

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
*Electronically Filed*

In the Matter of:

ELECTRONIC APPLICATION OF THE	)	
BREATHITT COUNTY WATER DISTRICT FOR	)	
A CERTIFICATE FO PUBLIC CONVENIENCE	)	CASE NO.
AND NECESSITY TO CONSTRUCT A WATER	)	2021-00400
SYSTEM IMPROVEMENTS PROJECT	)	
PURSUANT TO THE PROVISIONS OF K.R.S.	)	
278.0202 AND 807 K.A.R. 5:001	)	

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RESPONSE TO COMMISSION STAFF’S SECOND REQUEST FOR  
INFORMATION TO BREATHITT COUNTY WATER DISTRICT

Comes now the Applicant, Breathitt County Water District, hereinafter “the District”, by and through its Chairman, Bobby Thorpe, Jr., and for its Response to the Public Service Commission’s Second Request for Information, states under oath as follows:

1. Submit Exhibit B and Exhibit C to the grant agreement.

**Response:** Attached please find the requested copy of Exhibits B and C of the grant agreement.

2. According to Breathitt District, the total cost of the proposed project, including but not limited to legal and administration, planning, engineering, construction, plus contingencies is \$508, 593. Breathitt District proposes to finance the

\$508,593.00 project cost through an Appalachian Regional Commission (ARC) grant in the amount of \$750,000.

a. Explain in full detail how the remainder of the \$750,000 ARC Grant will be used.

b. If any amount of the grant is to be used for purposes other than construction, describe each purpose, its approximate cost, and if an amendment to the grant agreement would be necessary to perform the purpose.

**Response:**

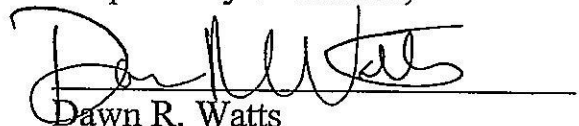
a. \$508,593.00 is the construction amount as bid. The remaining funds are for project costs such as legal fees, administrative fees, planning, and engineering. If there are any remaining funds once these costs are paid, they will be used for tank maintenance and telemetry upgrades.

b. The District does not foresee the need for the grant agreement to be amended.

3. State the approximate date that Breathitt District intends to file for an Alternative Rate Filing as ordered by the Commission in Case No. 2020-00218.

**Response:** The Breathitt District anticipates that it will be able to file for an Alternative Rate Filing on April 29, 2022.

Respectfully Submitted,



Dawn R. Watts

P.O. Box 944

Jackson, Kentucky 41339

Ph: 606-666-7725

Email:

Counsel for Breathitt County

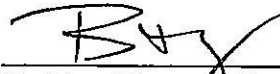
Water District

STATE OF KENTUCKY )

COUNTY OF BREATHITT )

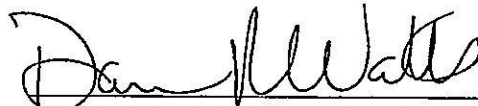
The affiant, Bobby Thorpe, Jr., being first duly sworn, states: that he is the Chairman of the Breathitt County Water District; that he has read the foregoing Responses to the Public Service Commission's Second Request for Information and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information and belief; and that these matters he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 16 day of February, 2022.



Bobby Thorpe, Jr., Chairman  
Breathitt County Water District

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me by Bobby Thorpe, Jr., Chairman of the Breathitt County Water District on this the 16 day of February, 2022.



NOTARY PUBLIC, STATE AT LARGE

My commission expires: 08-26-2024

Notary I.D. # KYNP 13913

**Distribution List:**

DAWN R. WATTS  
NOTARY PUBLIC  
STATE AT LARGE  
KENTUCKY  
NOTARY ID# KYNP13913  
MY COMMISSION EXPIRES AUGUST 26, 2024

**District Officials-**

Bobby Thorpe, Jr., - Chairman

Estill McIntosh - Manager

**Breathitt County Water District**

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**Engineer-**

Paul Nesbitt

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## **EXHIBIT B**

### **DESCRIPTION OF RECIPIENT ACTIVITIES**

Rider to Section 1-B (16). "Recipient Activities" for this Project shall consist of the following:

1. The Recipient agrees to perform activities as stated in the ARC Application and ARC Grant Agreement executed on April 10, 2019 as summarized below:

