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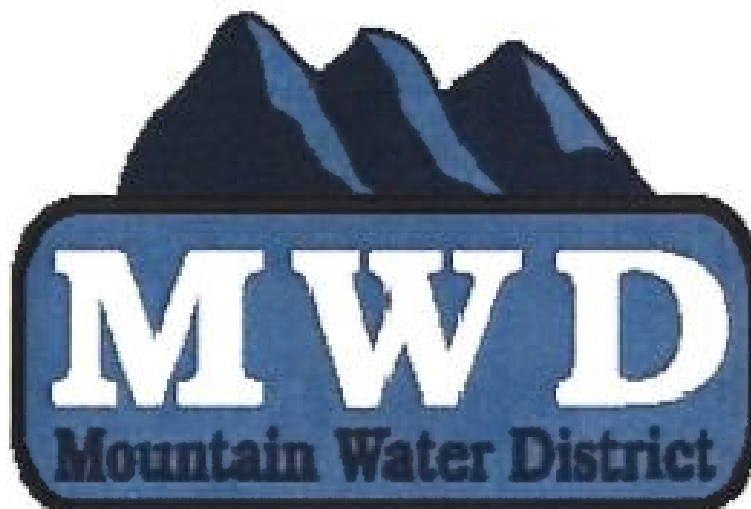
PUBLIC SERVICE
COMMISSION

MOUNTAIN WATER DISTRICT
PIKE COUNTY, KY

PSC SECOND REQUEST FOR
INFORMATION

CASE NO. 2014-00342

Vol. 3 of 3



CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

Q 19 A thru E. Refer to Mountain District's Response to the Staff's First Request, Item 16, and to the Application, Exhibit B, Appendix D, PSC Rate Case Expense.

- a. The invoices provided by Michael R. Spear, CPA lists the total amounts billed of \$17,499, but are not descriptive of the services performed, do not list the time that was billed for each service, nor do they list the hourly billing rate. Provide revised invoices from Mr. Spear that includes the foregoing information.
- b. The invoices provided by Summit Engineering, Inc. ("Summit") lists the total amounts billed of \$10,000, but are not descriptive of the services performed and do not list the time that was billed for each service, or the hourly billing rate. Provide revised invoices from Mr. Spear that includes the foregoing information.
- c. In Appendix D, there is a calculation allocating Mountain District's rate case amortization between its water and sewer divisions; however, the total amortization expense of \$41,500 is included in the pro forma adjustments for the water division. Provide a detailed explanation as to why Mountain District chose not to allocate a share of the rate case amortization to the sewer division.
- d. In Appendix D, Mountain District is proposing to allocate 17 percent of the rate case amortization to the sewer division, while the water division is to report the remaining 83 percent. Provide detailed explanations to support the allocation factors that are being contemplated for use.
- e. Given that it has been approximately seven years since Mountain District last increased its rates, 3 explain why a three-year amortization period for rate case costs is appropriate. KEVIN – MWD EXPECTS TO FILE RATE CASES AT LEAST EVERY THREE YEARS FOR THE FORESEABLE FUTURE

WITNESS: Spears & Howard

RESPONSE:

- A. **SPEARS.** Due to the volume of this data request and the short turnaround time during the initial month of my filing season, I have not had time to go back through my billing to itemize these bills. Going forward I will do so and I will go back through this and forward at a later time.

B. **HOWARD.** The professional services contract with the MWD for the cost of service study was fixed fee. It was not time and materials (i.e. hourly) except for services rendered after initial submittal to PSC. The \$10,000 fixed amount is in agreement with the contract terms.

C. **HOWARD.** There was no effort to allocate to sewer customers as this issue is almost a moot point. With the exception of 292 customers --- all sewer customers are also water customers.

D. **HOWARD.** The 17%/83% split is based entirely on information provided by UMG. The data provided by UMG is reproduced in the cost of service analysis (Exhibit B of filing) as Table 1 of Appendix C.

E. **HOWARD.** MWD appreciates the difficulty in preparing rate cases at highly infrequent intervals. MWD expects to file more frequently (3 to 5 year intervals).

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Q 20

Refer to the Application, Exhibit F, June 30, 2014 Pro forma Financial Statements and Accountants' Report, to Exhibit O-2, Water System Pro forma Adjustments to Historic Test Year, and to Exhibit B-5, Sewer System Pro forma Adjustments to Historic Test Year.

- a. In Case No. 2001-00211,⁴ the Commission made the following finding regarding the use of budgetary adjustments in a historical test-year rate case.

Where an applicant bases its application upon a historical test period, it must provide a "complete description and quantified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment." That support should, at a minimum, include some documentary evidence to demonstrate the certainty of some expected change or event.⁵

Provide a detailed explanation as to how the following adjustments proposed by Mountain District would meet the requirement described in Case No. 2001-00211:

1. Kentucky Power Company submitted its rate case application on December 23, 2014.⁶ Mountain District proposes a 3 percent increase to electric expense to reflect the projected impact of this rate case. The date a Commission decision will be issued on this Kentucky Power Company's request is uncertain.
2. Mountain District entered into a tank painting and repair contract with Southern Corrosion that is currently on hold due to Mountain District's financial constraints. Mountain District states that "the contract is to be continued as soon as the cash flow will allow."

b. Why is the 3 percent Kentucky Power rate increase applied to the contract allowances for electric expense and not the actual electric cost incurred to operate Mountain District in the test year?

WITNESS: Howard

RESPONSE:

- a. 1) The Kentucky Power Company had a rate increase take effect January 1, 2015 and that is documented at the PSC. The lowest rate was 3%, which we used the bare minimum that we could possibly receive. As stated in the answer to (b) below, it is possible to calculate actual rates as stated below. By using the minimum 3%, we felt as though we were taking a conservative approach on the rate filing. There is certainty that 3% will be our lowest rate.

2) **Tank Painting and Repair Contract** is adjusted by \$334, 231, which is the annual payment on the Southern Corrosion contract which is currently on hold due to financial constraints as agreed upon. The contract was put on a temporary hold due to the financial situation of the District. At the time when a new rate is issued, the District needs to resume this contract and finish the vital repairs to the tanks to be able to continue to provide potable water to their customers. This amount is allocated to the Water Department and is measurable by virtue of the existing contract. This contract has already been started and is temporarily on hold via a contract amendment. In lieu of a breach of contract lawsuit concerning the same, Southern Corrosion and Mountain Water agreed to suspend the contract up to eighteen (18) months. See attached Exhibit 20 a(2).

- b. At the time of preparation of the cost of service study the AEP rate increase was anticipated. Now that we have entered calendar 2015 it is possible to compare rates per KWHR (and peak demand) for a more accurate estimate of electrical cost increase.

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Exhibit

Q 20 a(2).

**SECOND AMENDED
WATER TANK MANAGEMENT AGREEMENT**

This Agreement made and entered into, this 13th day of August, 2013, by and between **SOUTHERN CORROSION, INC.**, a North Carolina corporation, having its principal office at 738 Thelma Road, Roanoke Rapids, North Carolina 27870, (hereinafter referred to as "Southern Corrosion"), and the **MOUNTAIN WATER DISTRICT** of Post Office Box 3157, Pikeville, Kentucky 41502 (hereinafter referred to as the "Owners"):

WHEREAS, the parties hereto entered into a Water Tank Management Agreement on the 27th day of July, 2011; and

WHEREAS, this agreement was amended on the ___ day of June, 2012; and

WHEREAS, Owners have incurred cash flow issues as certain severance funds originally budgeted to fund this contract have not materialized due to a decline in coal severance taxes; and

WHEREAS, Owners do not otherwise have sufficient revenue to pay this contract; and

WHEREAS, both parties want to allow Owners sufficient time to secure additional funding sources; and

WHEREAS, the parties hereto wish to further amend the agreement to provide additional time to fund the project.

NOW THEREFORE,

WITNESSETH:

That for an in consideration of the terms and conditions set forth herein, the parties hereto agree as follows:

- 1) The parties hereto adopt the terms of their original agreement as amended, except as herein provided.
- 2) Southern Corrosion agrees to complete all tank servicing projects previously identified to be completed in years one and two of the agreement.
- 3) Southern Corrosion agrees to suspend all work on this project for a period of up to eighteen (18) months so as to allow the Owners to seek alternative funding sources.


4) The Owners agree to notify Southern Corrosion in writing when they have secured funding to pay for part or all of the contract, and are ready to proceed.

5) Within thirty (30) days after written notice by Owners, Southern Corrosion will re-institute work as previously scheduled, unless otherwise amended by the parties.


6) If at the end of eighteen (18) months from the date hereof, the Owners have not notified Southern Corrosion to resume work on the project, then they will pay Southern Corrosion the sum of \$162,989 for cancellation of the contract, unless the parties can otherwise agree to an additional extension.

IN WITNESS WHEREOF the parties have hereto executed this Amendment to their Agreement as Amended in the manner provided by Law, the day and year first above written.

ATTEST:


Assistant Secretary

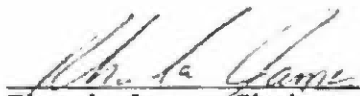
SOUTHERN CORROSION, INC.


James A. Skilton, President

ATTEST:


Secretary

MOUNTAIN WATER DISTRICT


Rhonda James, Chairperson

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Q 21. Refer to the Application, Exhibit 0, the Agreement for Operations, Maintenance and Management Services between Mountain District and UMG dated March 27, 2014, that was effective January 1, 2014.

a) At paragraph 1.6 is the following statement: "This Agreement, including the Appendices, is the entire Agreement between the parties." The copy of the Agreement in Exhibit 0 does not include any Appendices. Provide copies of the referenced Appendices.

WITNESS : Sawyer

RESPONSE : 21(a)

The Appendix was inadvertently left off by both parties when the 2014 Contract was done. By agreement of the parties, they are attaching the 2011 Appendix, with the understanding that if there are any additions or corrections as to the list of assets that have occurred since the prior Appendix was done, that it would be added to the list. The proposed contract amendment, which has been approved in concept by UMG, will be presented to MWD's Board on January 28, 2015. See attached Exhibit 21(a).

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Q. 21(b) At paragraph 2.21, UMG states that it will “provide reasonable business efforts in controlling unaccounted for water loss.” Provide a schedule listing each effort UMG has taken in calendar years 2012 through 2014 to limit Mountain District’s water loss, provide the cost incurred by UMG, and quantify the impact it had on controlling Mountain District’s water loss.

WITNESS: Potter

RESPONSE: UMG maintains a 3 person leak detection crew. Master meters and sub meters throughout the system are read on a routine weekly basis. Those readings are correlated and distributed to management and the leak detection crew. The master meter and sub meter locations all have had customer count/consumption analysis histories performed on them to generate a “base” water usage. Any reading that consistently increases over a weekly period will signal an investigation by the leak detection team. Water storage tank levels, telemetry water storage tank level history and “drop” rate analysis are routinely performed by management, water plant personnel and the leak detection crew. These results are also used to trigger leak detection investigation as are customer complaints and visual observation of issues in the field by UMG personnel. Please see attached the Water Loss Control Program, noted as Exhibit 21(b), that was developed by UMG within six months of the enactment of the UMG contract with MWD in 2005.

WITNESS: Meyer

RESPONSE: Cost / Quantify Impact – With respect to expenditures UMG has made to control water loss, we have a dedicated field crew of three FT employees who perform leak detection duties full time. They routinely utilize two pickup trucks in this process; one of those vehicles is owned by UMG and the other by the District. UMG’s annual recurring cost for leak detection is as follows:

Personnel Expenses:

Annual Salary of Crew Leader:	\$42,122.00
Wage Rates / Leak detection crew (2 men / FT):	
Leak detection service crew member 1: \$12.89/HR	Annual cost: \$26,811.00
Leak detection service crew member 2: \$12.59/HR	Annual cost: <u>\$26,187.00</u>
Total gross wages annually:	\$95,120.00
Fringe Benefits Annually (22%):	\$20,926.00

Vehicle Costs:

Depreciation Expense / UMG owned vehicle:	
2012 Chevy Colorado / (Cost \$25,396.00) Annual Depreciation:	\$5,079.00
Fuel expense for two vehicles:	
Average Monthly fuel expense / 2 vehicles = \$374 X 12 Months:	<u>\$4,488.00</u>
Total Vehicle Cost Annually:	<u>\$9,567.00</u>

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Total recurring annual costs for leak detection crew: \$125,613.00

One Time Expenditures for specialized leak detection equipment:

Note: The recurring annual cost identified above does not include any portion of the salary costs and benefits of the Mountain Water District Project Manager or Assistant Project Manager. Although there is not a standard amount of time per week that they spend on leak detection, we estimate that 15% to 20% of the Assistant Project Manager's time and 5% of the Project Manager's time is spent on coordinating and directing leak detection activities.

Q. 21(c) Provide the monthly system accounted/unaccounted for water loss submitted by UMG to Mountain District for the calendar years 2012 through 2014.

WITNESS: Potter

RESPONSE: See Attached PSC Monthly Water Loss Reports noted as Exhibit 21(c).

Q. 21(d) At paragraph 2.27 UMG agrees to submit "by no later than October 1st of each year, a repair and maintenance budget and capital budget for the next fiscal year." Provide copies of the referenced maintenance and capital budgets for the calendar years 2012 through 2015.

WITNESS: Potter

RESPONSE: See attachment noted as Exhibit 21(d).

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Q. 21(e) At paragraph 2.28, UMG agrees to submit "a monthly accounting to the DISTRICT detailing all repair and maintenance expenditures, including a brief explanation of the work done and why it is necessary." Provide copies of the referenced monthly reports for the calendar year 2012 through 2014.

WITNESS: Potter

RESPONSE: See attachment noted as Exhibit 21(e). Upon mutual agreement between UMG Management at MWD and the District Administrator for Mountain Water District, narrative descriptions accompanying the repair and maintenance monthly reports were waived. The decision was reached to eliminate cumbersome and lengthy administrative reporting as the reports are reviewed by the Board members and the District Administrator in their monthly packets with the understanding that specific inquiries can be made on any item. Upon request, UMG Management, utilizing the utility management software system, can provide documentation and descriptions as needed.

Q. 21(f) At paragraph 3.3, UMG agrees to submit a monthly accounting to Mountain District for the sewer division detailing all expenditures incurred, including a brief description of the work and why it was necessary. Provide copies of the referenced monthly reports for the calendar year 2012 through 2014.

WITNESS: Potter

RESPONSE: See attachment noted as 21(f). Upon mutual agreement between UMG Management at MWD and the District Administrator for Mountain Water District, narrative descriptions accompanying the repair and maintenance monthly reports were waived. The decision was reached to eliminate cumbersome and lengthy administrative reporting as the reports are reviewed by the Board members and the District Administrator in their monthly packets with the understanding that specific inquiries can be made on any item. Upon request, UMG Management, utilizing the utility management software system, can provide documentation and descriptions as needed.

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Q. 21(g) Paragraph 3.4 . For the calendar years 2012 through 2014, provide copies of UMG submittals to Mountain District describing abnormal costs at the sewer division with explanations as to why each cost was deemed abnormal.

WITNESS: Meyer

RESPONSE: For the calendar years 2012 through 2014, UMG did not submit any formal documentation or invoices related to abnormal events that were associated with the sewer system. Although there were several weather related disasters during that period of time and UMG incurred additional costs associated with responding to those emergency situations (employee overtime, use of UMG owned equipment, additional fuel expenses, etc.), UMG was aware of the District's financial circumstances and chose not to submit invoices associated with those abnormal costs to the District.

Q. 21(h) Paragraph 4.5. For the calendar years 2012 through 2014, provide copies of UMG submittals to Mountain District describing abnormal costs at the water division with explanations as to why each cost was deemed abnormal.

WITNESS: Meyer

RESPONSE: For the calendar years 2012 through 2014, UMG did not submit any formal documentation or invoices related to abnormal events that were associated with the water system. Although there were several weather related disasters during that period of time and UMG incurred additional costs associated with responding to those emergency situations (employee overtime, use of UMG owned equipment, additional fuel expenses, etc.), UMG was aware of the District's financial circumstances and chose not to submit invoices associated with those abnormal costs to the District.

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Q. 21(i) At paragraph 4.6, UMG agrees to perform all maintenance and repairs for the water division and to "submit a monthly accounting to the DISTRICT detailing all expenditures incurred, along with a brief explanation of the work done and why it was necessary." Provide copies of the referenced monthly reports for the calendar year 2012 through 2014.

WITNESS: Potter

RESPONSE: Please refer to Response for Q. 21(e).

Q. 21(j) Provide a detailed description of the administrative assistance provided by UMG referenced in paragraph 6.8.

WITNESS: Potter

RESPONSE: Office Managers Tammy Olson and Kevin Lowe assist the District Administrator in the following areas:

- Generate correspondence
- Proof read correspondence generated by the District Administrator
- Prepare items for mailing
- Aid in the resolution of any customer complaints that are outside of the scope of the UMG contract by providing customer information and background information
- Maintain up-to-date project files
- Record keeping
- Compliance/Technical assistance, as needed
- Preparation of monthly board meeting materials
- Recording /Transcription of meeting minutes
- Preparation of all board resolutions for signature
- Maintain Board of Commissioner meeting binders
- Any other requests as directed by District Administrator as needed

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Grondall Potter, Manager, assists the District Administrator in the following areas:

- Review of project plans, site locations, shop drawings, etc.
- Assists in resolution of customer issues
- Generates requested projected cost estimates for line extensions
- Other technical assistance as required

Mountain Water District
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PSC Second Data Request

Q21(k):

RESPONSE: Water / Sewer cost summaries are provided to Mountain Water District on an annual basis only. Copies of those reports are attached as Exhibit Q1(c). An allocation of Mountain Water District's project costs between water and sewer for 2014 has not been prepared at the time this response is being provided.

Witness: Bob Meyer

EXHIBIT

21(a)

**Supplemental Agreement for Operations,
Maintenance and Management Services**

THIS SUPPLEMENTAL AGREEMENT entered into this ____ day of January, 2015, effective the 1st day of January, 2014, by and between:

Mountain Water District, with its principal address at 6332 Zebulon Highway, Post Office Box 3157, Pikeville, Kentucky 41502 (hereinafter "DISTRICT")

AND

UTILITY MANAGEMENT GROUP LLC, with its principal address at 500 Summit Drive, Post Office Box 663, Corbin, Kentucky 40702 (hereinafter "UMG").

WHEREAS, the parties hereto entered into an Agreement for Operations, Maintenance and Management Services on or about March 27, 2014, to be effective January 1, 2014; and

WHEREAS, said Agreement references an Appendix listing various assets and specifications for operation of the DISTRICT; and

WHEREAS, the parties hereto inadvertently failed to attach an Appendix to the Contract; and

WHEREAS, the parties wish to use the Appendix attached to the prior 2011 Contract to the 2014 Contract, as if it had been attached originally.

NOW, THEREFORE WITNESSETH, that for and in consideration of the mutual covenants and agreements herein, the parties hereto agree as follows:

1. The attached Appendix, originally published for the parties 2011 Contract, shall be attached and made a part of the parties 2014 Contract, and will have the same effective date as the 2014 Contract.
2. The parties agree that any assets that have been added to the DISTRICT's inventory, as evidenced by its financial or other business records, will be deemed to have been added to the appropriate inventory list as if fully set out therein.

Both parties indicate their approval of this Supplemental Agreement by their signatures below, and each party warrants that all corporate or governmental action necessary to bind the parties to the terms of this Agreement has been and will be taken.

IN WITNESS WHEREOF, the parties hereto have entered into this Supplement Agreement the day and year first above written.

MOUNTAIN WATER DISTRICT

UTILITY MANAGEMENT GROUP, LLC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX A

DEFINITIONS

- A.1 "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BODs in the ratio of five (5) parts nitrogen, one (1) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BODs.
- A.2 "Annual Fee" means a predetermined, fixed sum for UMGs services. The Annual Fee includes Cost and profit.
- A.3 "Biologically or Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of DISTRICTS NPDES Permit. Biologically toxic substances include, but are not limited to, heavy metals, phenols, cyanides, pesticides and herbicides.
- A.4 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Fifteen Hundred Dollars (\$1,500); or (2) major repairs which [significantly extend equipment or facility service life and] cost more than Fifteen Hundred Dollars (\$1,500) or (3) expenditures that are planned, non-routine and budgeted by DISTRICT.
- A.5 "Cost" means all Direct Cost determined on an accrual basis in accordance with generally accepted accounting principles.
- A.6 "Direct Cost" means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental; legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
- A.7 "Commencement Date" shall mean January 1, 2011.
- A.8 "Maintenance" means those routine and/or repetitive activities required or recommended by the equipment or facility manufactured or by UMG to maximize the service life of the equipment, sewer, vehicles and facilities.
- A.9 "Maintenance or Repair Limit" means the total Maintenance and Repair expenditures that UMG has included in the Annual Fee. Such

expenditures exclude any labor costs for UMGs staff assigned to the Project. UMGs specialized maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermographic and electrical analysis, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.

- A.10 "Project" means all equipment, vehicles, grounds, rights of way, sewers and facilities described in Appendix B and, where appropriate, the management, operations and maintenance of such.
- A.11 "Repairs" mean those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.
- A.12 "Unforeseen Circumstances" shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance; (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction (but excluding in the case of performance by the DISTRICT, any order of the DISTRICT); (iii) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of UMG; and (iv) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

APPENDIX B

DESCRIPTION OF PROJECT

UMG agrees to provide the services necessary for the management, operation and maintenance of the following.

- a. All equipment, vehicles, grounds and facilities now existing within the present property boundaries of or being used to operate the DISTRICT'S Water Treatment Plant located at:

Harless Creek, Pikeville, Kentucky 41501

- b. All equipment, grounds and facilities now existing within the present property boundaries of pumping stations described as follows:

AS ATTACHED - one hundred and seven (107) Pumping Stations (Exhibit "B-1), twenty-seven (27) master meters (Exhibit "B-2), thirty-one (31) pressure regulators, one hundred seven (107) water storage tanks (Exhibit "B-3), three hundred fifty (350) fire hydrants and seven hundred eighty-one (781) miles of water distribution line.

