

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

THE APPLICATION OF WARREN COUNTY WATER DISTRICT, WARREN COUNTY, KENTUCKY, (1) FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY, PURSUANT TO KRS 278.020, AUTHORIZING SAID DISTRICT TO CONSTRUCT IMPROVEMENTS AND EXTENSIONS TO ITS EXISTING WATER SYSTEM, WHICH IMPROVEMENTS AND EXTENSIONS WILL BE FINANCED IN WHOLE OR IN PART UNDER THE TERMS OF AN AGREEMENT BETWEEN THE WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY; AND (2) FOR AUTHORITY TO ISSUE CERTAIN SECURITIES AS REQUIRED BY KRS 278.300.

CASE NO. 2020-00052

APPLICATION OF WARREN COUNTY WATER DISTRICT

The Applicant, Warren County Water District, situated in Warren County, Kentucky, hereby applies to the Public Service Commission of Kentucky for a Certificate of Convenience and Necessity authorizing the construction of certain improvements and extensions to its existing water distribution system, including a storage tank, pump station, water lines and other appurtenances for the purposes of furnishing an adequate water distribution system for domestic, commercial and public use in said District, all in the interests of public health, safety and general welfare of the citizens and inhabitants of the District and its customers. The Applicant further requests that the Public Service Commission grant approval for the Applicant to secure a loan as herein set forth. The Applicant's proposed improvements and extensions are to be financed in part by the Kentucky Infrastructure Authority. Therefore, it is requested that the Commission promptly review the proposed project and agreements with the Kentucky Infrastructure

Authority and issue its Certificate of Convenience and Necessity without delay to allow improved service to the existing customers as soon as possible.

In support of this Application, the Applicant represents as follows:

(1) Warren County Water District situated in Warren County, Kentucky, (The Applicant) is a water district existing by virtue of an Order entered by this Commission in its Case No. 5909 on December 18, 1973, the same being a matter before this Commission under authority of KRS 74.361. By its Order of December 18, 1973, in said Case No. 5909, the Commission merged the previously existing Northside Water District situated in Warren County, Kentucky, with the previously existing Westside Water District, a contiguous water district in said County, and ordered **inter alia** in pertinent part as follows:

That Northside Water District and Westside Water District be and they are hereby merged into a single water district, Warren County Water District, . . . That the rates to be charged by the merged District, Warren County Water District, shall be the existing rates on file with this Commission for the Northside Water District. . . That the merged District, Warren County Water District, shall acquire the assets and legal obligations of Northside Water District and Westside Water District....

(2) It is respectfully represented to the Commission that by virtue of KRS 74.361(5) and the Commission's Order entered on December 18, 1973, in said PSC Case No. 5909, it has followed as a matter of law that the previously existing Northside Water District and Westside Water District were merged into and became a new water district under the name and style "Warren County Water District" (The Applicant).

(3) The Applicant has found it necessary to undertake certain urgently needed improvements and extensions to its existing water system, including a storage tank, pump station, water lines and other appurtenances. The Water District's staff

engineer, Ryan J. Leisey, P.E., Bowling Green, Kentucky (the “Engineer”), has prepared an Engineering Report as well as directed the preparation of detailed plans and specifications for the construction and installation of the proposed major water facilities and improvements within the Water District (the “Project”). The Engineering Report contains, among other things, a description of the Project, cost figures and other pertinent financial data and projections and plans for the financing of the Project, pro forma adjustments and a copy of the low bids for the water improvements. A copy of said Engineering Report is attached hereto marked **EXHIBIT A** and incorporated herein as if set forth in full.

(4) According to the report of the Engineer, the estimated cost of designing and constructing the water system improvements is TWO MILLION THREE HUNDRED SIX THOUSAND DOLLARS (\$2,306,000), which cost shall be partially financed through a loan in the amount of TWO MILLION DOLLARS (\$2,000,000) from the Kentucky Infrastructure Authority in accordance with the Kentucky Infrastructure Authority’s letter dated December 20, 2018 attached hereto as **EXHIBIT B**, and incorporated herein as if set forth in full. The Water District contribution shall be THREE HUNDRED SIX THOUSAND (\$306,000) from depreciation reserve funds.

(5) The Water District represents that, based upon the projections of the Engineer, the existing rates are adequate to meet the annual operating cost of the addition to the System.

(6) The following detailed information included with the Application and all **EXHIBITS** referred to herein are incorporated by reference as a part of this Application:

- EXHIBIT A** Engineering report (This is the only report).
- EXHIBIT B** Kentucky Infrastructure Authority's letter dated December 20, 2018 and Extension Approval dated February 17, 2020
- EXHIBIT C** Certified statement from an authorized utility official confirming (1) that the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4 (3-4), Section 5 (1), Sections 6-7, Section 8 (1-3), Section 9 (1), and Section 10; (2) that all other state approvals or permits have already been obtained; (3) that the existing rates are adequate to meet the annual operating cost of the addition to the System; and (4) dates when construction will begin and end.
- EXHIBIT D** Bid Tabulations and Award Recommendation
- EXHIBIT E** Project Plans and Specifications
- EXHIBIT F** Audit for the period ending December 31, 2018
- EXHIBIT G** Balance sheet, revenue and expense statement for the 12 months ending December 31, 2019

(7) The governing body of the District, its Commission, respectfully represents to the Public Service Commission that there is a genuine need and demand for the Project.

WHEREFORE, the Applicant, Warren County Water District, upon the basis of the facts and circumstances hereinabove set forth and as represented by the **EXHIBITS** attached hereto and made a part hereof, requests that the Commission issue to the Applicant a Certificate of Convenience and Necessity authorizing the Applicant to construct and install the water service facilities outlined and recommended by the report of the Engineer and approving the Applicant's loan presently contemplated to be in the principal amount of TWO MILLION DOLLARS (\$2,000,000).

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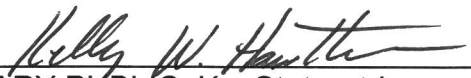
I, Glen Johnson, Chairman of the Warren County Water District Board of Commissioners, hereby state under oath that I have read the entire foregoing Application and that all matters of fact contained herein are true and correct.


GLEN JOHNSON

COMMONWEALTH OF KENTUCKY

COUNTY OF WARREN

SUBSCRIBED AND SWORN TO before me by Glen Johnson on this day 25th day of February, 2020, in Bowling Green, Warren County, Kentucky.


NOTARY PUBLIC, Ky. State-at-Large

My Commission Expires: 2/22/23