- a. The Recipient shall design and construct approximately 16,013 linear feet of waterline along War Shoal Road, Old Bailey Hollow, Robinson Fork Road, and Road Fork Road, replace water telemetry equipment at 10 monitoring locations, inspect 19 water tanks, repair one water tank, replace one 6-inch waterline river crossing, and install four generator-accessible connections at four pump stations. The river crossing requires the installation of 600 L.F. of waterline at the KY 3193 bridge near Hounshell Road. The new waterlines will provide water service to 32 households currently without access to public water service, and improve service for 1,836 households and 25 businesses currently served by the water district.
  - b. Change in Scope: to add an additional 18,897 L.F. of waterline to serve an additional 28 households.
  - c. The Recipient will provide the necessary engineering design, surveying, inspection services and start-up services.
2. The Recipient will provide necessary administration of the project by a certified CDBG grant administrator to assure compliance with all applicable state, federal and local statutes. The Recipient shall provide progress reports to DLG semi-annually, which DLG shall submit to ARC.
3. The Recipient will expend no more than \$64,800 ARC funds to cover the planning and administrative costs of the project for a certified CDBG administrator.
4. The Recipient will have the project advertised for bid within six (6) months of the date of the fully executed Implementation/Fiscal Agent Agreement and completed by July 31, 2022. If the Recipient has not started construction within eighteen (18) months of project approval, the Recipient and DLG must provide ARC with a revised construction schedule.
5. The Recipient must provide assurance they will incorporate Davis-Bacon rates into all construction contracts where they are applicable and all state and follow all federal Labor Standards provisions.
6. The Recipient must be currently using or adopt an accounting system that meets the requirements of the Kentucky Uniform System of Accounting.

7. The Recipient will be responsible for determining the objectives of each activity and measuring the outcomes of each activity funded with ARC funds. A final report shall be provided to DLG at project completion.

8. The Recipient ensures compliance with Title I of the Housing and Community Development Act of 1974, Title VI of the Civil Rights Act of 1964, Equal Employment Opportunity, Section 504, Drug Free Workplace requirements, and promoting nondiscrimination. In addition, the applicant ensures compliance with all other State and Federal laws.

9. When applicable: The Recipient must adhere to the Uniform Relocation Act (URA) regulations when acquiring the proposed properties.

**EXHIBIT C**

**PROJECT BUDGET – SUMMARY OF PROPOSED EXPENDITURES**  
Attached (as marked Exhibit C containing one page)

# COST SUMMARY

D.L.G. USE ONLY
Exhibit C
Project # 19A-0

Applicant: Breathitt County

Activity Code	Activity Description	ARC Funds	OTHER FUNDS	TOTAL	SOURCE
1	<b>ACQUISITION</b>				
2	<b>CLEARANCE</b>				
3	<b>RELOCATION</b>				
a	owner				
b	renter				
c	other				
	<b>TOTAL RELOCATION</b>				
4	<b>REHABILITATION</b>				
a	code enforcement				
b	grants				
c	loans				
d	public housing modernization				
e	non-residential-historic preservation				
f	acquisition for rehabilitation				
g	multi-unit residential rehabilitation				
h	rehabilitation administration				
i	other				
	<b>TOTAL REHABILITATION</b>				
5	<b>PUBLIC FACILITIES</b>				
a	parks & recreation facilities				
b	street improvements				
c	water lines				
d	water treatment facilities	717,700	707,500	1,425,200	
e	sewer lines				
f	sewage treatment facilities				
g	flood & drainage facilities				
h	senior centers				
i	centers for the disabled/handicap				
j	child care centers				
k	Other- Legal	5,000	5,000	10,000	
	<b>TOTAL PUBLIC FACILITIES</b>	<b>722,700</b>	<b>712,500</b>	<b>1,435,200</b>	
6	<b>PUBLIC SERVICES</b>				
7	<b>ED ON-SITE DEVELOPMENT</b>				
a	clearing and grading				
b	street improvements				
c	water lines				
d	water treatment facilities				
e	wastewater collection				
7	f wastewater treatment				
g	drainage facilities				
h	other				
	<b>TOTAL ED On-Site Develop.</b>				
8	<b>ED OFF-SITE DEVELOPMENT</b>				
a	clearing and grading				
b	street improvements				
c	water lines				
d	water treatment facilities				
e	wastewater collection				
f	wastewater treatment				
g	drainage facilities				
h	other				
	<b>TOTAL ED Off-Site Develop.</b>				
9	<b>COMMERCIAL/INDUSTRIAL FACILITIES</b>				
a	land acquisition/disposition				
b	building acquisition/construction/rehabilitation				
c	other improvements				
	<b>TOTAL Commercial/Industrial Facilities</b>				
10	<b>Commercial/Industrial Equipment</b>				
11	<b>Inventory/Working Capital</b>				
12	<b>Microenterprise Technical Assistance</b>				
13	<b>Other</b>				
	<b>Subtotal</b>	<b>722,700</b>	<b>712,500</b>	<b>1,435,200</b>	
14	<b>PLANNING</b>				



## COST SUMMARY

DEG USE ONLY
Exhibit C
Project # 19A-0

Applicant: Breathitt County

Activity Code	Activity Description	ARC Funds	OTHER FUNDS	TOTAL	SOURCE
15	ADMINISTRATION	27,300	37500	64,800	
	CONTINGENCIES				
	<b>TOTAL PROJECT COSTS</b>	<b>750,000</b>	<b>750,000</b>	<b>1,500,000</b>	

*Architectural/Engineering Costs must also be shown in a line item above (do not show as "other")*

Architectural/Engineering Design	58,500	47,000	105,500	
Architectural/Engineering Inspection	41,000	41,000	82,000	
Architectural/Engineering Other	20,000	31,000	51,000	
<b>Total Architectural/Engineering</b>	<b>119,500</b>	<b>119,000</b>	<b>238,500</b>	