- c. All equipment, vehicles, grounds and facilities now existing within the present property boundaries of or being used to operate the DISTRICT'S wastewater treatment plants and aerators identified in Exhibit "B-4":
- d. Twenty-five sewer lift stations, one hundred (100) (+ or -) miles of force mains or gravity sewer lines in service on the effective date of this Agreement.
- e. All additions to the above that occur in the ordinary course of business.

MOUNTAIN WATER DISTRICT
PUMP STATIONS AND SOLENOID VALVE STATIONS
FEBRUARY 2010

EXHIBIT
B-1

BPS NO.	NAME	AREA	PUMP RATE	SUCTION PRESSURE		DISCHARGE PRESSURE		ELEVATION	CONST. DATE
				Static	Dynamic	Static	Dynamic		
03RC	GRASSY FORK #1	GV	25 GPM	70	80	195	175	885	1990
05JC*	CABIN KNOLL	GV	700 GPM	90	35	225	235	870	1988
07JC*	JOHNS CREEK RAILROAD	GV	500 GPM	115	80	120	160	732	1987
08JC*	DESKINS	GV	350 GPM	80	60	175	190	834	1987
09JC	ELKHORN MOUNTAIN (INACTIVE)	GV	280 GPM	70	62	215	220	1056	1988
10GV	GRAPEVINE SCHOOL (INACTIVE)	GV	200 GPM	70	70	280	125	853	1988
11GV	UPPER CAMP BRANCH (INACTIVE)	GV	200 GPM	42	33	180	190	1176	1988
13JC	STRATTON FORK	BC	28 GPM	80	85	125	125	1065	1988
14JC	MEATHOUSE	BC	28 GPM	65	90	175	125	1059	1988
15JC*	COBURN MOUNTAIN #1 (JERRY BTM)	BC	350 GPM	110	90	121	128	1007	1989
17BC*	LONG FORK OF BIG CREEK	BC	100 GPM	65	80	194	190	792	1989
18PC	ROGERS PARK	BC	25 GPM	50	42	185	180	785	1985
19PC	KY 282 (WILSON LOOP)	PC	180 GPM	62	30	62	72	867	2000
22PC	FOREST HILLS	PC	50 GPM	25	20	190	198	914	1985
23PC*	US 119 - TOLER	PC	400 GPM	55	50	90	90	887	1993
24PC*	SHARONDALE (STONE)	PC	300 GPM	48	42	130	140	720	1985-1993
25PC	RUNYON SCHOOL	PC	100 GPM	64	58	150	155	900	1985
26PC*	HARDY	PC	180 GPM	80	40	175	190	680	1988
27PC*	TURKEY TDE	PC	168 GPM	70	50	140	140	988	1988
288B*	DIALS BRANCH	PC	120 GPM	88	72	180	182	1088	1988
308B	LFT FK OF BLACKBERRY (OLD HOUSE)	PC	35 GPM	146	141	150	153	1008	1988
318B	SMITH FORK OF BLACKBERRY	PC	42 GPM	128	120	219	221	744	1988
328B	PETER FORK	PC	36 GPM	30	26	120	120	962	1988
33BC	PINSON FORK OF ROCKHOUSE	BC	10 GPM	88	85	186	188	857	1990
35CC	KENDRICK FORK	MC	25 GPM	65	60	185	188	877	1987
38CC*	IVY FORK	MC	100 GPM	70	66	170	175	825	1987
38MC	POOR BOTTOM	MC	25 GPM	60	40	192	199	1172	2008
39MC	TWIN BRIDGES (INACTIVE)	MC	73 GPM	38	33	125	130	840	1981
40MC	GRAVEYARD HOLLOW	MC	60 GPM	68	61	105	109	1078	1981
41SV*	FORDS BRANCH (INDIAN HILLS)	MC	600 GPM	100	95	130	170	715	1996
42SV*	SOOKEYS CREEK BPS DR. S.V.	SV	290 GPM	80	50	160	178	681	1991
43RC	GRASSY FORK #2	GV	25 GPM	105	102	180	184	1010	1990
44C*	ISLAND CREEK	SV	400 GPM	75	245	65	248	752	1991
45SV*	CANEY CREEK	SV	250 GPM	68	60	230	233	960	1991
46DC	DORTON HILL	SV	20 GPM	28	25	143	145	1169	1991
47GC*	GREASY CREEK	MC	100 GPM	68	10	185	190	832	1992
48BC	BUCKLEY CREEK	GV	100 GPM	38	35	60	58	1098	1991
49GC	UPPER GREASY CREEK	MC	32 GPM	70	88	170	180	1077	1992
50GC	GILLESPI BRANCH	MC	29 GPM	40	35	128	130	788	1992
52JC*	PHELPS #1	GV	250 GPM	80	78	190	185	889	1993
53JC*	PHELPS #2	GV	250 GPM	60	58	190	210	1283	1993
54JC	LONG FORK OF KIMFER	GV	28 GPM	20	27	140	150	1304	1993
58CP*	COWPEN CREEK	GV	200 GPM	80	37	160	170	892	1993
57CP*	ADKINS BRANCH (COWPEN #2)	GV	100 GPM	62	37	250	280	949	1993
58PC	NARROWS BRANCH	PC	35 GPM	35	24	130	135	712	1992
59PC	MUDLICK BRANCH	PC	30 GPM	64	60	110	115	1070	1992
60PC	PINSON FORK OF POND CREEK	PC	26 GPM	60	54	270	275	901	1992
61PC	COBURN MOUNTAIN #2 (WEST RD)	BC	200 GPM	135	125	245	260	737	1993
62PC	SCANT BRANCH (PECCO HOLLOW)	PC	30 GPM	43	45	140	135	758	1992
63PC	RUNYONS BRANCH	PC	22 GPM	30	25	150	155	1098	1992
64GV	SCOTT FORK (AGUAVAR)	GV	VD 1-15GPM	115	102	80	102	867	2009
65MC	ALLEGHANY	MC	23 GPM	40	38	150	154	1239	1993
66PC	BELFRY HILL	PC	32 GPM	62	58	108	108	750	1993
67SV*	INDIAN CREEK	SV	260 GPM	80	48	235	240	742	1993
68MC	PEYTON CREEK	MC	34 GPM	40	35	128	130	704	1993
68SV	LONG FORK OF SHELBY CREEK	SV	100 GPM	62	40	230	230	968	1994
70LP	SLONES BRANCH	MC	25 GPM	25	20	155	160	825	1992
71PF	SMITH FORK OF PHELPS	GV	70 GPM	145	138	235	240	1150	1995

**MOUNTAIN WATER DISTRICT
PUMP STATIONS AND SOLENOID VALVE STATIONS
FEBRUARY 2010**

BPS NO.	NAME	AREA	PUMP RATE	SUCTION PRESSURE		DISCHARGE PRESSURE		ELEVATION	CONST. DATE
72HC	HURRICANE CREEK (INACTIVE)	SV	100 GPM	100	80	240	248	660	1995
73SV	ELKHORN CREEK	SV	300 GPM	75	48	210	219	1070	1995
74PC	SHARRON HEIGHTS	PC	10 GPM	38	38	165	165	680	1995
76JC	LAYNE BRANCH (AQUAVAR)	GV	10 GPM	40	45	133	130	781	1994
77PC	CANEY FORK OF ROGERS PARK (AQUAVAR)	PC	12 GPM	118	115	170	175	780	1995
78SV	PIGEON BRANCH (PNEUMATIC BPS)	SV	15 GPM	38	38	90	90	1470	1996
79HC	SPRING BRANCH	GV	25 GPM	40	38	120	128	688	1996
80MC	POWELL CREEK	MB	30 GPM	54	50	235	240	850	1998
81PF*	WIDOWS BRANCH	GV	150 GPM	100	80	290	300	960	1998
82PF*	BARRENSHEE HOLLOW	GV	70 GPM	55	46	255	258	889	1998
83IC	EDGEWOOD LANE (INACTIVE)	MC	10 GPM	30	25	85	120	****	1998
84SV	LIZZIE FORK	SV	25 GPM	59	56	205	219	820	1999
85SV	LITTLE ROBINSON CREEK	SV	25 GPM	50	36	170	190	1000	1999
86EC	MILLS BRANCH	SV	25 GPM	66	54	188	191	1280	2000
87PF	BEECH CREEK	GV	25 GPM	50	45	190	200	880	2000
88MC	BIGGS BRANCH	MC	25 GPM	102	97	240	245	760	2000
89GV	FRITCHARD FORK	GV	25 GPM	60	65	190	185	1080	2000
90PC	BALL FORK	PC	25 GPM	74	70	190	200	833	2000
91PF	BONES BRANCH	GV	25 GPM	65	55	153	180	853	2000
92MC	BRUSHY FORK OF HELLIER	MC	35 GPM	60	58	295	280	1340	2001
93MC	CONTRARY HOLLOW	SV	20 GPM	70	67	165	170	1240	2001
94MC	SARAH BRANAHAM HOLLOW	SV	20 GPM	105	100	125	135	1250	2001
95PC	STRAIGHT HOLLOW	PC	25 GPM	70	65	170	175	1120	2001
96GV	TRACE FORK (PNEUMATIC BPS)	GV	10 GPM	28	20	100	125	1088	2000
96PF	UPPER PETER CREEK	GV	25 GPM	62	55	148	165	1060	2002
97MC	ROCKHOUSE, MARROWBONE	MC	118 GPM	55	50	290	298	830	2002
98BC	BRUSHY CREEK	BC	140 GPM	100	85	270	280	1080	2002
99PF	HURRICANE FORK OF KNOX CREEK	GV	25 GPM	65	40	125	130	1010	2002
100MC	WOLFPIT HOLLOW	MC	25 GPM	60	50	240	260	885	2002
101SV	KELLY MOUNTAIN ROAD	SV	30 GPM	35	30	187	195	1300	2002
102SV	SUGAR CAMP BRANCH	SV	25 GPM	38	36	158	160	1080	2002
103MC	BOWLING FORK ROAD	MC	40 GPM	64	48	157	160	970	2002
104PF	CAMP CREEK	PC	35 GPM	60	40	185	170	1105	2003
105FC*	HUNTS BRANCH	GV	300 GPM	25	38	225	170	1130	2003
106FC*	ANDERSON BRANCH	GV	300 GPM	70	84	250	275	940	2003
107MC	SUTTON	BC	500 GPM	130	40	172	172	713	2004
110FC*	FERRELLS CREEK	FC	500 GPM	81	61	220	245	1010	2002
111FC*	FEDS CREEK	FC	70 GPM	65	60	298	305	962	2003
112FC*	MOTLEY FORK	FC	70 GPM	50	43	208	212	1063	2004
113SV	BEEFHIDE	SV	60 GPM	65	80	188	192	1100	2005
114SV	BOOKER FORK	SV	60 GPM	80	64	278	285	905	2005
115SV	ELSWICK FORK - LICK CREEK	MB	40 GPM	47	20	82	80	1034	2005
116SV	LITTLE CREEK	SV	50 GPM	110	80	205	210	936	2005
117SV	LITTLE FORK	SV	45 GPM	40	140	127	130	885	2005
118PC	STRINGTOWN BURNWELL	PC	62 GPM	81	60	135	160	880	2008
119GV	JOES CREEK	GV	70 GPM	90	83	178	180	870	2008
120GV	DRY BRANCH	GV	60 GPM	120	85	190	200	780	2006
121SV	ELSWICK FORK JONANCY	SV	38 GPM	27	21	131	137	880	2006
122PF	ABBY BRANCH (AQUAVAR)	PF	30 GPM	70	69	130	130	1020	2005
123PF	ABES BRANCH (AQUAVAR)	PF	VD 1-15GPM	110	100	130	135	1062	2005
124GV	ABSHIRE HOLLOW	GV	VD 1-15GPM	40	38	105	93	1500	2005
125MC	BRANHAM HEIGHTS	MC	30 GPM	100	99	100	106	690	2004
126PC	BROADHEAD (AQUAVAR)	PC	30 GPM	25	-	100	-	794	2008
127GV	CALAHAN BRANCH	GV	53 GPM	65	60	350	370	853	2008
128PC	FALLS BRANCH (AQUAVAR)	PC	30 GPM	43	41	90	90	670	2005
129PF	GRASSY FORK OF PETER CREEK	PF	18 GPM	18	17	118	119	922	2003
130FC	NIGH BRIDGE	FC	450 GPM	130	130	215	220	794	2006
131MC	SCHOOL HOUSE HILL (INACTIVE)	MC	30 GPM	-	-	-	-	-	2004
132SV	SUNNY FORK (AQUAVAR)	SV	30 GPM	65	62	110	121	1345	2008

**MOUNTAIN WATER DISTRICT
PUMP STATIONS AND SOLENOID VALVE STATIONS
FEBRUARY 2010**

BPS NO.	NAME	AREA	PUMP RATE	SUCTION PRESSURE		DISCHARGE PRESSURE		ELEVATION	CONST. DATE
133MC	LOWER POMPEY	MC	158.5 GPM	92	60	300	350	805	2005
134MC	DRY FORK OF MARROWBONE (AQUAVAR)	MC	53 GPM	48		135		850	2007
135MC	HONEY FORK (AQUAVAR)	MC	30 GPM	86	86	105	105	1006	2007
136SV	JENKINS (INACTIVE)	SV	62 GPM					1395	2007
137PC	DIX FORK (PNEUMATIC)	PC		42	60	60	115	1030	2007
138GV	HURRICANE OF KIMPER (AQUAVAR)	GV	30 GPM	45	40	155	151	944	2008
139MB	JIMMIES CREEK	MB	30 GPM	90	85	115	115	746	2007
140SV	DORTON CREEK (AQUAVAR)	SV	30 GPM	60		90		1247	2008
141PC	GRANTS BRANCH (AQUAVAR)	PC	20 GPM	55		140		1036	2008
142GV	LOWER CAMP	GV	18 GPM	41	45	105	106	870	2008
143GV	SMITH FORK	GV	30 GPM	115	72	110	100	664	2007
144SV	GW NEWSOME	SV	27 GPM	50	50	90	90	800	2008
145 SV	DEADENING FORK OF LITTLE CREEK	SV	30 GPM	80	80	100	100	807	2008
148PC	WATSON HILL	PC	30.38 GPM	89	60	85	103	585	2010
147PC	DRINOCO HOLLOW	PC	30.38 GPM	88	60	90	94	578	2010
148SV	ADAMS BRANCH	SV	40 GPM	80	90	70	105	825	2010
149SV	KETTLE CAMP	SV	30 GPM	100	250	90	265	811	2010
TOTAL	134								

SOLENOID VALVE STATIONS

55SV*	US 23 SOLENOID VALVE	SV	----	205	175	185	185	604	1993
20 PC*	WILLIAMSON WTP	PC	1100 GPM	-----	-----				1985
37MC	RUSSELL FORK WTP	MC	1547 GPM	-----	-----	205	225	703	1971

* DENOTES TELEMETRY CONTROLS

INFORMATION BEING GATHERED, WILL BE PASSED ON TO SEMS WHEN COMPLETED.

**MOUNTAIN WATER DISTRICT
MASTER METER STATIONS
AS OF DECEMBER 2007**

**EXHIBIT
B-2**

	MMS NO.	NAME / LOCATION	METER SIZE	METER TYPE	CONST. DATE
1	M-01JC	TOWN MOUNTAIN	6 INCH	COMPOUND	1987
2	M-02JC	META	6 INCH	TURBO	1987
3	M-03BC	BIG CREEK	6 INCH	TURBO	1987
4	M-04CC	CHLOE CREEK	6 INCH	COMPOUND	1980
5	M-05SV	INDIAN HILLS	4 INCH	TURBO	1998
6	M-06IC	ISLAND CREEK	4 INCH	TURBO	1992
7	M-07IC	RACCOON BRANCH	4 INCH	TURBO	1993
8	M-08IC	HOOPWOOD HOLLOW	2 INCH	COMPOUND	1998
9	M-09SX	SOOKEY CREEK #1	4 INCH	TURBO	1992
10	M-10SV*	SOOKEY CREEK #2	6 INCH	TURBO	1993
11	M-11EC	ELKHORN CREEK	4 INCH	TURBO	1897
12	M-12CP	COWPEN	4 INCH	TURBO	1993
13	M-13HC	HURRICANE CREEK (OUT OF ORDER)	4 INCH	TURBO	1992
14	M-14MC	MARROWBONE WTP (OUT OF ORDER)	10 INCH	TURBO	1972
15	M-15MC	MILLARD	6 INCH	TURBO	1992
16	M-16PC	WILLIAMSON #1	10 INCH	TURBO	1984
17	M-17PC	WILLIAMSON #2	6 INCH	COMPOUND	1978
18	M-18IC	MODERN MOBILE HOME PARK	2 INCH	COMPOUND	1879?
19	M-18MC	GREASY CREEK	6 INCH	TURBO	1992
20	M-19MC	FERRELLS CREEK	4 INCH	COMPOUND	2001
21	M-20JC	BRUSHY CREEK	4 INCH	COMPOUND	2003
22	M-21HC	CEDAR GAP	4 INCH	COMPOUND	2005
23	M-22MC	ELKHORN CONNECTOR	6 INCH	COMPOUND	2005
24	M-23JC	LOWER JOHNS CREEK	6 INCH	COMPOUND	2006
25	M-24MC	RUSSELL FORK WTP	12 INCH	COMPOUND	2003
26	M-25JC	MILLER'S CREEK	4 INCH	COMPOUND	2006
27	M-26JC	LEFT JOE'S CREEK	2 INCH	TURBO	2006

* Denotes Telemetry Controls

**MOUNTAIN WATER DISTRICT
WATER STORAGE TANKS
AS OF JANUARY 2010**



TANK ID NO.	NAME	GPF	CAPACITY	HEIGHT	OVERFLOW ELEVATION	CONSTRUCTION DATE
01FC	TOWN MOUNTAIN	15625	500,000	32 FT	1189	1987
03RC	GRASSY FORK #1	2500	25,000	10 FT	1289	1990
05JC	CABIN KNOLL	4167	100,000	24 FT	923	1988
06JC	BENT MOUNTAIN	6250	200,000	32 FT	1390	1995
07JC	LAWSON BRANCH	6250	200,000	32 FT	1012	1987
08JC	ELKHORN FORK (KIMPER)	6250	200,000	32 FT	1220	1987
09JC	RIDGELINE ROAD	4167	100,000	24 FT	1553	1988
10GV	GRAPEVINE SCHOOL	3125	100,000	32 FT	1264	1988
11GV	HUNT KNOB	6250	200,000	32 FT	1532	1988
12BC	CANADA	6250	200,000	32 FT	1163	1999
14JC	MEATHOUSE FORK	2500	25,000	10 FT	1348	1988
15JC	COBURN MOUNTAIN	6250	200,000	32 FT	1303	1989
168C	SAND LICK	4167	100,000	24 FT	1095	1989
17BB	LONG FORK OF BIG CREEK	2273	50,000	22 FT	1231	1989
18PC	ROGERS PARK	2000	20,000	10 FT	1167	2000
18PC	KY 282 TANK	6250	200,000	32 FT	817	1985
20PC	SOUTHSIDE MALL #1	6250	200,000	32 FT	845	1985
21FC	SOUTHSIDE MALL #2	4167	100,000	24 FT	983	1985
22PC	FOREST HILLS	1200	20,000	10 FT	1371	1985
23PC	SHARRONDALE	4167	100,000	24 FT	895	1985
24PC	STONE	4167	100,000	24 FT	1032	1985
25PC	McVEIGH (HOMEMADE HOLLOW 1)	3188	78,500	24 FT	1257	2007
26PC	HARDY PARK	4167	100,000	24 FT	1119	1988
27BB	BLACKBERRY MOUNTAIN	6250	200,000	32 FT	1312	1988
28BB	BLACKBERRY SCHOOL	4167	100,000	24 FT	1515	1988
30BB	LEFT FORK OF BLACKBERRY	2500	25,000	10 FT	1355	1988
31BB	SMITH FORK OF BLACKBERRY	2500	25,000	10 FT	1250	1988
32BB	PETER FORK OF BLACKBERRY	1000	10,000	10 FT	1240	1988
338C	PINSON FORK OF ROCK-HOUSE	500	5,000	10 FT	1285	1990
35CC	KENDRICK FORK	2500	25,000	10 FT	1305	1987
36CC	IVY FORK	2273	50,000	22 FT	1230	1987
38MC	POORBOTTOM	2000	20,000	10 FT	1584	1985
40MC	GRAVEYARD HOLLOW	6250	100,000	24 FT	1330	1971
41SV	SHELBIANA	6250	200,000	32 FT	1020	1987
42SV	DOUGLAS PARK	15000	300,000	20 FT	1092	1985
43RC	GRASSY FORK #2	500	5,000	10 FT	1444	1990
44IC	ISLAND CREEK	8375	300,000	32 FT	1325	1991
45SV	DORTON #1	4167	100,000	24 FT	1491	1991
46DC	DORTON #2	500	5,000	10 FT	1500	1991
47GC	GREASY CREEK	4167	100,000	24 FT	1260	1992
48BC	BUCKLEY CREEK	3571	100,000	28 FT	1232	1991
49GC	UPPER GREASY CREEK	2500	25,000	10 FT	1470	1992
50GC	GILLESPI BRANCH	625	5,000	8 FT	1060	1992
51LP	LOWER POMPEY	4167	100,000	24 FT	1630	2006
52JC	UPPER JOHNS CREEK #1	6250	200,000	32 FT	1385	1993
53JC	UPPER JOHNS CREEK #2	4167	200,000	48 FT	1722	1993
54JC	LONG FORK OF JOHNS CREEK	2500	25,000	10 FT	1650	1993
55SV	ROBINSON CREEK	6250	200,000	38 FT	1117	1993
56CP	COWPEN CREEK	4167	100,000	24 FT	1085	1993
57CP	PIKE COUNTY AIRPORT	588	60,000	85 FT	1550	1993
58PC	NARROWS BRANCH	2500	25,000	10 FT	1024	1992
59PC	MUDLICK BRANCH	625	5,000	8 FT	1325	1992
60PC	PINSON FORK OF POND CREEK	2500	25,000	10 FT	1525	1992
62PC	SCANT BRANCH	1500	15,000	10 FT	1070	1992
63PC	RUNYONS BRANCH	625	5,000	8 FT	1445	1992
65MC	ALLEGHANY	1000	10,000	10 FT	1585	1993
66PC	BELFRY HILL	1260	10,000	8 FT	1000	1993
67SV	INDIAN CREEK	4167	100,000	24 FT	1285	1993
68MC	PEYTON CREEK	1250	10,000	8 FT	1000	1993

