned improvements are expected to include:



3. For River Bluffs, the identified deficiency was that the facility was not being properly operated and maintained as required. Planned improvements are expected to include:







The engineering reports provided in Joint Application Exhibit G contain details of Bluegrass Water's current plans to address outstanding violations and/or deficiencies and to make operational improvements throughout the systems' plant to ensure that compliance is achieved in the long term.

## Request

11. Refer to paragraph 26, in which Joint Applicants state that each transferring utility will work to bring the conduct of the utility system into full compliance with regulatory requirements. Refer to paragraph 27, in which Joint Applicants stat that most of the identified diagnostic test, repairs, and improvements will take place post-Closing.
    - a. For each transferring utility, explain what work needs to be completed to bring each system into full compliance. Also, explain what work each transferring utility has done to date to bring the respective utility system into full compliance and provide an itemized breakdown of costs incurred as a result.
    - b. Confirm whether or not the statement made in paragraph 26 is a contingency required to be met by the transferring utilities in the respective agreements reached by Joint Applicants. If so, state whether there is a date certain by which full compliance by each transferring utility needs to be completed.
- 

## Response

- a. Joann Estates-Timberland: No work has been done to date to bring the Timberland system into compliance.  
  
Center Ridge Water District: General maintenance has continued but no improvements or remodels to date.  
  
River Bluffs, Inc.: Not aware of any work done to address any compliance issues.
- b. The statement in paragraph 26 is not a contingency, and no date certain exists.

### **Request**

12. Refer to paragraph 30, wherein Joint Applicants state that Midwest Water Operations, LLC (Midwest) “has knowledge and experienced personnel, who carry the necessary state licenses, and has insurance coverage necessary to manage the daily wastewater operations.”
- a. Explain if Midwest has the personnel that has the knowledge and experience, who carry the state licenses, and has insurance coverage necessary to manage the daily water operations of Center Ridge District.
  - b. Explain if Midwest will need to hire additional water operations personnel to manage Center Ridge District’s assets.
- 

### **Response**

- a. Yes. Its collective professional experience is 30 plus years; and Midwest has been operating for nearly five (5) years. Midwest initiated operations in Kentucky to serve Bluegrass Water. Its personnel hold Professional Engineering (P.E.) licenses. Midwest currently has six employees that are certified and working in Kentucky operations on a regular basis. Specifically, Midwest employee Terry Merritt holds a Drinking Water IV certification.
- b. Midwest is also prepared to hire more certified staff should the need to do so arise.

### Request

13. Refer to paragraph 34, in which Joint Applicants state that Bluegrass Water has secured the necessary funding and plans to address each system's shortcomings to bring into compliance within the year following closing.
    - a. Explain how this statement does not contradict the statement made in paragraph 26 that each transferring utility will work to bring the conduct of the utility system into full compliance with regulatory requirements.
    - b. Provide the amount Bluegrass Water anticipates spending to bring each system into compliance. Provide the amount of funding that Bluegrass Water has secured in relation to these anticipated expenditures.
- 

### Response

- a. The ASUS requires cooperation from both Buyer and Seller with regard to any necessary regulatory approval of the acquisition and transfer of the Assets. There is no contradiction with Paragraph 26 because the transferring utilities are working with Bluegrass Water in this regard while Bluegrass Water does its due diligence regarding the short and long-term needs for each system to allow it to operate continually in compliance with all applicable regulations.
- b. Joint Application Exhibit I (the *pro forma*) identifies the anticipated spending for each system in its "Construction Work in Progress" row, which are the estimated costs of Engineering and Permitting Costs at Time of Acquisition. As described in Joint Application ¶ 35, Bluegrass Water's global and long-term plan is to fund the work to repair, replace and improve the acquired systems with debt financing. For now, through its parent, Bluegrass Water has secured the commitment of equity capital and has access to long-term loans to finance the planned repairs, improvements and operation of the systems. See Joint Application ¶ 42.

### **Request**

14. Refer to paragraph 37, in which Joint Applicants state that the three acquired systems will be integrated, and customers will be served under one tariff.
    - a. Explain if Bluegrass Water knows that water operations tariffs and wastewater operations tariffs are filed separately with the Commission.
    - b. If Bluegrass Water is aware that water operations tariffs and wastewater operations tariffs are filed separately, explain Joint Applicants' statement in paragraph 37 that customers will be served under one tariff.
- 

### **Response**

- a. Yes, we were aware. The intent was that there would be one tariff per form of service, *e.g.*, one tariff for water operations and one tariff for wastewater operations. The prayer for relief at the conclusion of the Joint Application did clarify this.
- b. Again, the intent was that there would be one tariff per form of service. The prayer for relief at the conclusion of the Joint Application did clarify this. The phrasing of paragraph 37 could have been more clear in the statement about the tariffs being integrated.

**Request**

15. Provide a copy of the current and long-term debts for each system proposed to be acquired, including lender's name, the date the debt was incurred, the original amount of the indebtedness, and the amount outstanding as of the date of Joint Applicants' exhibit I, Pro-Forma Balance Sheet – Bluegrass Water Utility Operating Company, LLC

---

**Response:**

Joann Estates-Timberland: There are no current or long-term debts for this utility.

Center Ridge Water District: There are no current or long-term debts for this utility.

River Bluffs, Inc.: There are no current nor long-term debts for this utility.

**Request**

16. Provide a schedule showing the current capital structure of Bluegrass Water in both dollars and percentages.

---

**Response**

The Bluegrass Water capital structure as of October 31, 2019, is as follows:

	<i>Amount (\$)</i>	<i>Percentage</i>
<i>Equity</i>	447,388.02	100%
<i>Debt</i>	0.00	0%

In its Notice and Plan re Capital Structure filed October 31, 2019, in Case No. 2019-00104 in compliance with Condition #6 in the 8/14/19 Order Appendix, Bluegrass Water notified the Commission that its equity to capital percentage exceeds 50% and detailed its plan to achieve the equity-capital ratio approved in that proceeding and Bluegrass Water's goal of a 50/50 capitalization structure on average over time.