

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Joint Petition of the Paducah Water Works  
And the West McCracken Water District to Approve the  
Transfer of Ownership and Control of The West McCracken  
Water District to the Paducah Water Works

Case No. 2021-00374

1. JURISDICTION

The Kentucky Public Service Commission (PSC) has jurisdiction over this matter pursuant to KRS 278.015 and KRS 278.020(4).

2. PETITIONERS.

a. The Paducah Water Works (PWW), 1800 North 8<sup>th</sup> Street, Paducah, Kentucky 42001, was formed in the 1930's and acts pursuant to KRS Chapter 96. A copy of PWW's last Audited Financial Statement, dated June 30, 2021, is attached hereto, and by reference made a part hereof, and marked as Exhibit A.

b. The West McCracken Water District ("District"), 8020 Ogden Landing Road, West Paducah, Kentucky 42086, is a Kentucky water district established on July 30, 1962, pursuant to KRS Chapter 74. A copy of the original ordinance establishing District is attached hereto, and by reference made a part hereof, and marked as Exhibit B. A copy of District's last Audited Financial Statement, dated December 31, 2020, is attached hereto, and by reference made a part hereof, and marked as Exhibit C.

3. TRANSFER AGREEMENT

Subject to the approval of the Public Service Commission, PWW entered into a transfer agreement with District, dated July 19, 2021, wherein the District agreed to assign to PWW its entire water distribution system consisting of all assets, rights, privileges, debts and liabilities of every nature and wheresoever situated. The respective board of each party unanimously approved the action. A true and exact copy of said agreement is attached as Exhibit D, and by reference made a part hereof.

The terms and provisions of the transfer agreement are most beneficial to the customers of District. In particular, by virtue of the transfer agreement, the customers of District will realize the following benefits:

- a. District's customers shall, upon approval, enjoy a substantial rate saving. See Paducah Sun Article, dated August 12, 2021. A true and exact copy of the aforesaid Article is attached hereto as Exhibit E, and by reference made a part hereof. See also paragraphs 8.2 and 8.3 in the Transfer Agreement, marked herein as Exhibit D.

b. The transfer agreement provides for the continued employment and/or severance of all of the District's full time employees.

c. Additionally, the transfer agreement provides that PWW will assume full responsibility, in all respects, of operating and maintaining District's water distribution system. Therefore, the customers of District will be accorded the additional financial and technical strength and equipment over and above that which District could provide.

#### 4. PLAN OF OPERATIONS

Upon approval by the PSC, PWW shall promptly commence operations of District's water distribution system. The following matters shall be completed or substantially completed by the commencement date.

a. Transfer of all District assets to PWW by deeds, bill of sale and other legally required documents.

b. All long-term debt, current and accrued liabilities of District shall either be assumed, refinanced or paid off by PWW according to the terms of the debt instruments.

c. Two full time employees of District shall be offered employment by PWW, under terms and conditions commensurate with PWW employees in a similar job classification. Consultations with the two aforesaid employees have already been conducted and an understanding has been reached by all concerned.

d. A third full time employee will be provided with six months severance.

#### 5. QUALIFICATIONS TO OPERATE DISTRICT

PWW hereby affirms that it is ready, willing and able to provide water services to the customers of District. PWW states that if this joint petition is favorably considered by this Commission, PWW will continue to employ persons experienced in the operations of water works systems, including the two District's employees who will choose to accept employment with PWW, and that the water facilities received from District will be operated according to law and in accordance with recognized and established standards and practices. PWW affirmatively states that it has the, "financial, technical, and managerial abilities to provide reasonable service" as required by KRS 278.020(4). As evidence of its expertise, PWW files herein a letter of accommodation, dated August 5, 2021, sent by the United States Environmental Protection Agency. Said letter is marked Exhibit H and attached hereto and by reference made a part hereof.

The joint applicants state that the transfer of District's water distribution system to PWW is genuinely in the public interest, is reasonably necessary for the public convenience, necessity, health, comfort and well-being of the customers currently served by District, and that PWW can and will operate said facilities as part of its existing system on a sound financial basis.

6. SUPPORTING DOCUMENTS

- a. Approval by the Paducah-McCracken County Judge/Executive pursuant to the provisions of KRS 74.367. See letter of support from McCracken County, Kentucky Judge-Executive, Hon. Craig Clymer, marked Exhibit F and by reference made a part hereof.
- b. Approval by the City of Paducah, Kentucky. See Municipal Order 2489, adopted on August 10, 2021, which is attached hereto as Exhibit G and by reference made a part hereof.

WHEREFORE, the Joint Petitioners pray that the Kentucky Public Service Commission:

- 1. Approve the transfer of the assets and operation of District to PWW in accordance with the terms and conditions set forth in the Transfer Agreement and the rulings of the Kentucky Public Service Commission
- 2. Approve the subsequent legal dissolution of District after finalizing the transfer to PWW; and
- 3. Provide to the Joint Petitioners such other relief as they may appear to be entitled.

DATED: 9-16 2021

PADUCAH WATER WORKS

*W. E. Barker*

CHAIRMAN, W. EDWARD BARKER

ATTORNEY: W. DAVID DENTON  
P.O. BOX 969, PADUCAH, KY. 42002-0969  
PHONE: (270) 450-8253  
wdenton@dentonfirm.com

COMMONWEALTH OF KENTUCKY     )  
COUNTY OF MCCRACKEN         )

The foregoing instrument was sworn and acknowledged before me this 16 day of September, 2021, by Chairman, W. Edward Barker.

My commission expires May 30, 2025

*Charity Vallandigham*  
NOTARY PUBLIC, STATE AT LARGE  
Notary ID # KYNP30348

WEST MCCRACKEN WATER DISTRICT

Benny Heady  
CHAIRMAN, BENNY HEADY

ATTORNEY: STANLEY K. SPEES  
330 NORTH 9<sup>TH</sup> STREET, PADUCAH, KY.42001  
PHONE: (270) 443-8263  
stanspees@gmail.com

COMMONWEALTH OF KENTUCKY )

COUNTY OF MCCRACKEN )

The foregoing instrument was sworn and acknowledged before me this 16 day  
of September, 2021, by Chairman, Benny Heady.

My commission expires May 30, 2025

Charity Vallandingham  
NOTARY PUBLIC, STATE AT LARGE  
Notary ID # KYNP 30348

DISTRIBUTION COPIES WITH EXHIBITS TO:

KENTUCKY DIVISION OF WATER  
300 SOWER BLVD  
FRANKFORT KY 40601  
(502) 564-3410

KENTUCKY RURAL WATER ASSOCIATION  
1151 OLD PORTER PIKE  
BOWLING GREEN KY 42103  
(270) 843-2291

MCCRACKEN COUNTY KY  
300 CLARENCE GAINES ST  
PADUCAH KY 42001  
(270) 444-4732

CITY OF PADUCAH  
300 SOUTH 5<sup>TH</sup> ST  
PADUCAH KY 42003  
(270) 575-0056