**MOUNTAIN WATER DISTRICT
WATER STORAGE TANKS
AS OF JANUARY 2010**

TANK ID NO.	NAME	GFF	CAPACITY	HEIGHT	OVERFLOW ELEVATION	CONSTRUCTION DATE
69SV	LONG FORK OF SHELBY CREEK	2500	2 * 25,000	10 FT	1500	1984
70LP	SLONES BRANCH	625	5,000	8 FT	884	1992
71GC	SMITH FORK	2000	2 * 20,000	10 FT	1620	1995
72HC	HURRICANE CREEK	4167	100,000	24 FT	1200	1995
73SV	ELKHORN CREEK	6250	200,000	32 FT	1530	1995
74PC	SHARRON HEIGHTS	250	3,000	8 FT	1100	1995
76JC	LANE BRANCH	250	1,500	6 FT	1070	1994
77PC	CANEY FORK	250	1,500	6 FT	1150	1995
78HC	SPRING BRANCH	250	1,500	6 FT	923	1998
80MC	POWELL CREEK	2000	20,000	10 FT	1320	1998
81PF	WIDOWS BRANCH	1639	100,000	61 FT	1579	1998
82PF	BARRENSHEE HOLLOW	2500	25,000	10 FT	1490	1998
37MC	WOLFPIT	7813	250,000	32 FT	1020	1971
84SV	LIZZIE FORK	1250	10,000	8 FT	1380	1999
85SV	LITTLE ROBINSON CREEK	2900	20,000	10 FT	1500	1999
86EC	MILLS BRANCH	825	5,000	8 FT	1720	2000
87PF	BEECH CREEK	1250	10,000	8 FT	1425	2000
88MC	BIGGS BRANCH	1250	10,000	8 FT	1240	2000
89GV	PRITCHARD FORK	625	5,000	8 FT	1440	2000
90PC	BALL FORK	2000	20,000	10 FT	1300	2000
91PF	BONES BRANCH	625	5,000	8 FT	1203	2000
92MC	BRUSHY FORK OF ALLEGHENY	625	5,000	8 FT	1730	2001
93SV	CONTRARY HOLLOW	375	3,000	8 FT	1680	2001
94SV	SARAH BRANHAM HOLLOW	375	3,000	8 FT	1520	2001
95PC	STRAIGHT HOLLOW	250	2,000	8 FT	1470	2001
96PF	UPPER PETER CREEK	5000	30,000	10 FT	1348	2002
97MC	ROCKHOUSE, MARROWBONE	4167	100,000	24 FT	1445	2002
988C	BRUSHY CREEK	2083	100,000	48 FT	1716	2002
99DF	HURRICANE FORK OF KNOX CREEK	1000	10,000	10 FT	1290	2002
100MC	WOLFPIT HOLLOW	1000	10,000	10 FT	1450	2002
101SV	KELLY MOUNTAIN ROAD	1000	10,000	10 FT	1650	2002
102SV	SUGAR CAMP ROAD	1000	10,000	10 FT	1380	2002
103MC	BOWLING FORK ROAD	2000	20,000	10 FT	1480	2002
104PF	CAMP CREEK	1000	10,000	10 FT	1280	2003
37MC	ROAD CREEK	20833	1,000,000	48 FT	1140	2002
110FC	FERRIS CREEK	7894	300,000	38 FT	1408	2003
111FC	FEDS CREEK	5000	50,000	10 FT	1618	2004
112FC	MOTLEY FORK	2000	20,000	10 FT	1545	2004
113SV	BEEFHIDE	3000	30,000	10 FT	1380	2005
114SV	BOOKER FORK	2000	20,000	10 FT	1470	2005
115SV	ELSWICK FORK LICK BRANCH	2000	20,000	10 FT	1290	2004
116SV	LITTLE CREEK	2000	20,000	10 FT	1415	2008
117SV	LITTLE FORK	2000	20,000	10 FT	1335	2005
118PC	STRINGTOWN BURNWELL	2500	25,000	10 FT	980	2008
119GV	JOES CREEK	2000	20,000	10 FT	1255	2006
120GV	DRY BRANCH JOHNS CREEK	2000	20,000	10 FT	1202	2008
121SV	ELSWICK FORK JONANCY	2000	20,000	10 FT	1230	2008
122MB	JIMMIES CREEK	630	5,000	8 FT	1240	2007
	TOTAL		8,662,000			

Location	KY PDES#	Permit Issued	Permit Expires	Capacity	BOD	TSS
WWTPS						
Bellry Courthouse	KY0072591	1/1/2007	12/31/2011	5000	30/45 mg/l	30/45 mg/l
Oranham Heights	KY0096580	1/1/2007	12/31/2011	10000	30/45 mg/l	30/45 mg/l
Daniel's Creek (T & N MHIF)	KY0076511	2/1/2007	1/31/2012	3000	30/45 mg/l	30/45 mg/l
Dorton Park	KY0184841	1/1/2007	12/31/2011	1500	30/45 mg/l	30/45 mg/l
Douglas Industrial	KY0042811	1/1/2007	6/30/2012	200000	15/22.5 mg/l	30/45 mg/l
Hardy Park (Blackberry)	KY0072672	1/1/2007	12/31/2011	10000	30/45 mg/l	30/45 mg/l
Johns Creek DC	KY0098621	11/23/2009	12/31/2014	1000	30/45 mg/l	30/45 mg/l
Johns Creek Five	KY0183365	2/1/2007	1/31/2012	500	30/45 mg/l	30/45 mg/l
Keene Village	KY0099384	4/1/2007	3/31/2012	10000	20/30 mg/l	30/45 mg/l
Maple Valley Subd.	KY0098153	12/1/2007	11/30/2012	2800	30/45 mg/l	30/45 mg/l
Modern MHF	KY0096857	2/1/2007	1/31/2012	6000	10/15 mg/l	30/45 mg/l
Phelps/Fritchburn	KY0104442	8/1/2007	7/31/2011	250000	30/45 mg/l	30/45 mg/l
Shelbiana MHF	KY0099805	2/1/2007	1/31/2012	9000	30/45 mg/l	30/45 mg/l
Stone Heights	KY0079343	1/1/2007	1/31/2012	10000	30/45 mg/l	30/45 mg/l
Wallow Place	KY0082708	5/1/2007	4/30/2012	6000	10/15 mg/l	30/45 mg/l
AETIATORS						
Prestz, Virginia 114 Bevins Ln	KYG400000/KYG402114	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Senk, Clarence 687 N. Big Crk Rd	KYG400000/KYG402102	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Taylor, Wendell 1275 N. Big Crk Rd	KYG400000/KYG402116	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Young, Willie Marie 3158 N. Big Crk Rd	KYG400000/KYG402103	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Reed, Roger Jr 3171 N. Big Crk Rd	KYG400000/KYG402101	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Reed, Roger Jr 3175 N. Big Crk Rd	KYG400000/KYG402115	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Bailey, Jody 5968 N. Big Crk Rd	KYG400000/KYG402106	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Smith, David 11347 N. Big Crk Rd	KYG400000/KYG402109	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
Smith, Jerry 841 N. Big Crk Rd	KYG400000/KYG402128	1/1/2008	12/31/2012	1000	10/15 mg/l	30/45 mg/l
WTF WITHDRAWAL PERMIT					CHLORINE - 10 DAY	
Hersell Fork WTP	KYG640159	2004	In Review w/ DOW	3 MGD	ADR	TSS 30/50 mg/l

EXHIBIT
 B-4

APPENDIX C-1

NPDES PERMIT AND PROJECT CHARACTERISTICS

- C.1.1 UMG will operate so that effluent will meet the requirement of each NPDES permit as listed on Exhibit "B-4" and any additions thereto that occur in the ordinary course of business.

These are adopted by reference herein as of the date hereof UMG shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs: (1) the project influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances which cannot be removed by the existing process and facilities; (2) dischargers into DISTRICT'S sewer system violate any or all regulations as stated in DISTRICT'S Industrial Water and Sewer Ordinance(s) or as required by law; (3) the flow or influent BODs and/or suspended solids exceeds the Project design parameters which are identified (FIGURE 1) thousand gallons of flow per day, (FIGURE 1) pounds of BODs per day, (FIGURE 1) pounds of suspended solids and a daily peaking factor of (FIGURE 1) times flow; (4) if the Project is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond UMGs control.

- C.1.2 In the event any one of the Project influent characteristics, suspended solids, BOD or flow, exceeds the design parameters stated above, UMG shall return the plant effluent to the characteristics required by NPDES in accordance with the following schedule after Project influent characteristics return to within design parameters.

10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then UMG will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.

- C.1.3 UMG shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances or is inoperable, and the subsequent recovery period.

APPENDIX C-2

PROJECT CHARACTERISTICS

C.2.1 The Project has the following design characteristics:

A capacity of 2.0 MGD of finished water production with an ability for chemical additions, flocculation, sedimentation and filtration based on 2 gallons per minute per square foot of filter area. The Project has the capability for post treatment by chlorination and fluoridation.

C.2.2 UMG will operate the Project so that water treated will meet the current Municipal Drinking Water Standards. UMGs Annual Fee includes all costs for treating an average daily flow of 2.0 MGD of raw water per day to the standards specified below.

Turbidity	0.3 NTU
Iron	<0.3 mg/L
Manganese	<0.05 mg/L
Fluoride	0.8 average mg/L
pH Color	>7.0
Corrosivity	<15 color units
Odor E.	Non-corrosive
Coli	<3.0 TON Negative

C.2.3 If any of the following contaminants in the raw water causes the finished water to exceed the maximum Contaminant Levels (MCL) established for finished water quality, UMG will treat the raw water to reduce said contaminant to an acceptable MCL. The cost of any specific treatment will be in addition to the Annual Fee for the treatment required by this Article C.2.3.

Radionuclides

Radium	5.0 Pci/L
--------	-----------

Gross Alpha	15.0 Pci/L
-------------	------------

Organic Chemicals

<u>Contaminant</u>	<u>MCL Cmg/U</u>
Alachlor	0.002
Aldicarb	0.003
Aldicarb Sulfone	0.002
Aldicarb Sulfoxide	0.004
Atrazine	0.003
Benzene	0.005
Carbofuran	0.04
Carbon Tetrachloride	0.005
Chlordane	0.002
2,4-D	0.07
Dibromochloropropane (DBCP)	0.0002
Dibromochloropropane (DBCP)	0.6
p-Dichlorobenzene	0.075
1,2-Dichloroethane	0.005
1,1 -Dichloroethylene	0.007
cis-1,2-Dichloroethylene	0.07
trans-1,2-Dichloroethylene	0.1
1,2-Dichloropropane	0.005
Endrin	0.002
Ethylbenzene	0.7
Thylene Dibromide (EDB)	0.00005
Thylene Dibromide (EDB)	0.0004
Heptachlor Epoxide	0.0002
Lindane	0.0002
Methoxychlor	0.04
Monochlorobenzene	0.1
Pentachlorophenol	0.001
Polychlorinated Biphenyls (PCB)	0.0005
Styrene	0.1
Tetrachloroethylene	0.005
Toluene	1
Toxaphene	0.003
2,4,5-TP (Silvex)	0.05
1,1,1 -Trichloroethane	0.02
Trichloroethylene	0.005
Total Trihalomethanes	0.1
Vinyl Chloride	0.002
Xylenes (Total)	10

Inorganic Chemicals

<u>Contaminant</u>	<u>MCL</u>
Arsenic	0.05
Asbestos	7 (million fibers/L)
Barium	2
Cadmium	0.005
Chromium	0.1
Fluoride	4
Mercury	0.002 10 (as
Nitrate	nitrogen)
Nitrite	1 (as nitrogen)
Total Nitrate Nitrite	10
Selenium	0.05
Chloride	300
Copper	1.0
Fluoride	2.0
Silver	0.10
Sulfate	300 1,000
Total Dissolved Solids (TDS)	5
Zinc	

C.2.4 UMG will provide laboratory services for monitoring only the following contaminants on an as-requested basis. These contaminants do not have an established MCL.

Aldrin	Hexachlorobenzene
Benzo(a)pyrene	Hexachlorocyclopentadiene
Butachlor	3-Hydroxycarbofuran
Carbayl	Methomyl
Dalapon	Metolachlor
Di(2-ethylhexy) adipate	Metribuzin
Di(2-ethylhexyl)phthalate	Oxyamyl (vydate)
Didamba	Pictoram
Dichloromethane Dieldrin	Propachlor
Dinoseb	Simazine
Diquat	2,3,7,8-TCDD (Dioxin)
Entodhal	1,2,4-Trichlorobenzene
Glyphosate	1,1,2-Trichloroethane

APPENDIX C-3

WASTEWATER COLLECTION SYSTEM

SCOPE OF SERVICES

The wastewater collection system consists of all lift stations, manholes and pipe in service as of effective day of this Agreement and those added to the system in the ordinary course of business. UMG's responsibility with the wastewater collection system shall be to respond to notification of clogged or blocked DISTRICT owned wastewater/sewer lines in place as of the effective date of this Agreement, and to make all reasonable and diligent efforts to remove debris or other material causing blockages. UMG shall respond to notices of blockage by the next working day of receiving notice. The DISTRICT shall remain responsible for replacing sewer and wastewater lines and for any damage or loss to property or injury, including death or disease of any person arising from failure or from the operation or repair of the wastewater collection system, and the DISTRICT, or its underwriters, shall retain responsibility to administer, adjust and respond to any claims arising as a result thereof.

UMG will notify the DISTRICT promptly when UMG becomes aware of the potential requirement of repair or replacement of any wastewater collection system components and assist the DISTRICT in locating such areas. UMG repair and maintenance of the wastewater collection system components shall be treated as Maintenance and Repair incurred pursuant to this Agreement.

APPENDIX C-4
DRINKING WATER DISTRIBUTION SYSTEM
SCOPE OF SERVICES

The water distribution system consists of all waterlines, meters, hydrants, master meters and valves in service as of the effective date of this Agreement and pump stations and water storage tanks identified in Figure 2, Figure 3, Figure 4, and those added to the system in the ordinary course of business.

Figure 2

MMS	Location	Meter Size
M-01JC	Town Mountain	6 inch
M-02JC	Meta	6 inch
M-03BC	Big Creek	6 inch
M-04CC	Chloe Creek	6 inch
M-05SV	Indian Hills	4 inch
M-06IC	Island Creek	4 inch
M-07IC	Raccoon Branch	4 inch
M-08IC	Hoopwood Hollow	2 inch
M-09SX	Sookey Creek #1	4 inch
M-10SV	Sookey Creek #2	6 inch
M-11EC	Elkhorn Creek	4 inch
M-12CP	Cowpen	4 inch
M-13HC	Hurricane Creek	4 inch
M-14MC	Marrowbone WTP	10 inch
M-15MC	Millard	6 inch
M-16PC	Williamson #1	10 inch
M-17PC	Williamson #2	6 inch
M-18IC	Modern Mobile Home Park	2 inch

MMS	Location	Meter Size
M-19MC	Ferrells Creek	4 inch
M-20JC	Brushy Creek	4 inch
M-21HC	Cedar Gap	4 inch
M-22MC	Elkhorn Connector	6 inch

Figure 3

01FC	Ferguson Creek	02RC	Taylor Fork
03RC	Grassy Fork #1	05JC	Cabin Knoll
07JC	Johns Creek RR	08JC	Deskens
09JC	Elkhorn MT	10GV	Grapevine School
11GV	Upper Camp Branch	13JC	Stratton Fork
14JC	Meathouse	15JC	Coburn Mt #1
17BC	Long Fork, Big Creek	18PC	Rogers Park
20PC	Williamson Mall	21PC	Southside Mall
22PC	Forest Hills	23PC	US 119, Toler
24PC	Sharondale	25PC	Runyon School
26PC	Hardy	27PC	Turkey Toe
28BB	Dials Branch	29BB	Blue Springs
30BB	Left Fork of Blackberry	31BB	Smith Fork
32BB	Peter Fork	33BC	Pinson Fork
35CC	Kendrick Fork	36CC	Ivy Fork
37MC	Marrowbone Pl.	38MC	Poor Bottom
39MC	Twin Bridges	40MC	Graveyard Hollow

41SV	Fords Branch	42SV	Sookeys Creek
43RC	Grassy Fork #2	44IC	Island Creek
45SV	Caney Creek	46DC	Dorton Creek
47GC	Greasy Creek	48BC	Buckley Creek
49GC	Greasy Creek	50GC	Gillespi Branch
51LP	Lower Pompey	52JC	Johns Creek #1
53JC	Johns Creek #2	54JC	Long Fork Johns Creek
55SV	US 23 Solenoid	56CP	Cowpen Creek
57CP	Adkins Branch	58PC	Narrows Branch
59PC	Mudlick Branch	60PC	Pinson Fork Pond Creek
61PC	Coburn Mountain	62PC	Scant Branch
63PC	Runyon Branch	64JC	Scott Fork
65MC	Alleghany	66PC	Belfry Hill
67SV	Indian Creek	68MC	Peyton Creek
69SV	Long Fork Shelby Creek	70LP	Slones Branch
71PT	Smith Fork	72HC	Hurricane Creek
73SV	Elkhorn Creek	74PC	Sharon Heights
75PC	Allison Heights	76JC	Layne Branch
77PC	Caney Fork	78SV	Pigeon Branch
79HC	Spring Branch	80MC	Powell Creek
81PF	Widows Branch	82PF	Barrenshee
83IC	Edgewood Lane	84SV	Lizzie Fork
85SV	Little Robinson Creek	86EC	Mills Branch
87PF	Beech Creek	88MC	Biggs Branch
96GV	Trace Fork	19PC	KY 292
89GV	Fritchard Fork	90PC	Ball Fork

91 PF	Bones Branch	93MC	Contrary Hollow
94MC	Sarah Branham	95PC	Straight Hollow
92MC	Brushy Fork, Hellier	96PF	Upper Peter Creek
97MC	Rockhouse	98BC	Brushy Creek
99PF	Hurricane Fork	100MC	Wolfpit Hollow
101SV	Kelly Mountain Road	102SV	Sugar Branch
103MC	Bowling Fork	104PF	Camp Creek
105	Hunt Branch	106	Anderson Branch
107	Sutton Bottom	108	Hatfield
109	Upper Pompey	110	Abner Fork
111	Feds Creek		

Figure 4

01FC	Town Mountain
03RC	Grassy Fork #1
05JC	Cabin Knoll
06JC	Bent Mountain
07JC	Lawson Branch
08JC	Elkhorn Fork
09JC	Ridgeline Road
10GV	Grapevine School
11GV	Hunt Knob
12BC	Canada
14JC	Meathouse Fork

15JC	Coburn Mountain
16BC	Sandlick
17BB	Long Fork, Big Creek
18PC	Rogers Park
19PC	KY 292 Tank
20PC	Southside Mall #1
21PC	Southside Mall #2
22PC	Forest Hills
23PC	Sharon dale
24PC	Stone
25PC	McVeigh
26PC	Hardy Park
29BB	Blackberry Mountain
30BB	Left Fork Blackberry
31BB	Smith Fork Blackberry
32BB	Peter Fork Blackberry
33BC	Pinson Fork of Rockhouse
35CC	Kendrick Fork
36CC	Ivy Fork
38MC	Poor Bottom
40MC	Graveyard Hollow
41SV	Shelbiana
42SV	Douglas Park
43RC	Grassy Fork #2
44IC	Island Creek
45SV	Dorton #1

46DC	Dorton #2
47GC	Greasy Creek
48BC	Buckley Creek
49GC	Upper Greasy Creek
50GC	Gillespi Branch
51LP	Lower Pompey
52JC	Upper Johns Creek #1
53JC	Upper Johns Creek #2
54JC	Long Fork of Johns Creek
55SV	Robinson Creek
56CP	Cowpen Creek
57CP	Pike County Airport
58PC	Narrows Branch
59PC	Mudlick Branch
60PC	Pinson Fork of Pond Creek
62PC	Scant Branch
63PC	Runyons Branch
65MC	Alleghany
66PC	Belfry Hill
67SV	Indian Hill
68MC	Peyton Creek
69SV	Long Fork of Shelby Creek
70LP	Slones Branch
71GC	Smith Fork
72HC	Hurricane Creek
73SV	Elkhorn Creek

74PC	Sharon Heights
76JC	Lane Branch
77PC	Caney Fork
79HC	Spring Branch
80MC	Powell Creek
81PF	Widows Branch
82PF	Barrenshee Hollow
37MC	Wolfpit
84SV	Lizzie Fork
85SV	Little Robinson Creek
86EC	Mills Branch
87PF	Beech Creek
88MC	Biggs Branch
89GV	Pritchard Fork
90PC	Ball Fork
91PF	Bones Branch
92MC	Brushy Fork of Allengeny
93SV	Contrary Hollow
94SV	Sarah Branham Hollow
95PC	Straight Hollow
96PF	Upper Peter Creek
97MC	Rockhouse, Marrowbone
98BC	Brushy Creek
99DF	Hurricane Fork of Knox Creek
100MC	Wolfpit Hollow
101SV	Kelly Mountain Road

102SV	Sugar Camp Road
103MC	Bowling Fork Road
104PF	Camp Creek
105	Road Creek
106	Ferrells Creek
107MC	Feds Creek
108MC	Motley Fork

APPENDIX D

INSURANCE COVERAGE

UMG SHALL MAINTAIN:

1. Statutory Workers' Compensation for all of UMG's employees at the Project as required by the Commonwealth of Kentucky.
2. Comprehensive general liability insurance, insuring UMGs negligence, in an amount not less than \$2,000,000 combined single limits for bodily injury and/or property damage.

DISTRICT SHALL MAINTAIN:

1. Statutory Workers' Compensation for all of DISTRICT'S employees associated with the Project as required by the Commonwealth of Kentucky.
2. Property damage insurance for all property including vehicles owned by DISTRICT and operated by UMG under this Agreement. Any property, including vehicles not properly or fully insured shall be the financial responsibility of the DISTRICT. Although the DISTRICT is required to maintain these insurance coverages, the parties acknowledge that the current premium costs are included in the budget provided to UMG and provided and to the extent the premium costs do not increase, UMG will promptly pay, on behalf of the DISTRICT, the premiums for said insurance coverages. The DISTRICT shall pay any additional premium cost for such insurance coverages.
3. Automobile liability insurance for collision, comprehensive, and bodily injury.

Each party will provide at least thirty (30) days notice of the cancellation of any policy it is required to maintain under this Agreement. UMG may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law but only if such action does not invalidate the property insurance of DISTRICT.

APPENDIX E

UMG Loan to MWD

April 1, 2009

Amortization Schedule

Description: Loan: UMG to MWD
 Loan Amount: \$500,000.00
 Interest Rate: 5.00%
 Term (Months): 60
 Loan Date: 4/1/2009
 Monthly Payment: \$9,435.82
 Lender:

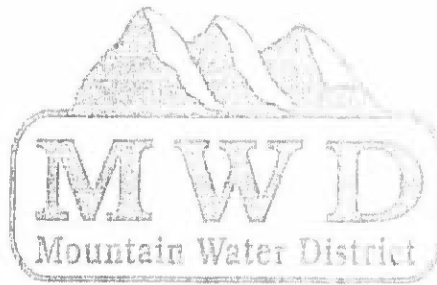
Month	Pmt Date	Pmt Amt	Inter Exp	Principal	Balance
1	6/1/2009	\$9,435.82	\$2,083.33	\$7,352.28	\$482,647.72
2	6/1/2009	\$9,435.82	\$2,052.70	\$7,382.82	\$485,264.80
3	7/1/2009	\$9,435.82	\$2,021.94	\$7,413.88	\$477,851.12
4	8/1/2009	\$9,435.82	\$1,991.05	\$7,444.57	\$470,406.55
5	9/1/2009	\$9,435.82	\$1,960.03	\$7,475.88	\$462,930.68
6	10/1/2009	\$9,435.82	\$1,928.88	\$7,508.74	\$455,424.22
7	11/1/2009	\$9,435.82	\$1,897.60	\$7,538.02	\$447,886.20
8	12/1/2009	\$9,435.82	\$1,868.18	\$7,568.42	\$440,318.78
9	1/1/2010	\$9,435.82	\$1,834.65	\$7,600.96	\$432,715.82
10	2/1/2010	\$9,435.82	\$1,802.98	\$7,632.63	\$425,083.18
11	3/1/2010	\$9,435.82	\$1,771.18	\$7,664.44	\$417,418.75
12	4/1/2010	\$9,435.82	\$1,739.24	\$7,698.37	\$409,722.37
13	5/1/2010	\$9,435.82	\$1,707.18	\$7,728.44	\$401,983.93
14	6/1/2010	\$9,435.82	\$1,674.97	\$7,760.84	\$394,223.29
15	7/1/2010	\$9,435.82	\$1,642.64	\$7,782.88	\$386,440.31
16	8/1/2010	\$9,435.82	\$1,610.17	\$7,825.45	\$378,614.88
17	9/1/2010	\$9,435.82	\$1,577.58	\$7,858.05	\$370,756.81
18	10/1/2010	\$9,435.82	\$1,544.82	\$7,890.80	\$362,866.01
19	11/1/2010	\$9,435.82	\$1,511.94	\$7,923.88	\$354,942.34
20	12/1/2010	\$9,435.82	\$1,478.93	\$7,958.89	\$346,985.80
21	1/1/2011	\$9,435.82	\$1,445.77	\$7,988.84	\$338,995.80
22	2/1/2011	\$9,435.82	\$1,412.48	\$8,023.13	\$330,972.57
23	3/1/2011	\$9,435.82	\$1,378.05	\$8,058.58	\$322,916.11
24	4/1/2011	\$9,435.82	\$1,345.48	\$8,090.13	\$314,825.97
25	5/1/2011	\$9,435.82	\$1,311.77	\$8,123.84	\$306,702.13
26	6/1/2011	\$9,435.82	\$1,277.93	\$8,157.89	\$298,544.44
27	7/1/2011	\$9,435.82	\$1,243.94	\$8,187.88	\$290,352.78
28	8/1/2011	\$9,435.82	\$1,209.80	\$8,225.81	\$282,128.84
29	9/1/2011	\$9,435.82	\$1,175.53	\$8,260.08	\$273,868.88
30	10/1/2011	\$9,435.82	\$1,141.11	\$8,284.50	\$265,572.35
31	11/1/2011	\$9,435.82	\$1,106.55	\$8,329.07	\$257,243.29
32	12/1/2011	\$9,435.82	\$1,071.85	\$8,363.77	\$248,879.52
33	1/1/2012	\$9,435.82	\$1,037.00	\$8,398.62	\$240,480.90
34	2/1/2012	\$9,435.82	\$1,002.00	\$8,433.81	\$232,047.28
35	3/1/2012	\$9,435.82	\$968.88	\$8,468.78	\$223,578.53
36	4/1/2012	\$9,435.82	\$931.58	\$8,504.04	\$215,074.49
37	5/1/2012	\$9,435.82	\$888.14	\$8,539.47	\$206,535.02
38	6/1/2012	\$9,435.82	\$880.58	\$8,575.05	\$197,959.98
39	7/1/2012	\$9,435.82	\$824.83	\$8,610.78	\$189,349.18
40	8/1/2012	\$9,435.82	\$788.95	\$8,648.68	\$180,702.52
41	9/1/2012	\$9,435.82	\$752.93	\$8,682.88	\$172,018.83
42	10/1/2012	\$9,435.82	\$718.76	\$8,718.87	\$163,300.96

Beginning Balance \$500,000.00

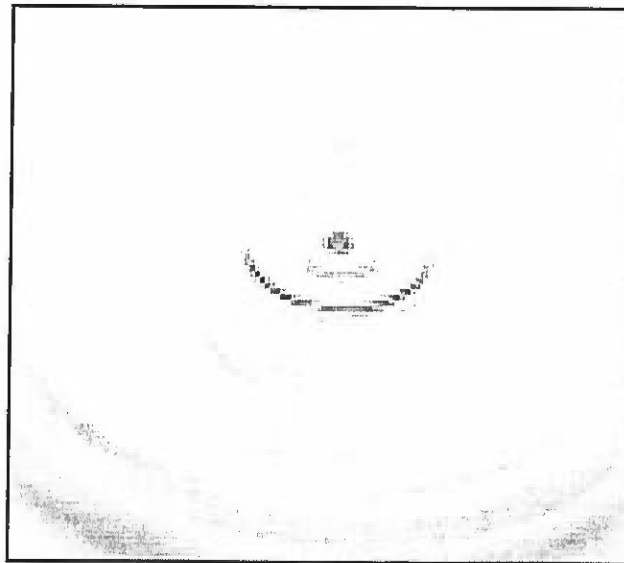
43	11/1/2012	\$9,435.62	\$680.42	\$8,755.20	\$154,545.78
44	12/1/2012	\$9,435.62	\$843.84	\$8,791.88	\$145,754.09
45	1/1/2013	\$9,435.62	\$607.31	\$8,828.31	\$136,925.78
46	2/1/2013	\$9,435.62	\$570.52	\$8,865.09	\$128,060.89
47	3/1/2013	\$9,435.62	\$533.59	\$8,902.03	\$119,158.86
48	4/1/2013	\$9,435.62	\$498.49	\$8,939.12	\$110,219.53
49	5/1/2013	\$9,435.62	\$459.25	\$8,978.37	\$101,243.17
50	6/1/2013	\$9,435.62	\$421.86	\$9,013.77	\$92,229.40
51	7/1/2013	\$9,435.62	\$384.29	\$9,051.33	\$83,178.07
52	8/1/2013	\$9,435.62	\$346.58	\$9,089.04	\$74,089.03
53	9/1/2013	\$9,435.62	\$308.70	\$9,126.91	\$64,962.11
54	10/1/2013	\$9,435.62	\$270.88	\$9,164.94	\$55,797.17
55	11/1/2013	\$9,435.62	\$232.49	\$9,203.19	\$46,694.04
56	12/1/2013	\$9,435.62	\$194.14	\$9,241.47	\$37,352.57
57	1/1/2014	\$9,435.62	\$155.84	\$9,279.98	\$28,072.59
58	2/1/2014	\$9,435.62	\$118.97	\$9,318.65	\$18,753.94
59	3/1/2014	\$9,435.62	\$79.14	\$9,357.48	\$9,396.48
60	4/1/2014	\$9,435.62	\$39.15	\$9,396.48	\$0.00

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

EXHIBIT 21(b)



WATER LOSS CONTROL PROGRAM



Mountain Water District
P.O. Box 3157
Pikeville, Ky. 41502

December 2005

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Mountain Water District

WATER LOSS CONTROL PROGRAM

INTRODUCTION

Conservation of resources has become a priority in the last decade as we realize that natural resources are finite and pollution of these resources can be disastrous for our future and future generations. With that in mind, Mountain Water District is becoming more aware of the necessity to become proactive in the conservation of water resources. Water loss reduction is two-fold. As water loss decreases, conservation and water supply is increased and local community involvement in conservation increases when they see their water utility participating in the conservation process.

Accounting audits simply confirm and compile information on the water utility as a whole. However, with rising costs and the general public becoming more concerned and informed about water availability and conservation efforts, the Mountain Water District is becoming more aware of the need to minimize water loss. Water audits are a necessary part of the conservation process.

The water loss control program in this program (curriculum??) is based on the International Water Association's (IWA) proven methodology which has been used all over the world and more recently in the United States. This methodology implements new terminology that will need to be thoroughly understood: corrected input volume, authorized consumption, apparent loss and real loss.

As Mountain Water District learns and implements the methods that are proven to minimize water loss, we will begin to view water loss with a new understanding. This water loss control program is the methodology we use at the Mountain Water District to control our water loss as we strive to become better at water conservation and public service.

WATER AUDIT

The general term "water loss" is now broken down into two separate categories enabling the Mountain Water District to distinguish between distribution loss (real loss) and meter inaccuracies and theft (apparent loss). This is accomplished by first auditing the system by the use of daily master meter readings, compiling monthly information on fire department and other authorized usage, work order information on system flushing and tank overflows, as well as system wide loss from water line leaks and breaks. This information is used to complete a field audit of any problematic areas of concern that may be revealed during the system wide water audit.

DEFINITION OF TERMS

Own Water – Water that has come from a utility's own sources, such as well fields, water rights, or a reservoir.

Purchased Water – Water that has been purchased or bought from another entity.

Input Volume/Water Delivery – All the water that is purchased, owned, or obtained by interconnects (water imported).

Water Supplied – Defined as system input volume minus water exported.

Water Exported – Water that is transferred out of the system to a buyer where revenue is received.

Master Meter Accuracy – Obtained by calibrating master meters. The utility checks the accuracy of the master meters, and then either adds or subtracts this number, depending on whether the meter was under or over-registering, from system input volume to determine the amount of water that was actually put into the distribution system.

Corrected Input Volume – The sum of Master Meter Accuracy and System Input Volume is the amount of water that was actually put into the system.

Authorized Consumption - Consists of four sub-categories that include all authorized water use:

1. **Billed Metered** - The water that has been sold and for which compensation from customers has been received.
2. **Billed Unmetered** - For all uses that have not been metered but compensation is received.
3. **Unbilled Metered** - For all uses that have been metered and no compensation is received (used for treatment plant, line and hydrant flushing.)

4. **Unbilled Unmetered** - All uses that are unmetered and no compensation is received (line and hydrant flushing or any other uses that are authorized but unbilled and unmetered.)

Water Loss - Comprised of apparent loss and real loss. Corrected Input Volume minus Authorized Consumption equals Total Water loss.

Apparent Loss - Consists of accounting errors, inaccurate customer meters, illegal connections, and bypassed meters. Because this water was available for sale, these losses are incurred at the retail rate.

Real Loss - Consists of all types of leaks, bursts, and storage tank overflows that occur before the customer's meter. Because this water did not have the opportunity to pass through a customer's meter, these losses are incurred at the production rate.

Revenue Water - All water consumption that requires revenue collection: Water Exported plus Billed Authorized Consumption.

Non-Revenue Water - Water that is not billed and revenue is not received. This is equal to Unbilled Authorized Consumption plus Apparent Losses plus Real Losses.

METHODOLOGY

In accounting terms, an audit is defined as confirming and compiling information gathered on the entity as a whole. The utility is merely verifying that all the data being gathered is the most valid data possible. With this methodology, utility operations are broken down into numerous categories with questions that should verify the data validity.

System Input Volume

The total water supplied to the infrastructure is the System Input Volume. System Input Volume includes: purchased surface or ground water, the water obtained through interconnects, or water obtained from other sources.

Master Meter Accuracy

This is the verification or the calibration of master meters to ensure their accuracy. Once the accuracy level has been verified, the percentage of accuracy is documented. Adding this number to the uncorrected meter volume will provide the corrected input volume - the volume that was actually pumped into the distribution system.

Corrected Input Volume

This is simply the sum of either adding or subtracting the master meter adjustment to input volume. This is all the water that is actually in the distribution system and available to sell.

Authorized Consumption

This category consists of all water that have been authorized for use or consumption. Authorized consumption includes the following sub-categories:

Revenue Water

1. **Billed Metered** - Customer accounts whose meters are read and who are billed appropriately each month. Since this category determines revenue, these meters are most important regarding accuracy. All connections should be metered and on the current billing cycle. A program allowing for all construction/landscaping companies to rent a meter can be implemented, resulting in obtaining revenue for the water and add an additional revenue source.
2. **Billed Unmetered** - Requires submittal of a form documenting the amount of water used during the month.
3. **Water Exported** - Water that has been authorized for use by another utility or water provider for which revenue or compensation is received.

Non-Revenue Water

4. **Unbilled Metered** - This category could contain city/government offices, facilities and uses. Even if utility offices are not billed, they should have a meter for determining water use. Fire department use and line flushing should also be included. Fire departments should have a form to track usage that would require documentation of how many times the trucks were filled each month. (See WATER FOR FIRE FIGHTING AND TRAINING Form).
5. **Unbilled Unmetered** - Unmetered line flushing estimations are entered in this category (See FLUSHING SCHEDULE Form).

It is important to remember that in order to locate leaks or usage, the consumption of each connection should be metered.

Water Losses

This is the difference between Corrected Input Volume and Authorized Consumption. This consists of two major sub-categories: real losses and apparent losses. Both are considered types of water loss. Real losses are figured at the marginal production cost of water. Apparent loss is figured at the retail rate, because its loss is after the customer meter.

1. **Real Losses** - These losses are measured from the pressurized point up to the point of measurement of the customer usage. These are physical losses from the infrastructure, mains, valves, service lines and main lines. There are many reasons for leaks: improper installation, material or line failure and outside forces. All of these contribute to line loss. With proper system management, they can be kept to a minimum.
2. **Apparent Losses** - These losses occur when potential revenue water is removed from the system either through theft, meter inaccuracy, or billing procedures that prevent all water from being included in the water loss calculation.

THE ROLE OF METERING IN WATER LOSS DETECTION

Master Meters

Master meters are installed throughout the system to record the flow of the pressure zones it feeds. The pressure zones are broken up individually, and in these zones a customer count and billing is generated. This information is reviewed monthly, and converted to a daily average, to more effectively compare data with daily master meter readings. When deviations from the norm are found, any discrepancies are investigated.

Residential Meters

Residential meters, record management and theft are the three sub-categories that make-up the category of Apparent Loss. Apparent Loss is a volume of water that is associated with the utility's retail rate, because a utility would have received compensation for the water had it been recorded. Meters are cash registers, and it is in the best interest of the utility to implement programs that are designed to maximize the efficiency of these meters.

Depending on water chemistry and customer use patterns, residential meters may need to be replaced when they "roll over" or when they reach 8 to 10 years old. Meter replacement programs can be implemented by reviewing each meter's age throughout the utility, replacing the oldest first. After this program is implemented, it may take time to see revenue increases and/or water loss volumes diminish.

Proper meter selection begins with knowing the authorized water use of each end user. Large subdivision builders will often hire subcontractors to install meters and the final inspection is then conducted by the managing utility. However, after the homeowner occupies the residence, the initial meter application may change. The homeowner may install irrigation systems that exceed the limits of the current 5/8" meter. This new application now causes the meter to inaccurately register an unknown percentage of water. The majority of residential meters will read predominantly in the customer's favor, which can result in lost revenue for the district. The district needs to know the operating limits of each type of meter being used within the system so that the correct meter can be installed for each application. The cost to initiate and maintain a meter replacement program is outweighed by the benefits of initiating such a program.

Record Management and Billing

This is the second sub-category within Apparent Loss. The information obtained from the district's meter and billing system is vital to many parts of its operation. Peak summer demand, changes in water use patterns, rate design, design information, and system stability all depend on accurate and current records. Good data management, including metered uses and billing records, provide record of the district's past performance and future potential revenue.

Accounting errors can present challenges for the district. Examples of these challenges include: non-billing or accounting of every connection; data incorrectly transferred on meter readings; and customer water usage data being altered during the billing cycle. A prime example is when the district changes the amount billed or waives a portion of the water used due to a leak or some reason. Mountain Water District always accounts for water usage even in customer adjustments. Where within the billing records did the unbilled water go? Even though the billing department chose to waive the volume of water for customer satisfaction, follow the volume through the billing program to ensure that it does not become a real loss or the volume is not lost altogether. It is considered an apparent loss because the meter did record the volume of water.

Theft of Service

This is the third sub-category of Apparent Loss. It is considered Apparent Loss because it was in the distribution system ready to sell. However, it was taken before the water had an opportunity to go through a meter and generate revenue. Theft of water can occur by construction companies tapping into fire hydrants, and/or unauthorized connections by residential customers.

Meters, record management and theft of service are all part of Apparent Loss. They all consist of accurate measurement of a loss and recorded so that the utility would have received compensation. Since the loss of this water occurred at or after the customers meter it will have a retail cost associated to it.

Main Line Leaks, Service Line Leaks and Storage Tank Overflows

These are sub-categories within Real Loss and because the water did not go through a customer meter, the lost volume is associated with a production cost. Except for storage tank overflows, these sub categories are generally expensive and time consuming due to the difficulty in locating and repairing the leaks. They are considered real loss, because, as previously discussed, real loss is all the water that went through the master/source meters but has not gone through a customer's meter. Since this is "produced" water, it is calculated at a production rate. In order to more accurately track hydrant flushing, the district uses a diffuser with a pressure gauge that measure flow by pressure.

METHODS TO LOCATE AND MINIMIZE WATER LOSS

This section shows how the district utilizes several water loss techniques to locate loss within the system and conduct a bottom up audit. As discussed earlier, this type of audit is verifying that the data used is the most accurate and current possible. Bottom up audits are the next step for the district wanting to achieve a higher level of efficiency. They highlight issues within the utility that are preventing the utility from effective loss control. In performing the audit, billing procedures, maintenance costs and productivity levels can be reviewed. With time, financial rewards will be realized, along with substantiated water savings, essentially eliminating the need to look for more water.

System Investigation

System investigation requires extensive knowledge of the utility's infrastructure; therefore appropriate staff are chosen to conduct this study. Items that are studied include, but are not limited to:

1. Types of storage tanks and stand pipes.
2. Is there an interconnect with another utility? Make sure they have properly installed check valves.
3. Is the district aware of the location of all valves?
4. Does the same booster pump come on first every time? Equipment longevity can be extended if a different pump starts each time.
5. Is the utility implementing the use of forms for the fire department, line flushing form and the leak repair summary report?
6. What type of pipe is in the ground (i.e. PVC or iron)? Note the size of each. This information can be applied to the pin maps.
7. Are all meters the right size for each particular connection?
8. Residential meters are 5/8 x 3/4 inch. Are they installed correctly?
9. If they are close to reaching then- operational limits, has their flow accuracy been tested and meter sized correctly?
10. The entire field staff know the system thoroughly.

Meters should have check valves and/or backflow prevention devices. These will prevent household water from re-entering the utility's main lines. Meters allow water to flow in the opposite direction. Due to pressure differences between the outside plumbing and inside plumbing, lawn and garden chemicals from a hose-end sprayer could enter the house plumbing if anti-siphon devices are not used on the outside faucets.

EQUIPMENT USED IN LEAK DETECTION

Ultrasonic Flow Machine

Device used to measure GPM by calculating the speed of water between the transducers and the given parameters (pipe OD, ID – pipe type, etc.) provided by the Leak Detection Technician.

Aquascope Survey

This is a survey conducted by the Leak Detection Technician where the Aquascope is used to listen to each meter base, which is cross connected to the main in hopes of hearing a leak.

With all the pressure zones the Mountain Water District has, the Leak Detection Technician must know the pipe type of the service line and the main line. Ductile Iron pipe and copper service line conducts the sounds far better than PVC and Polyethylene. The Leak Detection Technician must also know all main line regulators and booster pumping stations that are in the surveyed area. The restrictions of main line regulator and BPS motor sounds simulate the acoustics of a leak.

SCADA – Telemetry

This method has proven to be one of the most helpful tools in our leak detection program. Currently, there are over 30 water storage tanks being monitored by SCADA, most of which are 100,000 gallon capacity or greater and each supplying other pressure zones. By synchronizing the BPS run times of all of the zones being tested and creating a static pressure zone, the Leak Detection Technician can measure the feet per hour drop of the water storage tank and then convert the feet per hour drop to GPM with this formula: Ht of Water Storage Tank ÷ Capacity to get gallons per foot, GPF x Feet per hour average drop ÷ 60 to get GPM. During the hours of 1:00 a.m. to 4:00 a.m. is the general best time for night testing – (Lowest Usage)

Leak Detection and Repair

To be effective, leak detection and repair is a continuous program. Even as recordkeeping is improved and meters are being installed, tested and replaced, the district is aggressively involved in leak detection and line repairs. The LEAK DETECTION DAILY WORKSHEET is a useful document to aid in maintaining a successful leak detection program.

As the district implemented a leak detection program the first leaks located were the larger ones. The process is repeated in order to locate the smaller leaks that were not heard due to the background noise of the larger leaks.

Pressure Management

Excessive pressure exerted on the infrastructure can maximize wear and increase water consumption on the system as a whole.

Pressure Management implementation will:

- Reduce wear and tear on booster pumps and pressure relief valves (PRV)
- Lessen pressure exerted on infrastructure
- Lessen pressure on meters and customer's plumbing
- Reduce water consumption at customer side
- Reduce water loss through leaks in the system when lower pressure is used.

The volume of water being forced out of a leak at 200 psi is greater than at 65 psi. Higher pressures also exert more wear on a system, thereby conserving water when evenly lowering the pressure throughout the system.

Manual???

CONCLUSION

Leak detection, water loss prevention and awareness are key to the efficient conservation of resources in the water district. By utilizing water audits, leak detection equipment such as the aquascope ultra sonic flow meter, meter readings and accounting audits jointly, the goal of dramatically reducing water loss is achievable and necessary. By using the program outlined in this manual, it is possible to see impressive long-term results of water loss reduction and this represents a reduction in wasted resources. These are resources that the Mountain Water District spends money and man-hours to produce, thereby increasing efficiency, along with improving conservation of a precious natural resource.

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

EXHIBIT 21(c)

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JANUARY 2012

Water Produced this Month: 79893 gallons*

Water Purchased this Month: 70254 gallons*

A: Total Water Produced and Purchased = 150,147 gallons*

Sold:	Residential	57179	gallons*
	Commercial	7664	gallons*
	Industrial	547	gallons*
	Multi-User	2245	gallons*
	Public Authority	10004	gallons*
	Water Salesman	0	gallons*

Total Sold = 77,639 gallons*

B: Difference: (Produced + Purchased)- Sold = 72,508 gallons*

%Difference = 48.29% % *total water loss*

Gallons of Water Accounted For:

Breaks (Estimated Total)	1729	gallons*
Hydrant Flushing	7753	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	3054	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5596	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	438	gallons*

C: Total Gallons Accounted For = 18,570 gallons*

Loss: Unaccounted-for Water: (B-C) = 53,938 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 35.92% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,739,935	gallons/day
Gallons / Min Loss =	1,208	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: FEBRUARY 2012

Water Produced this Month: 77406 gallons*

Water Purchased this Month: 61289 gallons*

A: Total Water Produced and Purchased = 138,695 gallons*

Sold:	Residential	56202	gallons*
	Commercial	7802	gallons*
	Industrial	632	gallons*
	Multi-User	2315	gallons*
	Public Authority	10082	gallons*
	Water Salesman	0	gallons*

Total Sold = 77,033 gallons*

B: Difference: (Produced + Purchased)- Sold = 61,662 gallons*

%Difference = 44.46% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	3914	gallons*
Hydrant Flushing	7947	gallons*
Storage Tank Overflow	5	gallons*
Water Treatment Plant Use	1621	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5785	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	398	gallons*

C: Total Gallons Accounted For = 19,670 gallons*

Loss: Unaccounted-for Water: (B-C) = 41,992 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 30.28% % unaccounted for loss

	29	Days in A Month
Gallons / Day Loss =	1,448,000	gallons/day
Gallons / Min Loss =	1,006	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MARCH 2012

Water Produced this Month:	78477	gallons*
Water Purchased this Month:	63096	gallons*

A: Total Water Produced and Purchased = 141,573 gallons*

Sold:	Residential	55920	gallons*
	Commercial	9029	gallons*
	Industrial	700	gallons*
	Multi-User	2285	gallons*
	Public Authority	11397	gallons*
	Water Salesman	0	gallons*

Total Sold = 79,331 gallons*

B: Difference: (Produced + Purchased)- Sold = 62,242 gallons*

%Difference = 43.96% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	13631	gallons*
Hydrant Flushing	8888	gallons*
Storage Tank Overflow	648	gallons*
Water Treatment Plant Use	1627	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6194	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	399	gallons*

C: Total Gallons Accounted For = 31,387 gallons*

Loss: Unaccounted-for Water: (B-C) = 30,855 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 21.79% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	995,323	gallons/day
Gallons / Min Loss =	691	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: APRIL 2012

Water Produced this Month: 71969 gallons*

Water Purchased this Month: 56926 gallons*

A: Total Water Produced and Purchased = 128,895 gallons*

Sold: Residential 58653 gallons*

Commercial 8119 gallons*

Industrial 507 gallons*

Multi-User 2257 gallons*

Public Authority 10821 gallons*

Water Salesman 0 gallons*

Total Sold = 80,357 gallons*

B: Difference: (Produced + Purchased)- Sold = 48,538 gallons*

%Difference = 37.66% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total) 12021 gallons*

Hydrant Flushing 6226 gallons*

Storage Tank Overflow 1202 gallons*

Water Treatment Plant Use 1337 gallons*

Wastewater Treatment Plant Use** 0 gallons*

Fire Department Use 6278 gallons*

Net Computer Adjustment +/- 0 gallons*

Other 303 gallons*

C: Total Gallons Accounted For = 27,367 gallons*

Loss: Unaccounted-for Water: (B-C) = 21,171 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 16.42% % unaccounted for loss

30 Days in A Month

Gallons / Day Loss = 705,700 gallons/day

Gallons / Min Loss = 490 gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MAY 2012

Water Produced this Month:	77717	gallons*
Water Purchased this Month:	62408	gallons*

A: Total Water Produced and Purchased = 140,125 gallons*

Sold:	Residential	60028	gallons*
	Commercial	9011	gallons*
	Industrial	697	gallons*
	Multi-User	2263	gallons*
	Public Authority	10778	gallons*
	Water Salesman	0	gallons*

Total Sold = 82,777 gallons*

B: Difference: (Produced + Purchased)- Sold = 57,348 gallons*

%Difference = 40.93% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	4882	gallons*
Hydrant Flushing	11085	gallons*
Storage Tank Overflow	658	gallons*
Water Treatment Plant Use	1320	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6462	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	454	gallons*

C: Total Gallons Accounted For = 24,861 gallons*

Loss: Unaccounted-for Water: (B-C) = 32,487 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 23.18% % unaccounted for loss

Gallons / Day Loss =	31	Days in A Month
Gallons / Min Loss =	1,047,968	gallons/day
	728	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JUNE 2012

Water Produced this Month:	76185	gallons*
Water Purchased this Month:	59598	gallons*

A: Total Water Produced and Purchased = 135,783 gallons*

Sold:	Residential	66469	gallons*
	Commercial	7120	gallons*
	Industrial	926	gallons*
	Multi-User	2501	gallons*
	Public Authority	9675	gallons*
	Water Salesman	0	gallons*

Total Sold = 86,691 gallons*

B: Difference: (Produced + Purchased)- Sold = 49,092 gallons*

%Difference = 36.15% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2726	gallons*
Hydrant Flushing	8571	gallons*
Storage Tank Overflow	450	gallons*
Water Treatment Plant Use	1292	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6771	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	443	gallons*

C: Total Gallons Accounted For = 20,253 gallons*

Loss: Unaccounted-for Water: (B-C) = 28,839 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 21.24% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	961,300	gallons/day
Gallons / Min Loss =	668	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JULY 2012

Water Produced this Month:	77644	gallons*
Water Purchased this Month:	69661	gallons*

A: Total Water Produced and Purchased = 147,305 gallons*

Sold:	Residential	64615	gallons*
	Commercial	6382	gallons*
	Industrial	768	gallons*
	Multi-User	2016	gallons*
	Public Authority	10347	gallons*
	Water Salesman	0	gallons*

Total Sold = 84,128 gallons*

B: Difference: (Produced + Purchased)- Sold = 63,177 gallons*

%Difference = 42.89% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	6103	gallons*
Hydrant Flushing	8477	gallons*
Storage Tank Overflow	1865	gallons*
Water Treatment Plant Use	1478	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6379	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	648	gallons*

C: Total Gallons Accounted For = 24,950 gallons*

Loss: Unaccounted-for Water: (B-C) = 38,227 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 25.95% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,233,129	gallons/day
Gallons / Min Loss =	856	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: AUGUST 2012

Water Produced this Month:	82914	gallons*
Water Purchased this Month:	67031	gallons*

A: Total Water Produced and Purchased = 149,945 gallons*

Sold:	Residential	61540	gallons*
	Commercial	7707	gallons*
	Industrial	1088	gallons*
	Multi-User	2492	gallons*
	Public Authority	10989	gallons*
	Water Salesman	0	gallons*

Total Sold = 83,816 gallons*

B: Difference: (Produced + Purchased)- Sold = 66,129 gallons*

%Difference = 44.10% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	12407	gallons*
Hydrant Flushing	8296	gallons*
Storage Tank Overflow	859	gallons*
Water Treatment Plant Use	1469	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6542	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	266	gallons*

C: Total Gallons Accounted For = 29,839 gallons*

Loss: Unaccounted-for Water: (B-C) = 36,290 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 24.20% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,170,645	gallons/day
Gallons / Min Loss =	813	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: SEPTEMBER 2012

Water Produced this Month:	76244	gallons*
Water Purchased this Month:	59191	gallons*

A: Total Water Produced and Purchased = 135,435 gallons*

Sold:	Residential	58609	gallons*
	Commercial	7453	gallons*
	Industrial	1083	gallons*
	Multi-User	2478	gallons*
	Public Authority	11170	gallons*
	Water Salesman	0	gallons*

Total Sold = 80,793 gallons*

B: Difference: (Produced + Purchased)- Sold = 54,642 gallons*

%Difference = 40.35% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	10464	gallons*
Hydrant Flushing	7378	gallons*
Storage Tank Overflow	356	gallons*
Water Treatment Plant Use	1412	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6362	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	714	gallons*

C: Total Gallons Accounted For = 26,686 gallons*

Loss: Unaccounted-for Water: (B-C) = 27,956 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 20.64% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	931,867	gallons/day
Gallons / Min Loss =	647	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: OCTOBER 2012

Water Produced this Month:	78372	gallons*
Water Purchased this Month:	63394	gallons*

A: Total Water Produced and Purchased = 141,766 gallons*

Sold: Residential	58224	gallons*
Commercial	6811	gallons*
Industrial	1161	gallons*
Multi-User	2778	gallons*
Public Authority	11938	gallons*
Water Salesman	0	gallons*

Total Sold = 80,912 gallons*

B: Difference: (Produced + Purchased)- Sold = 60,854 gallons*

%Difference = 42.93% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	4719	gallons*
Hydrant Flushing	7747	gallons*
Storage Tank Overflow	552	gallons*
Water Treatment Plant Use	1460	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6345	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	583	gallons*

C: Total Gallons Accounted For = 21,406 gallons*

Loss: Unaccounted-for Water: (B-C) = 39,448 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 27.83% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,272,516	gallons/day
Gallons / Min Loss =	884	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: NOVEMBER 2012

Water Produced this Month:	76160	gallons*
Water Purchased this Month:	56699	gallons*

A: Total Water Produced and Purchased = 132,859 gallons*

Sold:	Residential	58757	gallons*
	Commercial	7302	gallons*
	Industrial	451	gallons*
	Multi-User	3099	gallons*
	Public Authority	12229	gallons*
	Water Salesman	0	gallons*

Total Sold = 81,838 gallons*

B: Difference: (Produced + Purchased)- Sold = 51,021 gallons*

%Difference = 38.40% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2772	gallons*
Hydrant Flushing	8058	gallons*
Storage Tank Overflow	1426	gallons*
Water Treatment Plant Use	1308	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6874	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	498	gallons*

C: Total Gallons Accounted For = 20,936 gallons*

Loss: Unaccounted-for Water: (B-C) = 30,085 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 22.64% % unaccounted for loss

Gallons / Day Loss =	30	Days in A Month
Gallons / Min Loss =	1,002,833	gallons/day
	696	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: DECEMBER 2012

Water Produced this Month:	75137	gallons*
Water Purchased this Month:	57480	gallons*

A: Total Water Produced and Purchased = 132,617 gallons*

Sold:	Residential	54952	gallons*
	Commercial	7801	gallons*
	Industrial	719	gallons*
	Multi-User	2387	gallons*
	Public Authority	9158	gallons*
	Water Salesman	0	gallons*

Total Sold = 75,017 gallons*

B: Difference: (Produced + Purchased)- Sold = 57,600 gallons*

%Difference = 43.43% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	560	gallons*
Hydrant Flushing	9106	gallons*
Storage Tank Overflow	80	gallons*
Water Treatment Plant Use	1057	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6083	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	1258	gallons*

C: Total Gallons Accounted For = 18,144 gallons*

Loss: Unaccounted-for Water: (B-C) = 39,456 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.75% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,272,774	gallons/day
Gallons / Min Loss =	884	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JANUARY 2013

Water Produced this Month:	72814	gallons*
Water Purchased this Month:	71621	gallons*

A: Total Water Produced and Purchased = 144,435 gallons*

Sold: Residential	59062	gallons*
Commercial	8544	gallons*
Industrial	782	gallons*
Multi-User	2463	gallons*
Public Authority	8839	gallons*
Water Salesman	0	gallons*

Total Sold = 79,690 gallons*

B: Difference: (Produced + Purchased)- Sold = 64,745 gallons*

%Difference = 44.83% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	4413	gallons*
Hydrant Flushing	8328	gallons*
Storage Tank Overflow	476	gallons*
Water Treatment Plant Use	1057	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5982	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	935	gallons*

C: Total Gallons Accounted For = 21,191 gallons*

Loss: Unaccounted-for Water: (B-C) = 43,554 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 30.15% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,404,968	gallons/day
Gallons / Min Loss =	976	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: FEBRUARY 2013

Water Produced this Month: 69643 gallons*
 Water Purchased this Month: 62352 gallons*

A: Total Water Produced and Purchased = 131,995 gallons*

Sold:	Residential	59479	gallons*
	Commercial	9058	gallons*
	Industrial	772	gallons*
	Multi-User	2574	gallons*
	Public Authority	8661	gallons*
	Water Salesman	0	gallons*

Total Sold = 80,544 gallons*

B: Difference: (Produced + Purchased)- Sold = 51,451 gallons*

%Difference = 38.98% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	7984	gallons*
Hydrant Flushing	8128	gallons*
Storage Tank Overflow	1081	gallons*
Water Treatment Plant Use	1111	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6529	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	1031	gallons*

C: Total Gallons Accounted For = 25,864 gallons*

Loss: Unaccounted-for Water: (B-C) = 25,587 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 19.38% % unaccounted for loss

	28	Days in A Month
Gallons / Day Loss =	913,821	gallons/day
Gallons / Min Loss =	635	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MARCH 2013

Water Produced this Month: 76004 gallons*
 Water Purchased this Month: 53420 gallons*

A: Total Water Produced and Purchased = 129,424 gallons*

Sold:	Residential	52971	gallons*
	Commercial	8047	gallons*
	Industrial	790	gallons*
	Multi-User	2222	gallons*
	Public Authority	8254	gallons*
	Water Salesman	0	gallons*

Total Sold = 72,284 gallons*

B: Difference: (Produced + Purchased)- Sold = 57,140 gallons*

%Difference = 44.15% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	4587	gallons*
Hydrant Flushing	6424	gallons*
Storage Tank Overflow	36	gallons*
Water Treatment Plant Use	1538	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5428	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	727	gallons*

C: Total Gallons Accounted For = 18,740 gallons*

Loss: Unaccounted-for Water: (B-C) = 38,400 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.67% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,238,710	gallons/day
Gallons / Min Loss =	860	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: APRIL 2013

Water Produced this Month: 70929 gallons*
 Water Purchased this Month: 54917 gallons*

A: Total Water Produced and Purchased = 125,846 gallons*

Sold:	Residential	56536	gallons*
	Commercial	7672	gallons*
	Industrial	650	gallons*
	Multi-User	2200	gallons*
	Public Authority	8125	gallons*
	Water Salesman	0	gallons*

Total Sold = 75,183 gallons*

B: Difference: (Produced + Purchased)- Sold = 50,663 gallons*

%Difference = 40.26% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1234	gallons*
Hydrant Flushing	7861	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1307	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5649	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	937	gallons*

C: Total Gallons Accounted For = 16,988 gallons*

Loss: Unaccounted-for Water: (B-C) = 33,675 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 26.76% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	1,122,500	gallons/day
Gallons / Min Loss =	780	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MAY 2013

Water Produced this Month: 75122 gallons*

Water Purchased this Month: 62545 gallons*

A: Total Water Produced and Purchased = 137,667 gallons*

Sold: Residential 59252 gallons*

Commercial 7062 gallons*

Industrial 657 gallons*

Multi-User 2769 gallons*

Public Authority 9217 gallons*

Water Salesman 0 gallons*

Total Sold = 78,957 gallons*

B: Difference: (Produced + Purchased)- Sold = 58,710 gallons*

%Difference = 42.65% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total) 1692 gallons*

Hydrant Flushing 8379 gallons*

Storage Tank Overflow 120 gallons*

Water Treatment Plant Use 1133 gallons*

Wastewater Treatment Plant Use** 0 gallons*

Fire Department Use 5922 gallons*

Net Computer Adjustment +/- 0 gallons*

Other 1074 gallons*

C: Total Gallons Accounted For = 18,320 gallons*

Loss: Unaccounted-for Water: (B-C) = 40,390 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.34% % unaccounted for loss

31 Days in A Month

Gallons / Day Loss = 1,302,903 gallons/day

Gallons / Min Loss = 905 gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JUNE 2013

Water Produced this Month: 72533 gallons*

Water Purchased this Month: 55766 gallons*

A: Total Water Produced and Purchased = 128,299 gallons*

Sold:	Residential	63948	gallons*
	Commercial	7604	gallons*
	Industrial	602	gallons*
	Multi-User	2214	gallons*
	Public Authority	8904	gallons*
	Water Salesman	0	gallons*

Total Sold = 83,272 gallons*

B: Difference: (Produced + Purchased)- Sold = 45,027 gallons*

%Difference = 35.10% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2147	gallons*
Hydrant Flushing	7176	gallons*
Storage Tank Overflow	1775	gallons*
Water Treatment Plant Use	1170	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6758	gallons*
Net Computer Adjustment +/-	0	gallons*
Other	620	gallons*

C: Total Gallons Accounted For = 19,646 gallons*

Loss: Unaccounted-for Water: (B-C) = 25,381 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 19.78% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	846,033	gallons/day
Gallons / Min Loss =	588	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JULY 2013

Water Produced this Month:	74084	gallons*
Water Purchased this Month:	75849	gallons*

A: Total Water Produced and Purchased = 149,933 gallons*

Sold: Residential	61360	gallons*
Commercial	6691	gallons*
Industrial	475	gallons*
Multi-User	2208	gallons*
Public Authority	8124	gallons*
Water Salesman	0	gallons*

Total Sold = 78,858 gallons*

B: Difference: (Produced + Purchased)- Sold = 71,075 gallons*

%Difference = 47.40% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1790	gallons*
Hydrant Flushing	12053	gallons*
Storage Tank Overflow	7	gallons*
Water Treatment Plant Use	1255	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6632	gallons*
Net Computer Adjustment +/-	1100	gallons*
Other	545	gallons*

C: Total Gallons Accounted For = 23,382 gallons*

Loss: Unaccounted-for Water: (B-C) = 47,693 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 31.81% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,538,484	gallons/day
Gallons / Min Loss =	1,068	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: AUGUST 2013

Water Produced this Month: 75499 gallons*

Water Purchased this Month: 50401 gallons*

A: Total Water Produced and Purchased = 125,900 gallons*

Sold:	Residential	61580	gallons*
	Commercial	7995	gallons*
	Industrial	532	gallons*
	Multi-User	2404	gallons*
	Public Authority	9281	gallons*
	Water Salesman	0	gallons*

Total Sold = 81,792 gallons*

B: Difference: (Produced + Purchased)- Sold = 44,108 gallons*

%Difference = 35.03% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2455	gallons*
Hydrant Flushing	6962	gallons*
Storage Tank Overflow	1610	gallons*
Water Treatment Plant Use	1242	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6415	gallons*
Net Computer Adjustment +/-	988	gallons*
Other	527	gallons*

C: Total Gallons Accounted For = 20,199 gallons*

Loss: Unaccounted-for Water: (B-C) = 23,909 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 18.99% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	771,258	gallons/day
Gallons / Min Loss =	536	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: SEPTEMBER 2013

Water Produced this Month: 72875 gallons*

Water Purchased this Month: 60400 gallons*

A: Total Water Produced and Purchased = 133,275 gallons*

Sold:	Residential	58665	gallons*
	Commercial	8259	gallons*
	Industrial	491	gallons*
	Multi-User	2164	gallons*
	Public Authority	9410	gallons*
	Water Salesman	0	gallons*

Total Sold = 78,989 gallons*

B: Difference: (Produced + Purchased)- Sold = 54,286 gallons*

%Difference = 40.73% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1593	gallons*
Hydrant Flushing	8920	gallons*
Storage Tank Overflow	2700	gallons*
Water Treatment Plant Use	1226	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6529	gallons*
Net Computer Adjustment +/-	1189	gallons*
Other	548	gallons*

C: Total Gallons Accounted For = 22,705 gallons*

Loss: Unaccounted-for Water: (B-C) = 31,581 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 23.70% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	1,052,700	gallons/day
Gallons / Min Loss =	731	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: OCTOBER 2013

Water Produced this Month: 76076 gallons*

Water Purchased this Month: 62852 gallons*

A: Total Water Produced and Purchased = 138,928 gallons*

Sold:	Residential	56923	gallons*
	Commercial	8296	gallons*
	Industrial	553	gallons*
	Multi-User	2181	gallons*
	Public Authority	9867	gallons*
	Water Salesman	0	gallons*

Total Sold = 77,820 gallons*

B: Difference: (Produced + Purchased)- Sold = 61,108 gallons*

%Difference = 43.99% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2303	gallons*
Hydrant Flushing	8232	gallons*
Storage Tank Overflow	1100	gallons*
Water Treatment Plant Use	1320	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5605	gallons*
Net Computer Adjustment +/-	1518	gallons*
Other	88	gallons*

C: Total Gallons Accounted For = 20,166 gallons*

Loss: Unaccounted-for Water: (B-C) = 40,942 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.47% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,320,710	gallons/day
Gallons / Min Loss =	917	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: NOVEMBER 2013

Water Produced this Month: 78490 gallons*

Water Purchased this Month: 55683 gallons*

A: Total Water Produced and Purchased = 134,173 gallons*

Sold:	Residential	57368	gallons*
	Commercial	7792	gallons*
	Industrial	625	gallons*
	Multi-User	2978	gallons*
	Public Authority	8740	gallons*
	Water Salesman	0	gallons*

Total Sold = 77,503 gallons*

B: Difference: (Produced + Purchased)- Sold = 56,670 gallons*

%Difference = 42.24% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	3295	gallons*
Hydrant Flushing	8233	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1071	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6056	gallons*
Net Computer Adjustment +/-	1109	gallons*
Other	71	gallons*

C: Total Gallons Accounted For = 19,835 gallons*

Loss: Unaccounted-for Water: (B-C) = 36,835 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 27.45% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	1,227,833	gallons/day
Gallons / Min Loss =	853	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: DECEMBER 2013

Water Produced this Month: 79175 gallons*

Water Purchased this Month: 69972 gallons*

A: Total Water Produced and Purchased = 149,147 gallons*

Sold:	Residential	55013	gallons*
	Commercial	7816	gallons*
	Industrial	505	gallons*
	Multi-User	2640	gallons*
	Public Authority	8462	gallons*
	Water Salesman	0	gallons*

Total Sold = 74,436 gallons*

B: Difference: (Produced + Purchased)- Sold = 74,711 gallons*

%Difference = 50.09% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1665	gallons*
Hydrant Flushing	8347	gallons*
Storage Tank Overflow	650	gallons*
Water Treatment Plant Use	974	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5807	gallons*
Net Computer Adjustment +/-	1785	gallons*
Other	857	gallons*

C: Total Gallons Accounted For = 20,085 gallons*

Loss: Unaccounted-for Water: (B-C) = 54,626 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 36.63% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,762,129	gallons/day
Gallons / Min Loss =	1,224	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JANUARY 2014

Water Produced this Month: 80991 gallons*

Water Purchased this Month: 84077 gallons*

A: Total Water Produced and Purchased = 165,068 gallons*

Sold:	Residential	67713	gallons*
	Commercial	9029	gallons*
	Industrial	563	gallons*
	Multi-User	3020	gallons*
	Public Authority	10029	gallons*
	Water Salesman	0	gallons*

Total Sold = 90,354 gallons*

B: Difference: (Produced + Purchased)- Sold = 74,714 gallons*

%Difference = 45.26% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	3018	gallons*
Hydrant Flushing	9846	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1096	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	7048	gallons*
Net Computer Adjustment +/-	2634	gallons*
Other	940	gallons*

C: Total Gallons Accounted For = 24,582 gallons*

Loss: Unaccounted-for Water: (B-C) = 50,132 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 30.37% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,617,161	gallons/day
Gallons / Min Loss =	1,123	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: FEBRUARY 2014

Water Produced this Month: 73749 gallons*

Water Purchased this Month: 66408 gallons*

A: Total Water Produced and Purchased = 140,157 gallons*

Sold:	Residential	67091	gallons*
	Commercial	8566	gallons*
	Industrial	676	gallons*
	Multi-User	2587	gallons*
	Public Authority	7935	gallons*
	Water Salesman	0	gallons*

Total Sold = 86,855 gallons*

B: Difference: (Produced + Purchased)- Sold = 53,302 gallons*

%Difference = 38.03% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1523	gallons*
Hydrant Flushing	10350	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1004	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6775	gallons*
Net Computer Adjustment +/-	3824	gallons*
Other	1062	gallons*

C: Total Gallons Accounted For = 24,538 gallons*

Loss: Unaccounted-for Water: (B-C) = 28,764 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 20.52% % unaccounted for loss

	28	Days in A Month
Gallons / Day Loss =	1,027,286	gallons/day
Gallons / Min Loss =	713	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MARCH 2014

Water Produced this Month: 84558 gallons*

Water Purchased this Month: 56354 gallons*

A: Total Water Produced and Purchased = 140,912 gallons*

Sold:	Residential	56901	gallons*
	Commercial	6019	gallons*
	Industrial	0	gallons*
	Multi-User	2095	gallons*
	Public Authority	9519	gallons*
	Water Salesman	0	gallons*

Total Sold = 74,534 gallons*

B: Difference: (Produced + Purchased)- Sold = 66,378 gallons*

%Difference = 47.11% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2757	gallons*
Hydrant Flushing	8173	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1224	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5831	gallons*
Net Computer Adjustment +/-	5775	gallons*
Other	296	gallons*

C: Total Gallons Accounted For = 24,056 gallons*

Loss: Unaccounted-for Water: (B-C) = 42,322 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 30.03% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,365,226	gallons/day
Gallons / Min Loss =	948	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: APRIL 2014

Water Produced this Month: 80194 gallons*

Water Purchased this Month: 35384 gallons*

A: Total Water Produced and Purchased = 115,578 gallons*

Sold:	Residential	57301	gallons*
	Commercial	5875	gallons*
	Industrial	774	gallons*
	Multi-User	2103	gallons*
	Public Authority	9664	gallons*
	Water Salesman	0	gallons*

Total Sold = 75,717 gallons*

B: Difference: (Produced + Purchased)- Sold = 39,861 gallons*

%Difference = 34.49% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	84	gallons*
Hydrant Flushing	8323	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1123	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5461	gallons*
Net Computer Adjustment +/-	2091	gallons*
Other	63	gallons*

C: Total Gallons Accounted For = 17,145 gallons*

Loss: Unaccounted-for Water: (B-C) = 22,716 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 19.65% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	757,200	gallons/day
Gallons / Min Loss =	526	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MAY 2014

Water Produced this Month: 83273 gallons*

Water Purchased this Month: 64430 gallons*

A: Total Water Produced and Purchased = 147,703 gallons*

Sold:	Residential	59233	gallons*
	Commercial	6095	gallons*
	Industrial	440	gallons*
	Multi-User	2145	gallons*
	Public Authority	10570	gallons*
	Water Salesman	0	gallons*

Total Sold = 78,483 gallons*

B: Difference: (Produced + Purchased)- Sold = 69,220 gallons*

%Difference = 46.86% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	641	gallons*
Hydrant Flushing	7778	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1056	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6170	gallons*
Net Computer Adjustment +/-	1438	gallons*
Other	710	gallons*

C: Total Gallons Accounted For = 17,793 gallons*

Loss: Unaccounted-for Water: (B-C) = 51,427 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 34.82% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,658,935	gallons/day
Gallons / Min Loss =	1,152	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JUNE 2014

Water Produced this Month: 80918 gallons*

Water Purchased this Month: 55387 gallons*

A: Total Water Produced and Purchased = 136,305 gallons*

Sold:	Residential	62883	gallons*
	Commercial	6350	gallons*
	Industrial	712	gallons*
	Multi-User	2517	gallons*
	Public Authority	12136	gallons*
	Water Salesman	0	gallons*

Total Sold = 84,598 gallons*

B: Difference: (Produced + Purchased)- Sold = 51,707 gallons*

%Difference = 37.93% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	6339	gallons*
Hydrant Flushing	8215	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1320	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6599	gallons*
Net Computer Adjustment +/-	530	gallons*
Other	1455	gallons*

C: Total Gallons Accounted For = 24,458 gallons*

Loss: Unaccounted-for Water: (B-C) = 27,249 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 19.99% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	908,300	gallons/day
Gallons / Min Loss =	631	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JULY 2014

Water Produced this Month: 81056 gallons*

Water Purchased this Month: 67441 gallons*

A: Total Water Produced and Purchased = 148,497 gallons*

Sold:	Residential	62885	gallons*
	Commercial	6037	gallons*
	Industrial	742	gallons*
	Multi-User	2762	gallons*
	Public Authority	11087	gallons*
	Water Salesman	0	gallons*

Total Sold = 83,513 gallons*

B: Difference: (Produced + Purchased)- Sold = 64,984 gallons*

%Difference = 43.76% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	4593	gallons*
Hydrant Flushing	9531	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1299	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6035	gallons*
Net Computer Adjustment +/-	1217	gallons*
Other	596	gallons*

C: Total Gallons Accounted For = 23,271 gallons*

Loss: Unaccounted-for Water: (B-C) = 41,713 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 28.09% % unaccounted for loss

Gallons / Day Loss =	31	Days in A Month
Gallons / Min Loss =	1,345,581	gallons/day
	934	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: AUGUST 2014

Water Produced this Month: 76179 gallons*

Water Purchased this Month: 58444 gallons*

A: Total Water Produced and Purchased = 134,623 gallons*

Sold:	Residential	58257	gallons*
	Commercial	6308	gallons*
	Industrial	653	gallons*
	Multi-User	4095	gallons*
	Public Authority	8695	gallons*
	Water Salesman	0	gallons*

Total Sold = 78,008 gallons*

B: Difference: (Produced + Purchased)- Sold = 56,615 gallons*

%Difference = 42.05% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	502	gallons*
Hydrant Flushing	7845	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1272	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6100	gallons*
Net Computer Adjustment +/-	1471	gallons*
Other	2806	gallons*

C: Total Gallons Accounted For = 19,996 gallons*

Loss: Unaccounted-for Water: (B-C) = 36,619 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 27.20% % unaccounted for loss

Gallons / Day Loss =	31	Days in A Month
Gallons / Min Loss =	1,181,258	gallons/day
	820	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: SEPTEMBER 2014

Water Produced this Month: 75957 gallons*

Water Purchased this Month: 59853 gallons*

A: Total Water Produced and Purchased = 135,810 gallons*

Sold:	Residential	57566	gallons*
	Commercial	6478	gallons*
	Industrial	628	gallons*
	Multi-User	2480	gallons*
	Public Authority	11589	gallons*
	Water Salesman	0	gallons*

Total Sold = 78,741 gallons*

B: Difference: (Produced + Purchased)- Sold = 57,069 gallons*

%Difference = 42.02% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	315	gallons*
Hydrant Flushing	7515	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1216	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6614	gallons*
Net Computer Adjustment +/-	1728	gallons*
Other	888	gallons*

C: Total Gallons Accounted For = 18,276 gallons*

Loss: Unaccounted-for Water: (B-C) = 38,793 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 28.56% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	1,293,100	gallons/day
Gallons / Min Loss =	898	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: OCTOBER 2014

Water Produced this Month: 77488 gallons*
 Water Purchased this Month: 60735 gallons*

A: Total Water Produced and Purchased = 138,223 gallons*

Sold:	Residential	56018	gallons*
	Commercial	5839	gallons*
	Industrial	543	gallons*
	Multi-User	2828	gallons*
	Public Authority	9786	gallons*
	Water Salesman	0	gallons*

Total Sold = 75,014 gallons*

B: Difference: (Produced + Purchased)- Sold = 63,209 gallons*

%Difference = 45.73% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	376	gallons*
Hydrant Flushing	8147	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1166	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6083	gallons*
Net Computer Adjustment +/-	769	gallons*
Other	827	gallons*

C: Total Gallons Accounted For = 17,368 gallons*

Loss: Unaccounted-for Water: (B-C) = 45,841 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 33.16% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,478,742	gallons/day
Gallons / Min Loss =	1,027	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: NOVEMBER 2014

Water Produced this Month: 77064 gallons*
 Water Purchased this Month: 52528 gallons*

A: Total Water Produced and Purchased = 129,592 gallons*

Sold:	Residential	52514	gallons*
	Commercial	5947	gallons*
	Industrial	499	gallons*
	Multi-User	2651	gallons*
	Public Authority	9538	gallons*
	Water Salesman	0	gallons*

Total Sold = 71,149 gallons*

B: Difference: (Produced + Purchased)- Sold = 58,443 gallons*

%Difference = 45.10% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1616	gallons*
Hydrant Flushing	8310	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1008	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5977	gallons*
Net Computer Adjustment +/-	994	gallons*
Other	1937	gallons*

C: Total Gallons Accounted For = 19,842 gallons*

Loss: Unaccounted-for Water: (B-C) = 38,601 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.79% % unaccounted for loss

	30	Days in A Month
Gallons / Day Loss =	1,286,700	gallons/day
Gallons / Min Loss =	894	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: DECEMBER 2014

Water Produced this Month: 77478 gallons*
 Water Purchased this Month: 59691 gallons*

A: Total Water Produced and Purchased = 137,169 gallons*

Sold:	Residential	53825	gallons*
	Commercial	5402	gallons*
	Industrial	499	gallons*
	Multi-User	2546	gallons*
	Public Authority	12592	gallons*
	Water Salesman	0	gallons*

Total Sold = 74,864 gallons*

B: Difference: (Produced + Purchased)- Sold = 62,305 gallons*

%Difference = 45.42% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1597	gallons*
Hydrant Flushing	8169	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1131	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5873	gallons*
Net Computer Adjustment +/-	711	gallons*
Other	931	gallons*

C: Total Gallons Accounted For = 18,412 gallons*

Loss: Unaccounted-for Water: (B-C) = 43,893 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 32.00% % unaccounted for loss

	31	Days in A Month
Gallons / Day Loss =	1,415,903	gallons/day
Gallons / Min Loss =	983	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

EXHIBIT 21(d)

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - MWD
2012**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
BOOM TRUCK (USED / NEW)	1	\$50,000/\$90,000	\$50,000/\$90,000
WASTEWATER JETTER	1	\$35,000	\$35,000
MINI-EXCAVATOR W/TRAILER & APPURTENANCES (\$41,000 / \$8,000 / \$500)	1	\$50,000	\$50,000

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
CONFERENCE ROOM RECORDING EQUIPMENT	1	\$2,000	\$2,000
CHAIRS (CONFERENCE ROOM)	20	\$50	\$1,000

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - UMG
2012**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
FULL SIZE PICK UP TRUCK (4X4)	1	\$21,000	\$21,000
MID SIZE EXTENDED CAB TRUCK (4X4)	1	\$26,000	\$26,000
METAL DETECTORS	2	\$700	\$1,400

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
COMPUTERS	4	\$1,000	\$4,000

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - MWD
2013**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Pick-Up Truck, Mid-Size Ext/Cab 4X4	1	\$26,500	\$26,500
Crane Truck 4X4	1	\$50,000 - \$90,000	\$50,000 - \$90,000
Utility Truck 4X4	1	\$36,000	\$36,000
Jetter for Wastewater Department	1	\$35,000	\$35,000

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Scanner	1	\$1,800	\$1,800
Conference Room Chairs	20	\$75	\$1,500
Foyer/Conference Room (Tile/Carpet)	N/A		\$4,500 - \$5,500
Map Racks	20	\$25	\$500

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - UMG
2013**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Aqua Scope (Subsurface)	1	\$1,800	\$1,800
Metal Detector	2	\$850	\$1,700
Laptop - Toughbook (Central Telemetry)	1	\$4,600	\$4,600

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Computers	4	\$1,200	\$4,800

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - MWD
2014**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Crane Truck 4X4	1	\$50,000 - \$90,000	\$50,000 - \$90,000
Jetter for Wastewater Department	1	\$50,000-\$60,000	\$50,000-\$60,000

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Foyer - Tile	± 400 sq/ft	\$8-\$10 / sq/ft	\$3,200 - \$4,000
Chairs for Conference Room	20	\$50/ea	\$1,000
Carpet - Project Accountant's Office	±218 sq/ft	\$4 - \$6 / sq/ft	\$900 - \$1,300
Scanner	2	\$200 / ea.	\$400
Outdoor Office Sign	1	\$3,000	\$3,000

CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - UMG
2014

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Metal Detector	2	\$850	\$1,700
Field CL2 Tester	1	\$950	\$950
Truck (Supervisor) 4 X 4	4	± \$28,000 / ea.	± \$112,000
Truck (Utility) 4 X 4	1	± \$36,000 / ea.	± \$36,000

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Computers	3	\$1,200	\$3,600
File Cabinets	3	\$300	\$900

**WATER STORAGE TANK
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

2012-2015	TANK SIZE	EST. REPLACEMENT COST	YEAR INSTALLED
RIGHT FORK OF GREASY (UPPER)	25,000 GAL	\$37,500 - \$50,000	1992
POORBOTTOM	20,000 GAL	\$30,000 - \$40,000	1985
ALLEGHANY	10,000 GAL	\$15,000 - \$20,000	1993
KENDRICK FORK	25,000 GAL	\$37,500 - \$50,000	1987
	TOTAL	\$120,000 - \$160,000	

**PRESSURE REDUCING VALVES
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

2012-2015	COMMENTS	EST. REPLACEMENT COST	YEAR INSTALLED
BLACKBERRY #2	NEEDS REPLACED/ RELOCATED	\$25,000 - \$30,000 + (DI) 200' x \$32/FT = \$6,400 TOTAL = \$31,400 - \$36,400	1989
BLACKBERRY #1		\$25,000 - \$30,000	1989
TOTAL		\$56,400 - \$66,400	

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

LOCATION	EST. REPLACEMENT COST
DORTON	6" DI - 4,000 FT X \$28/FT = \$112,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$118,000
BURNING FORK	4" DI - 2,500 FT X \$25/FT = \$62,500 RECONNECTION OF 20 SERVICES @ \$1,000 EA = \$20,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$88,500
TAYLOR FORK	4" DI - 2,000 FT X \$25/FT = \$50,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$68,000
ELKHORN	8" DI - 3,500 FT X \$32/FT = \$112,000 RECONNECTION OF 17 SERVICES @ \$1,000 EA = \$17,000 8 X 4 TIE-IN (THREE MILE) - \$3,000 8 X 3 TIE-IN (JOHN CABLE) - \$3,000 3 - 120 FT - OPEN CUT CASE FOR 8" DI @ \$175/FT = \$21,000 TOTAL = \$156,000
OLD BEEFHIDE ROAD	6" DI - 3,600 FT X \$28/FT = \$100,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$120,800
COLLINS HIGHWAY	UPSTREAM/RIDDLES CROSSING 6" DI - 1,000 FT X \$28/FT = \$28,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$34,000 SHELBY YARD TO SHELBY BRIDGE 6" DI W/CREEK CROSSING - 1,000 FT X \$36/FT = \$36,000 RECONNECTION OF 2 SERVICES @ \$1,000 EA = \$2,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$44,000

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

OASIS PAWN SHOP TO INDIAN HILLS	<p style="text-align: center;">8" DI - 1,000 FT X \$32/FT = \$32,000 1 - HYDRANT TIE-IN REPLACEMENT @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$42,500</p>
DORTON HILL	<p style="text-align: center;">2" SDR-17 - 2,200 FT @ \$18/FT = \$39,600 2 TIE-INS @ \$3,000 EA = \$6,000 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 TOTAL = \$48,600</p>
BOWLING FORK	<p style="text-align: center;">4" DI - 1,000 FT @ \$25/FT = \$25,000 RECONNECTION OF 4 SERVICES @ \$1,000 EA = \$4,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$35,000</p>
DEMOCRAT HOLLOW	<p style="text-align: center;">2" SDR-17 - 350 FT @ \$18/FT = \$6,300 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$12,300</p>
GREASY CREEK	<p style="text-align: center;">6" DI - 2,500 FT @ \$28 FT = \$70,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 1 - HYDRANT TIE-IN @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,500</p>
SMITH FORK OF PHELPS (.5 MILES UP)	<p style="text-align: center;">6" DI - 2,600 FT @ \$28 FT = \$72,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,800</p>

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

ARNOLD MCCOY ROAD	10" CREEK CROSSING DIRECTIONAL BORE = \$15,000 TIE-INS @ \$4,500 EA = \$9,000 = \$24,000	2 TOTAL
TOTAL		\$953,000

SEWER VISION
1 TO 3 YEAR REPLACEMENT SCHEDULE
SMALL PACKAGE WWTP'S
2014-2017

2014-2015	PRIORITY NUMBER	AGE/YRS	* ESTIMATED REPLACEMENT COST
MODERN MOBILE HOME PARK (6,000 GPD)	1	30+	\$125,000 - \$150,000
2015-2016			
STONE HEIGHTS WWTP (10,000 GPD)	2	40+	\$140,000 - \$160,000
2016-2017			
KEENE VILLAGE WWTP (15,000 GPD)	3	40+	\$160,000 - \$175,000

* DOES NOT INCLUDE REMOVAL OF EXISTING WWTP OR INSTALLATION OF NEW WWTP OR SITE WORK.

SEWER VISION
1 TO 3 YEAR REPLACEMENT SCHEDULE
SMALL PACKAGE WWTP'S
2014-2017

2014-2015	PRIORITY NUMBER	AGE/YRS	* ESTIMATED REPLACEMENT COST
MODERN MOBILE HOME PARK (6,000 GPD)	1	30+	\$125,000 - \$150,000
2015-2016			
STONE HEIGHTS WWTP (10,000 GPD)	2	40+	\$140,000 - \$160,000
2016-2017			
KEENE VILLAGE WWTP (15,000 GPD)	3	40+	\$160,000 - \$175,000

* DOES NOT INCLUDE REMOVAL OF EXISTING WWTP OR INSTALLATION OF NEW WWTP OR SITE WORK.

**SEWER DIVISION
1 TO 3 YEAR REPLACEMENT/REHABILITATION SCHEDULE
2014-2017**

PRIORITY #	2014-2017	EST. REPLACEMENT COST	YEAR INSTALLED
1	DOUGLAS LIFT STATION	\$225,000 - \$250,000	1980s
2	CENTRAL AVENUE LIFT STATION	\$425,000 - \$450,000	1991
3	PHELPS INTERSECTION LIFT STN	\$350,000 - \$425,000	2003

**RESIDENT GRINDER UNIT
SEWER DIVISION
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

YEAR	2014-2017 - SYSTEM WIDE	EST. REPLACEMENT COST
1	630 UNITS	~ \$693,000
2	630 UNITS	~ \$693,000
3	630 UNITS	~ \$693,000

* OF APPROXIMATELY 1890 UNITS / 90% ARE OUT OF WARRANTY

**BOOSTER PUMP STATION
1 TO 5 YEAR REPLACEMENT SCHEDULE
2014-2019**

2014-2017	PRIORITY NUMBER	EST. REPLACEMENT COST	YEAR INSTALLED
PHELPS #1	1	\$350,000	1993
PHELPS #2	2	\$350,000	1993
GREASY	3	\$325,000	1992
COWPEN #2	4	\$325,000	1993

2017-2019			
INDIAN CREEK	5	\$325,000	1993
LONG FORK OF ROBINSON CRK	6	\$325,000	1994
KIMPER (DESKINS)	7	\$325,000	1987

2014-2019			
20 SMALL STATIONS (REHAB/REPLACEMENT)	\$10,000/EA	\$200,000	

2014-2017 EST. TOTAL COST	\$1,350,000
2017-2019 EST. TOTAL COST	\$975,000
2012-2017 EST. TOTAL COST	<u>\$2,525,000</u>

**WATER STORAGE TANK
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

PRIORITY #	2014-2017	TANK SIZE	EST. REPLACEMENT COST	YEAR INSTALLED
1	RIGHT FORK OF GREASY (UPPER)	25,000 GAL	\$37,500 - \$50,000	1992
2	POORBOTTOM	20,000 GAL	\$30,000 - \$40,000	1985
3	ALLEGHANY	10,000 GAL	\$15,000 - \$20,000	1993
4	KENDRICK FORK	25,000 GAL	\$37,500 - \$50,000	1987

TOTAL

**PRESSURE REDUCING VALVES
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

PRIORITY #	2014-2017	COMMENTS	EST. REPLACEMENT COST	YEAR INSTALLED
1	BLACKBERRY #2	NEEDS REPLACED/ RELOCATED	\$25,000 - \$30,000 + (DI) 200' x \$32/FT = \$6,400 TOTAL = \$31,400 - \$36,400	1989
2	PHELPS #1	RELOCATED		
3	PHELPS #2	RELOCATED		
4	BLACKBERRY #1	REPLACE	\$25,000 - \$30,000	1989
	TOTAL			

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

LOCATION	EST. REPLACEMENT COST
DORTON	6" DI - 4,000 FT X \$28/FT = \$112,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$118,000
BURNING FORK	4" DI - 2,500 FT X \$25/FT = \$62,500 RECONNECTION OF 20 SERVICES @ \$1,000 EA = \$20,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$88,500
TAYLOR FORK	4" DI - 2,000 FT X \$25/FT = \$50,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$68,000
ELKHORN	8" DI - 3,500 FT X \$32/FT = \$112,000 RECONNECTION OF 17 SERVICES @ \$1,000 EA = \$17,000 8 X 4 TIE-IN (THREE MILE) - \$3,000 8 X 3 TIE-IN (JOHN CABLE) - \$3,000 3 - 120 FT - OPEN CUT CASE FOR 8" DI @ \$175/FT = \$21,000 TOTAL = \$156,000
OLD BEEFHIDE ROAD	6" DI - 3,600 FT X \$28/FT = \$100,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$120,800
COLLINS HIGHWAY	UPSTREAM/RIDDLES CROSSING 6" DI - 1,000 FT X \$28/FT = \$28,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$34,000 SHELBY YARD TO SHELBY BRIDGE 6" DI W/CREEK CROSSING - 1,000 FT X \$36/FT = \$36,000 RECONNECTION OF 2 SERVICES @ \$1,000 EA = \$2,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$44,000

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

OASIS PAWN SHOP TO INDIAN HILLS	<p style="text-align: center;">8" DI - 1,000 FT X \$32/FT = \$32,000 1 - HYDRANT TIE-IN REPLACEMENT @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$42,500</p>
DORTON HILL	<p style="text-align: center;">2" SDR-17 - 2,200 FT @ \$18/FT = \$39,600 2 TIE-INS @ \$3,000 EA = \$6,000 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 TOTAL = \$48,600</p>
BOWLING FORK	<p style="text-align: center;">4" DI - 1,000 FT @ \$25/FT = \$25,000 RECONNECTION OF 4 SERVICES @ \$1,000 EA = \$4,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$35,000</p>
DEMOCRAT HOLLOW	<p style="text-align: center;">2" SDR-17 - 350 FT @ \$18/FT = \$6,300 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$12,300</p>
GREASY CREEK	<p style="text-align: center;">6" DI - 2,500 FT @ \$28 FT = \$70,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 1 - HYDRANT TIE-IN @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,500</p>
SMITH FORK OF PHELPS (.5 MILES UP)	<p style="text-align: center;">6" DI - 2,600 FT @ \$28 FT = \$72,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,800</p>

**LINE REINFORCEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

ARNOLD MCCOY ROAD	10" CREEK CROSSING DIRECTIONAL BORE = \$15,000 TIE-INS @ \$4,500 EA = \$9,000 = \$24,000	2 TOTAL
TOTAL	\$953,000	

TELEMETRY
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017

2014-2017	COMMENTS	EST. REPLACEMENT COST
TELEMETRY	REPLACE 20 OUTDATED RTU'S AT \$10,000/EA	\$200,000
	TOTAL	\$200,000



CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

EXHIBIT 21(e)



**MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2012**

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JAN	GV	49	\$ 2,271.71	\$ 690.96	\$ 145.00	\$ 1,948.97	\$ 5,056.64	\$ 5,056.64
	MC	50	\$ 699.14	\$ 825.28	\$ 231.50	\$ 3,348.63	\$ 5,104.55	\$ 5,104.55
	PC	61	\$ 1,594.65	\$ 728.00	\$ 390.00	\$ 3,147.77	\$ 5,860.42	\$ 5,860.42
	SV	44	\$ 826.93	\$ 589.68	\$ -	\$ 1,913.83	\$ 3,330.44	\$ 3,330.44
	Totals	204	\$ 5,392.43	\$ 2,833.92	\$ 766.50	\$ 10,359.20	\$ 19,352.05	\$ 19,352.05
FEB	GV	55	\$ 544.45	\$ 783.44	\$ 170.00	\$ 3,197.02	\$ 4,694.91	\$ 9,751.55
	MC	31	\$ 1,837.47	\$ 481.32	\$ 524.68	\$ 2,460.39	\$ 5,303.86	\$ 10,408.41
	PC	29	\$ 426.26	\$ 293.06	\$ 37.70	\$ 1,222.07	\$ 1,979.09	\$ 7,839.51
	SV	26	\$ 1,575.65	\$ 322.00	\$ 872.64	\$ 1,743.39	\$ 4,513.68	\$ 7,844.12
	Totals	141	\$ 4,383.83	\$ 1,879.82	\$ 1,605.02	\$ 8,622.87	\$ 16,491.54	\$ 36,843.59
MAR	GV	36	\$ 201.12	\$ 539.16	\$ 160.00	\$ 1,792.28	\$ 2,692.56	\$ 12,444.11
	MC	33	\$ 1,468.60	\$ 448.36	\$ 645.00	\$ 2,499.07	\$ 5,061.03	\$ 15,469.44
	PC	43	\$ 468.16	\$ 576.74	\$ 50.00	\$ 2,193.00	\$ 3,287.90	\$ 11,127.41
	SV	34	\$ 7,234.56	\$ 585.76	\$ 920.00	\$ 3,228.78	\$ 11,969.10	\$ 19,813.22
	Totals	146	\$ 9,372.44	\$ 2,150.02	\$ 1,775.00	\$ 9,713.13	\$ 23,010.59	\$ 58,854.18
APR	GV	33	\$ 3,142.11	\$ 777.84	\$ 576.00	\$ 2,871.97	\$ 7,367.92	\$ 19,812.03
	MC	27	\$ 1,545.49	\$ 464.24	\$ 291.00	\$ 1,460.40	\$ 3,761.13	\$ 19,230.57
	PC	38	\$ 968.78	\$ 672.66	\$ 410.00	\$ 2,864.52	\$ 4,915.96	\$ 16,043.37
	SV	15	\$ 5,286.57	\$ 426.16	\$ -	\$ 1,607.16	\$ 7,319.89	\$ 27,133.11
	Totals	113	\$ 10,942.95	\$ 2,340.90	\$ 1,277.00	\$ 8,804.05	\$ 23,364.90	\$ 82,219.08
MAY	GV	79	\$ 4,427.18	\$ 1,591.94	\$ 213.96	\$ 4,034.45	\$ 10,267.53	\$ 30,079.56
	MC	29	\$ 489.46	\$ 418.32	\$ 50.00	\$ 1,021.06	\$ 1,978.84	\$ 21,209.41
	PC	66	\$ 9,497.67	\$ 843.36	\$ -	\$ 2,972.29	\$ 13,313.32	\$ 29,356.69
	SV	56	\$ 2,499.05	\$ 973.84	\$ 410.00	\$ 3,379.86	\$ 7,262.75	\$ 34,395.86
	Totals	230	\$ 16,913.36	\$ 3,827.46	\$ 673.96	\$ 11,407.66	\$ 32,822.44	\$ 115,041.52
JUNE	GV	45	\$ 837.75	\$ 634.48	\$ 480.00	\$ 3,217.02	\$ 5,169.25	\$ 35,248.81
	MC	33	\$ 29.76	\$ 458.64	\$ 37.50	\$ 1,748.67	\$ 2,274.57	\$ 23,483.98
	PC	41	\$ 383.23	\$ 408.24	\$ 100.00	\$ 1,552.11	\$ 2,443.58	\$ 31,800.27
	SV	35	\$ 693.16	\$ 512.96	\$ 40.00	\$ 1,881.04	\$ 3,127.16	\$ 37,523.02
	Totals	154	\$ 1,943.90	\$ 2,014.32	\$ 657.50	\$ 8,398.84	\$ 13,014.56	\$ 128,056.08

MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2012

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JULY	GV	66	\$ 6,718.61	\$ 1,006.32	\$ 170.00	\$ 3,644.47	\$ 11,539.40	\$ 46,788.21
	MC	34	\$ 5,207.94	\$ 479.92	\$ 420.00	\$ 3,385.01	\$ 9,492.87	\$ 32,976.85
	PC	46	\$ 2,736.80	\$ 845.44	\$ 385.00	\$ 3,796.60	\$ 7,763.84	\$ 39,564.11
	SV	36	\$ 4,323.06	\$ 686.18	\$ -	\$ 2,090.80	\$ 7,100.04	\$ 44,623.06
	Totals	182	\$ 18,986.41	\$ 3,017.86	\$ 975.00	\$ 12,916.88	\$ 35,896.15	\$ 163,952.23
AUGUST	GV	60	\$ 1,150.93	\$ 1,023.68	\$ 470.00	\$ 3,542.56	\$ 6,187.17	\$ 52,975.38
	MC	41	\$ 1,060.72	\$ 585.72	\$ 485.00	\$ 2,861.74	\$ 4,993.18	\$ 37,970.03
	PC	60	\$ 1,943.90	\$ 644.00	\$ 150.00	\$ 3,041.51	\$ 5,779.41	\$ 45,343.52
	SV	43	\$ 927.95	\$ 657.36	\$ 425.00	\$ 2,717.47	\$ 4,727.78	\$ 49,350.84
	Totals	204	\$ 5,083.50	\$ 2,910.76	\$ 1,530.00	\$ 12,163.28	\$ 21,687.54	\$ 185,639.77
SEPT	GV	41	\$ 2,235.64	\$ 532.56	\$ -	\$ 1,844.46	\$ 4,612.66	\$ 57,588.04
	MC	40	\$ 565.31	\$ 498.40	\$ 375.00	\$ 3,276.94	\$ 4,715.65	\$ 42,685.68
	PC	32	\$ 1,591.37	\$ 404.64	\$ -	\$ 2,357.88	\$ 4,353.89	\$ 49,697.41
	SV	28	\$ 4,386.49	\$ 297.92	\$ 1,300.00	\$ 3,228.42	\$ 9,212.83	\$ 58,563.67
	Totals	141	\$ 8,778.81	\$ 1,733.52	\$ 1,675.00	\$ 10,707.70	\$ 22,895.03	\$ 208,534.80
OCT	GV	56	2,932.69	992.68	350.00	3,058.47	\$ 7,333.84	\$ 64,921.88
	MC	48	1,746.16	636.60	787.50	3,249.78	\$ 6,420.04	\$ 49,105.72
	PC	33	1,764.38	381.92	660.00	2,171.51	\$ 4,977.81	\$ 54,675.22
	SV	31	756.91	418.88	625.00	2,717.39	\$ 4,518.18	\$ 63,081.85
	Totals	168	\$ 7,200.14	\$ 2,430.08	\$ 2,422.50	\$ 11,197.15	\$ 23,249.87	\$ 231,784.67
NOV	GV	36	494.52	547.73	176.80	1,804.83	\$ 3,023.88	\$ 67,945.76
	MC	39	1,320.31	568.32	1,110.00	3,309.25	\$ 6,307.88	\$ 55,413.60
	PC	26	3,759.71	423.00	200.00	1,539.24	\$ 5,921.95	\$ 60,597.17
	SV	33	126.90	450.24	530.33	1,795.97	\$ 2,903.44	\$ 65,985.29
	Totals	134	\$ 5,701.44	\$ 1,989.29	\$ 2,017.13	\$ 8,449.29	\$ 18,157.15	\$ 249,941.82
DEC	GV	25	375.74	591.92	660	1957.15	\$ 3,584.81	\$ 71,530.57
	MC	47	9,281.70	795.76	490	3558.76	\$ 14,126.22	\$ 69,539.82
	PC	25	1,185.55	303.56	320	1350.48	\$ 3,159.59	\$ 63,756.76
	SV	18	5,526.96	322.96	240	1499.33	\$ 7,589.25	\$ 73,574.54
	Totals	115	\$ 16,369.95	\$ 2,014.20	\$ 1,710.00	\$ 8,365.72	\$ 28,459.87	\$ 278,401.69
YTD TOTALS		1,932	111,069.16	29,142.15	17,084.61	121,105.77	278,401.69	1,757,621.48

**MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2013**

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JAN	GV	97	\$ 1,211.98	\$ 1,459.08	\$ 266.25	\$ 4,267.53	\$ 7,204.84	\$ 7,204.84
	MC	34	\$ 205.15	\$ 499.73	\$ 485.00	\$ 2,310.83	\$ 3,500.71	\$ 3,500.71
	PC	38	\$ 117.00	\$ 506.33	\$ 164.64	\$ 2,013.01	\$ 2,800.98	\$ 2,800.98
	SV	19	\$ 1,102.55	\$ 263.34	\$ 420.00	\$ 1,428.92	\$ 3,214.81	\$ 3,214.81
	Totals	188	\$ 2,636.68	\$ 2,728.48	\$ 1,335.89	\$ 10,020.29	\$ 16,721.34	\$ 16,721.34
FEB	GV	43	\$ 997.85	\$ 606.15	\$ 160.00	\$ 2,138.41	\$ 3,902.41	\$ 11,107.25
	MC	33	\$ 1,109.20	\$ 455.33	\$ 315.00	\$ 2,251.18	\$ 4,130.71	\$ 7,631.42
	PC	30	\$ 2,421.86	\$ 593.37	\$ 620.00	\$ 3,277.81	\$ 6,913.04	\$ 9,714.02
	SV	31	\$ 199.82	\$ 525.81	\$ 251.40	\$ 1,983.90	\$ 2,960.93	\$ 6,175.74
	Totals	137	\$ 4,728.73	\$ 2,180.66	\$ 1,346.40	\$ 9,651.30	\$ 17,907.09	\$ 34,628.43
MAR	GV	49	\$ 3,436.52	\$ 854.43	\$ 135.00	\$ 2,742.16	\$ 7,168.11	\$ 18,275.36
	MC	29	\$ 1,712.96	\$ 463.41	\$ 266.00	\$ 1,993.83	\$ 4,436.20	\$ 12,067.62
	PC	50	\$ 7,280.22	\$ 1,104.35	\$ 20.00	\$ 4,080.60	\$ 12,485.17	\$ 22,199.19
	SV	13	\$ 678.74	\$ 149.48	\$ 80.00	\$ 579.09	\$ 1,487.31	\$ 7,663.05
	Totals	141	\$ 13,108.44	\$ 2,571.67	\$ 501.00	\$ 9,395.68	\$ 25,576.79	\$ 60,205.22
APR	GV	56	\$ 6,948.73	\$ 923.40	\$ 1,065.00	\$ 4,331.73	\$ 13,268.86	\$ 31,544.22
	MC	36	\$ 5,772.32	\$ 425.22	\$ 75.00	\$ 2,062.03	\$ 8,334.57	\$ 20,402.19
	PC	56	\$ 2,710.57	\$ 645.34	\$ 240.00	\$ 4,380.47	\$ 7,976.38	\$ 30,175.57
	SV	37	\$ 2,961.19	\$ 424.08	\$ 807.50	\$ 3,233.20	\$ 7,425.97	\$ 15,089.02
	Totals	185	\$ 18,392.81	\$ 2,418.04	\$ 2,187.50	\$ 14,007.43	\$ 37,005.78	\$ 97,211.00
MAY	GV	57	\$ 1,227.24	\$ 1,031.13	\$ 8.75	\$ 2,419.56	\$ 4,686.68	\$ 36,230.90
	MC	32	\$ 720.12	\$ 345.34	\$ 250.00	\$ 1,778.73	\$ 3,094.19	\$ 23,496.38
	PC	52	\$ 995.21	\$ 607.62	\$ 240.00	\$ 2,617.66	\$ 4,460.49	\$ 34,636.06
	SV	61	\$ 447.99	\$ 756.11	\$ 265.00	\$ 3,004.59	\$ 4,473.69	\$ 19,562.71
	Totals	202	\$ 3,390.56	\$ 2,740.20	\$ 763.75	\$ 9,820.54	\$ 16,715.05	\$ 113,926.05
JUNE	GV	39	\$ 165.03	\$ 574.56	\$ 100.00	\$ 1,496.88	\$ 2,336.47	\$ 38,567.37
	MC	40	\$ 743.94	\$ 595.05	\$ 187.50	\$ 2,044.08	\$ 3,570.57	\$ 27,066.95
	PC	44	\$ 1,403.57	\$ 463.41	\$ 87.98	\$ 2,226.93	\$ 4,181.89	\$ 38,817.95
	SV	50	\$ 2,800.13	\$ 747.56	\$ 480.00	\$ 3,560.73	\$ 7,588.42	\$ 27,151.13
	Totals	173	\$ 5,112.67	\$ 2,380.58	\$ 855.48	\$ 9,328.62	\$ 17,677.35	\$ 131,603.40

**MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2013**

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JULY	GV	57	\$ 1,731.35	\$ 975.84	\$ 116.88	\$ 3,328.64	\$ 6,152.71	\$ 44,720.08
	MC	38	\$ 1,246.36	\$ 429.78	\$ 565.00	\$ 2,731.46	\$ 4,972.60	\$ 32,039.55
	PC	45	\$ 1,391.47	\$ 536.68	\$ 40.00	\$ 2,223.97	\$ 4,192.12	\$ 43,010.07
	SV	47	\$ 16,530.39	\$ 791.57	\$ 540.00	\$ 5,385.03	\$ 23,246.99	\$ 50,398.12
	Totals	187	\$ 20,899.57	\$ 2,733.87	\$ 1,261.88	\$ 13,669.10	\$ 38,564.42	\$ 170,167.82
AUGUST	GV	49	\$ 11,847.59	\$ 726.75	\$ 440.00	\$ 4,480.13	\$ 17,494.47	\$ 62,214.55
	MC	30	\$ 1,360.02	\$ 355.68	\$ 776.05	\$ 3,881.94	\$ 6,373.69	\$ 38,413.24
	PC	43	\$ 12,438.11	\$ 448.59	\$ -	\$ 2,185.24	\$ 15,071.94	\$ 58,082.01
	SV	47	\$ 13,389.15	\$ 849.57	\$ 640.42	\$ 6,245.75	\$ 21,124.89	\$ 71,523.01
	Totals	169	\$ 39,034.87	\$ 2,380.59	\$ 1,856.47	\$ 16,793.06	\$ 60,064.99	\$ 230,232.81
SEPT	GV	47	\$ 1,525.29	\$ 975.27	\$ 200.00	\$ 4,256.59	\$ 6,957.15	\$ 69,171.70
	MC	43	\$ 257.29	\$ 567.72	\$ 180.00	\$ 2,431.46	\$ 3,436.47	\$ 41,849.71
	PC	29	\$ 1,008.95	\$ 399.00	\$ 200.00	\$ 1,976.27	\$ 3,584.22	\$ 61,666.23
	SV	34	\$ 718.19	\$ 302.60	\$ 823.37	\$ 2,233.62	\$ 4,077.78	\$ 75,600.79
	Totals	153	\$ 3,509.72	\$ 2,244.59	\$ 1,403.37	\$ 10,897.94	\$ 18,055.62	\$ 248,288.43
OCT	GV	37	2,960.17	607.35	468.55	3,596.20	7,632.27	76,803.97
	MC	57	4,089.51	896.04	786.40	5,865.83	11,637.78	53,487.49
	PC	31	10,003.14	544.92	0.00	3,569.59	14,117.65	75,783.88
	SV	46	3,804.42	691.68	248.50	2,969.46	7,714.06	83,314.85
	Totals	171	\$ 20,857.24	\$ 2,739.99	\$ 1,503.45	\$ 16,001.08	\$ 41,101.76	\$ 289,390.19
NOV	GV	40	7,756.42	739.29	320.00	3,736.26	12,551.97	89,355.94
	MC	42	2,596.97	554.04	245.00	2,745.62	6,141.63	59,629.12
	PC	29	3,035.81	397.11	250.00	1,714.23	5,397.15	81,181.03
	SV	31	947.79	449.73	485.00	2,871.32	4,753.84	88,068.69
	Totals	142	\$ 14,336.99	\$ 2,140.17	\$ 1,300.00	\$ 11,067.43	\$ 28,844.59	\$ 318,234.78
DEC	GV	66	1,754.41	1268.00	401.05	4831.78	8,255.24	97,611.18
	MC	29	426.49	357.78	225	1978.26	2,987.53	62,616.65
	PC	39	797.54	507.88	110	1849.31	3,264.73	84,445.76
	SV	26	847.08	353.45	508	2730.25	4,438.78	92,507.47
	Totals	160	\$ 3,825.52	\$ 2,487.11	\$ 1,244.05	\$ 11,389.60	\$ 18,946.28	\$ 337,181.06
YTD TOTALS		2,008	149,833.80	29,745.95	15,569.24	\$ 142,042.07	337,181.06	2,047,790.63

MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2014

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JAN	GV	161	\$ 5,945.82	\$ 2,959.40	\$ 820.00	\$ 8,627.65	\$ 18,352.87	\$ 18,352.87
	MC	134	\$ 6,084.00	\$ 1,480.48	\$ 627.50	\$ 6,837.00	\$ 15,028.98	\$ 15,028.98
	PC	116	\$ 5,622.90	\$ 1,425.48	\$ 335.00	\$ 5,189.59	\$ 12,572.97	\$ 12,572.97
	SV	134	\$ 9,866.08	\$ 1,604.60	\$ 1,345.90	\$ 6,806.76	\$ 19,623.34	\$ 19,623.34
	Totals	545	\$ 27,518.80	\$ 7,469.96	\$ 3,128.40	\$ 27,461.00	\$ 65,578.16	\$ 65,578.16
FEB	GV	49	\$ 1,492.82	\$ 1,221.54	\$ 1,760.00	\$ 4,208.23	\$ 8,682.59	\$ 27,035.46
	MC	48	\$ 1,644.12	\$ 575.03	\$ 492.50	\$ 2,687.76	\$ 5,399.41	\$ 20,428.39
	PC	66	\$ 2,396.74	\$ 978.64	\$ 820.00	\$ 3,894.96	\$ 8,090.34	\$ 20,663.31
	SV	53	\$ 1,348.66	\$ 787.28	\$ 610.00	\$ 3,362.06	\$ 6,108.00	\$ 25,731.34
	Totals	216	\$ 6,882.34	\$ 3,562.49	\$ 3,682.50	\$ 14,153.01	\$ 28,280.34	\$ 93,858.60
MAR	GV	28	\$ 1,349.21	\$ 300.72	\$ 240.00	\$ 2,513.19	\$ 4,403.12	\$ 31,438.58
	MC	24	\$ 4,306.99	\$ 256.48	\$ 125.00	\$ 1,851.33	\$ 6,539.80	\$ 26,968.19
	PC	31	\$ 1,252.86	\$ 520.80	\$ 20.00	\$ 1,798.33	\$ 3,591.99	\$ 24,255.30
	SV	107	\$ 1,662.81	\$ 614.96	\$ 320.00	\$ 2,317.74	\$ 4,915.51	\$ 30,646.85
	Totals	190	\$ 8,571.87	\$ 1,692.96	\$ 705.00	\$ 8,480.59	\$ 19,450.42	\$ 113,308.92
APR	GV	30	\$ 1,386.58	\$ 626.48	\$ 200.00	\$ 1,935.07	\$ 4,148.13	\$ 35,586.71
	MC	26	\$ 915.51	\$ 436.80	\$ 410.00	\$ 2,270.56	\$ 4,032.87	\$ 31,001.06
	PC	36	\$ 1,263.74	\$ 660.24	\$ -	\$ 2,379.33	\$ 4,303.31	\$ 28,558.61
	SV	23	\$ 383.33	\$ 447.20	\$ 50.00	\$ 1,811.49	\$ 2,692.02	\$ 33,338.87
	Totals	115	\$ 3,949.16	\$ 2,170.72	\$ 660.00	\$ 8,396.45	\$ 15,176.33	\$ 128,485.25
MAY	GV	49	\$ 1,002.41	\$ 1,070.36	\$ 300.00	\$ 3,580.23	\$ 5,953.00	\$ 41,539.71
	MC	49	\$ 2,134.04	\$ 609.84	\$ 375.00	\$ 3,698.49	\$ 6,817.37	\$ 37,818.43
	PC	38	\$ 2,450.23	\$ 581.44	\$ 180.00	\$ 2,692.02	\$ 5,903.69	\$ 34,462.30
	SV	35	\$ 919.96	\$ 582.96	\$ 580.00	\$ 3,308.83	\$ 5,391.75	\$ 38,730.62
	Totals	171	\$ 6,506.64	\$ 2,844.60	\$ 1,435.00	\$ 13,279.57	\$ 24,065.81	\$ 152,551.06
JUNE	GV	55	\$ 858.56	\$ 1,093.68	\$ 40.00	\$ 2,781.69	\$ 4,773.93	\$ 46,313.64
	MC	31	\$ 5,566.75	\$ 533.12	\$ 190.00	\$ 1,828.09	\$ 8,117.96	\$ 45,936.39
	PC	43	\$ 1,175.01	\$ 572.32	\$ 200.00	\$ 4,195.39	\$ 6,142.72	\$ 40,605.02
	SV	39	\$ 1,418.78	\$ 524.52	\$ 1,395.00	\$ 2,787.69	\$ 6,125.99	\$ 44,856.61
	Totals	168	\$ 9,019.10	\$ 2,723.64	\$ 1,825.00	\$ 11,592.86	\$ 25,160.60	\$ 177,711.66

**MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2014**

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JULY	GV	40	\$ 469.68	\$ 714.00	\$ 220.00	\$ 1,944.99	\$ 3,348.67	\$ 49,662.31
	MC	37	\$ 1,654.44	\$ 530.40	\$ 350.00	\$ 3,176.51	\$ 5,711.35	\$ 51,647.74
	PC	34	\$ 515.00	\$ 687.68	\$ -	\$ 2,483.64	\$ 3,686.32	\$ 44,291.34
	SV	25	\$ 1,726.28	\$ 305.76	\$ 520.00	\$ 2,068.71	\$ 4,620.75	\$ 49,477.36
	Totals	136	\$ 4,365.40	\$ 2,237.84	\$ 1,090.00	\$ 9,673.85	\$ 17,367.09	\$ 195,078.75
AUGUST	GV	41	\$ 809.04	\$ 785.12	\$ 640.00	\$ 3,002.91	\$ 5,237.07	\$ 54,899.38
	MC	29	\$ 3,107.93	\$ 358.26	\$ 187.50	\$ 2,144.35	\$ 5,798.04	\$ 57,445.78
	PC	40	\$ 14,455.98	\$ 714.56	\$ -	\$ 2,506.82	\$ 17,677.36	\$ 61,968.70
	SV	21	\$ 3,976.44	\$ 738.00	\$ -	\$ 2,592.37	\$ 7,306.81	\$ 56,784.17
	Totals	131	\$ 22,349.39	\$ 2,595.94	\$ 827.50	\$ 10,246.45	\$ 36,019.28	\$ 231,098.03
SEPT	GV	35	\$ 696.30	\$ 680.96	\$ 85.00	\$ 1,905.02	\$ 3,367.28	\$ 58,266.66
	MC	30	\$ 768.87	\$ 320.88	\$ 325.00	\$ 2,602.51	\$ 4,017.26	\$ 61,463.04
	PC	38	\$ 4,371.28	\$ 709.90	\$ 260.00	\$ 3,270.74	\$ 8,611.92	\$ 70,580.62
	SV	26	\$ 7,272.30	\$ 1,921.53	\$ 1,150.00	\$ 9,336.43	\$ 19,680.26	\$ 76,464.43
	Totals	129	\$ 13,108.75	\$ 3,633.27	\$ 1,820.00	\$ 17,114.70	\$ 35,676.72	\$ 266,774.75
OCT	GV	45	4,842.91	1,079.68	452.50	3,677.06	\$ 10,052.15	\$ 68,318.81
	MC	32	638.64	341.60	205.00	2,275.41	\$ 3,460.65	\$ 64,923.69
	PC	48	4,062.19	822.64	60.00	3,731.71	\$ 8,676.54	\$ 79,257.16
	SV	45	5,034.26	755.63	954.82	5,324.94	\$ 12,069.65	\$ 88,534.08
	Totals	170	\$ 14,578.00	\$ 2,999.55	\$ 1,672.32	\$ 16,009.12	\$ 34,268.99	\$ 301,033.74
NOV	GV	47	616.67	1,030.30	400.00	2,845.89	\$ 4,892.86	\$ 73,211.67
	MC	22	518.50	309.68	250.00	2,036.47	\$ 3,114.65	\$ 68,038.34
	PC	36	572.93	521.29	473.75	2,453.87	\$ 4,021.84	\$ 83,279.00
	SV	26	493.33	491.12	480.00	2,114.90	\$ 3,579.35	\$ 92,113.43
	Totals	131	\$ 2,201.43	\$ 2,352.39	\$ 1,603.75	\$ 9,451.13	\$ 15,608.70	\$ 316,642.44
DEC	GV	33	491.44	558.88	0	1,490.56	\$ 2,540.88	\$ 75,752.55
	MC	36	835.74	575.48	645	4,206.79	\$ 6,263.01	\$ 74,301.35
	PC	28	1,015.10	496.72	320	2,174.93	\$ 4,006.75	\$ 87,285.75
	SV	30	755.91	450.24	230	1,641.47	\$ 3,077.62	\$ 95,191.05
	Totals	127	\$ 3,098.19	\$ 2,081.32	\$ 1,195.00	\$ 9,513.75	\$ 15,888.26	\$ 332,530.70
YTD TOTALS	2,229	122,149.07	36,364.68	19,644.47	164,372.48	332,530.70	2,374,651.96	

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

EXHIBIT 21(f)

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2012

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
JAN	Lift Stations	3	3	\$ 15.78	\$ 30.80	\$ -	\$ 105.58	\$ 152.16	\$ 152.16
	WWTPs	2	2	\$ 2,240.27	\$ 53.76	\$ -	\$ 302.05	\$ 2,596.08	\$ 2,596.08
	Sewer Line Leaks/Breaks	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Aerators	1	1	\$ -	\$ 23.52	\$ -	\$ 33.44	\$ 56.96	\$ 56.96
	Sewer Delinquents/Flw Up	4	4	\$ 31.50	\$ 25.20	\$ -	\$ 84.49	\$ 141.19	\$ 141.19
	Verify Sewer	2	2	\$ -	\$ 5.60	\$ -	\$ 33.79	\$ 39.39	\$ 39.39
	Install/Recon. Sewer	4	4	\$ 2,417.21	\$ 42.00	\$ -	\$ 139.27	\$ 2,598.48	\$ 2,598.48
	Grinders/Misc.	57	57	\$ 28,896.80	\$ 999.60	\$ 280.00	\$ 2,468.24	\$ 32,644.64	\$ 32,644.64
	Totals	73	73	\$ 33,601.56	\$ 1,180.48	\$ 280.00	\$ 3,166.86	\$ 38,228.90	\$ 38,228.90
	FEB	Lift Stations	6	9	\$ 2,600.32	\$ 120.40	\$ -	\$ 1,281.93	\$ 4,002.65
WWTPs		1	3	\$ 415.00	\$ 38.90	\$ -	\$ 95.24	\$ 549.14	\$ 3,145.22
Sewer Line Leaks/Breaks		3	3	\$ 175.03	\$ 100.00	\$ 40.00	\$ 925.33	\$ 1,240.36	\$ 1,240.36
Aerators		1	2	\$ -	\$ 23.52	\$ -	\$ 61.24	\$ 84.76	\$ 141.72
Sewer Delinquents/Flw Up		0	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141.19
Verify Sewer		2	4	\$ -	\$ 32.48	\$ -	\$ 78.85	\$ 111.33	\$ 150.72
Install/Recon. Sewer		3	7	\$ 2,549.63	\$ 16.80	\$ -	\$ 135.16	\$ 2,701.59	\$ 5,300.07
Grinders/Misc.		43	100	\$ 23,728.94	\$ 690.63	\$ -	\$ 1,743.09	\$ 26,162.66	\$ 58,807.30
Totals		59	132	\$ 29,468.92	\$ 1,022.73	\$ 40.00	\$ 4,320.84	\$ 34,852.49	\$ 73,081.39
MAR		Lift Stations	8	17	\$ 5,144.25	\$ 199.58	\$ -	\$ 3,214.43	\$ 8,558.26
	WWTPs	2	5	\$ -	\$ 11.20	\$ -	\$ 26.67	\$ 37.87	\$ 3,183.09
	Sewer Line Leaks/Breaks	2	5	\$ 191.12	\$ 67.20	\$ 160.00	\$ 260.16	\$ 678.48	\$ 1,918.84
	Aerators	1	3	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 227.04
	Sewer Delinquents/Flw Up	4	8	\$ 136.20	\$ 64.40	\$ -	\$ 85.04	\$ 285.64	\$ 426.83
	Verify Sewer	2	6	\$ -	\$ 16.80	\$ -	\$ 49.85	\$ 66.65	\$ 217.37
	Install/Recon. Sewer	2	9	\$ 725.00	\$ 20.16	\$ -	\$ 73.18	\$ 818.34	\$ 6,118.41
	Grinders/Misc.	58	158	\$ 25,017.85	\$ 1,086.65	\$ 336.00	\$ 2,792.25	\$ 29,232.75	\$ 88,040.05
	Totals	79	211	\$ 31,214.42	\$ 1,490.07	\$ 496.00	\$ 6,562.82	\$ 39,763.31	\$ 112,844.70
	APR	Lift Stations	5	22	\$ 5,002.00	\$ 203.28	\$ -	\$ 1,409.17	\$ 6,614.45
WWTPs		2	7	\$ -	\$ 30.24	\$ -	\$ 237.27	\$ 267.51	\$ 3,450.60
Sewer Line Leaks/Breaks		0	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,918.84
Aerators		1	4	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 312.36
Sewer Delinquents/Flw Up		3	11	\$ -	\$ 28.00	\$ -	\$ 68.96	\$ 96.96	\$ 523.79
Verify Sewer		2	8	\$ 993.06	\$ 61.60	\$ 160.00	\$ 323.12	\$ 1,537.78	\$ 1,755.15
Install/Recon. Sewer		1	10	\$ 725.00	\$ 16.80	\$ -	\$ 35.16	\$ 776.96	\$ 6,895.37
Grinders/Misc.		70	228	\$ 33,264.81	\$ 1,233.12	\$ 180.00	\$ 2,770.04	\$ 37,447.97	\$ 125,488.02
Totals		84	295	\$ 39,984.87	\$ 1,597.12	\$ 340.00	\$ 4,904.96	\$ 46,826.95	\$ 159,671.65

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2012

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
MAY	Lift Stations	5	27	\$ -	\$ 173.04	\$ -	\$ 568.01	\$ 741.05	\$ 20,068.57
	WWTPs	2	9	\$ 49.00	\$ 13.44	\$ -	\$ 48.38	\$ 110.82	\$ 3,561.42
	Sewer Line Leaks/Breaks	5	10	\$ 614.51	\$ 92.96	\$ 240.00	\$ 588.97	\$ 1,536.44	\$ 3,455.28
	Aerators	1	5	\$ -	\$ 25.20	\$ -	\$ 91.86	\$ 117.06	\$ 429.42
	Sewer Delinquents/Flw Up	0	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523.79
	Verify Sewer	1	9	\$ -	\$ 11.20	\$ -	\$ 21.26	\$ 32.46	\$ 1,787.61
	Install/Recon. Sewer	6	16	\$ 2,923.72	\$ 58.80	\$ -	\$ 88.31	\$ 3,070.83	\$ 9,966.20
	Grinders/Misc.	110	338	\$ 46,031.39	\$ 1,880.77	\$ 231.50	\$ 4,339.01	\$ 52,482.67	\$ 177,970.69
	Totals	130	425	\$ 49,618.62	\$ 2,255.41	\$ 471.50	\$ 5,745.80	\$ 58,091.33	\$ 217,762.98
	JUNE	Lift Stations	2	29	\$ 26.57	\$ 14.00	\$ -	\$ 213.82	\$ 254.39
WWTPs		1	10	\$ -	\$ -	\$ -	\$ 53.46	\$ 53.46	\$ 3,614.88
Sewer Line Leaks/Breaks		0	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,455.28
Aerators		1	6	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 514.74
Sewer Delinquents/Flw Up		7	18	\$ 94.50	\$ 56.00	\$ -	\$ 184.79	\$ 335.29	\$ 859.08
Verify Sewer		2	11	\$ -	\$ 14.00	\$ -	\$ 35.16	\$ 49.16	\$ 1,836.77
Install/Recon. Sewer		4	20	\$ 2,900.00	\$ 112.00	\$ -	\$ 161.35	\$ 3,173.35	\$ 13,139.55
Grinders/Misc.		76	414	\$ 36,364.48	\$ 1,036.00	\$ 85.00	\$ 2,313.78	\$ 39,799.26	\$ 217,769.95
Totals		93	518	\$ 39,385.55	\$ 1,256.08	\$ 85.00	\$ 3,023.60	\$ 43,750.23	\$ 261,513.21
JULY		Lift Stations	9	38	\$ 2,777.00	\$ 177.30	\$ 17.50	\$ 1,157.67	\$ 4,129.47
	WWTPs	1	11	\$ 10.20	\$ 34.72	\$ -	\$ 92.82	\$ 137.74	\$ 3,752.62
	Sewer Line Leaks/Breaks	5	15	\$ 200.98	\$ 134.40	\$ 40.00	\$ 225.98	\$ 601.36	\$ 4,056.64
	Aerators	1	7	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 600.06
	Sewer Delinquents/Flw Up	0	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859.08
	Verify Sewer	4	15	\$ -	\$ 39.20	\$ -	\$ 70.89	\$ 110.09	\$ 1,946.86
	Install/Recon. Sewer	1	21	\$ 725.00	\$ 8.40	\$ -	\$ 33.79	\$ 767.19	\$ 13,906.74
	Grinders/Misc.	163	577	\$ 76,213.38	\$ 2,031.26	\$ -	\$ 5,514.40	\$ 83,759.04	\$ 301,528.99
	Totals	184	702	\$ 79,926.56	\$ 2,449.36	\$ 57.50	\$ 7,156.79	\$ 89,590.21	\$ 351,103.42
	AUGUST	Lift Stations	12	50	\$ 1,457.14	\$ 239.12	\$ 230.00	\$ 1,845.79	\$ 3,772.05
Wastewater Plants		2	13	\$ -	\$ 51.52	\$ 167.50	\$ 503.82	\$ 722.84	\$ 4,475.46
Sewer Line Leaks/Breaks		5	20	\$ 752.01	\$ 248.00	\$ 200.00	\$ 601.06	\$ 1,801.07	\$ 5,857.71
Aerators		1	8	\$ -	\$ 21.38	\$ -	\$ 33.44	\$ 54.82	\$ 654.88
Sewer Delinquents/Flw Up		3	21	\$ 21.84	\$ 42.00	\$ -	\$ 87.85	\$ 151.69	\$ 1,010.77
Verify Sewer		0	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,946.86
Install/Recon. Sewer		5	26	\$ 4,426.31	\$ 61.60	\$ -	\$ 153.13	\$ 4,641.04	\$ 18,547.78
Grinders/Misc.		155	732	\$ 65,795.67	\$ 1,908.87	\$ 570.00	\$ 5,016.99	\$ 73,291.53	\$ 374,820.52
Totals		183	885	\$ 72,452.97	\$ 2,572.49	\$ 1,167.50	\$ 8,242.08	\$ 84,435.04	\$ 435,538.46

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2012

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
SEPT	Lift Stations	9	59	\$ 11,474.39	\$ 224.20	\$ 210.00	\$ 1,940.39	\$ 13,848.98	\$ 42,073.46
	Wastewater Plants	2	15	\$ -	\$ 28.00	\$ 335.00	\$ 1,181.28	\$ 1,544.28	\$ 6,019.74
	Sewer Line Leaks/Breaks	3	23	\$ 287.40	\$ 58.80	\$ 200.00	\$ 747.77	\$ 1,293.97	\$ 7,151.68
	Aerators	1	9	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 740.20
	Sewer Delinquents/Flw Up	2	23	\$ 63.00	\$ 19.60	\$ -	\$ 52.06	\$ 134.66	\$ 1,145.43
	Verify Sewer	1	16	\$ -	\$ 16.80	\$ -	\$ 35.16	\$ 51.96	\$ 1,998.82
	Install/Recon. Sewer	3	29	\$ 1,693.46	\$ 14.00	\$ -	\$ 47.69	\$ 1,755.15	\$ 20,302.93
	Grinders/Misc.	87	819	\$ 45,568.47	\$ 1,149.62	\$ -	\$ 3,102.16	\$ 49,820.25	\$ 424,640.77
	Totals	108	993	\$ 59,086.72	\$ 1,535.10	\$ 745.00	\$ 7,167.75	\$ 68,534.57	\$ 504,073.03
OCT	Lift Stations	8	67	\$ 49.00	\$ 199.24	\$ 255.00	\$ 2,082.27	\$ 2,585.51	\$ 44,658.97
	Wastewater Plants	2	17	\$ -	\$ 30.80	\$ 25.00	\$ 549.34	\$ 605.14	\$ 6,624.88
	Sewer Line Leaks/Breaks	2	25	\$ 1,432.08	\$ 71.00	\$ 195.84	\$ 811.54	\$ 2,510.46	\$ 9,662.14
	Aerators	1	10	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 825.52
	Sewer Delinquents/Flw Up	3	26	\$ 31.50	\$ 42.00	\$ -	\$ 105.48	\$ 178.98	\$ 1,324.41
	Verify Sewer	2	18	\$ -	\$ 25.20	\$ -	\$ 38.16	\$ 63.36	\$ 2,062.18
	Install/Recon. Sewer	3	32	\$ 1,870.83	\$ 26.32	\$ -	\$ 68.93	\$ 1,966.08	\$ 22,269.01
	Grinders/Misc.	86	905	\$ 37,968.76	\$ 1,279.92	\$ 100.00	\$ 3,181.14	\$ 42,529.82	\$ 467,170.59
	Totals	107	1100	\$ 41,352.17	\$ 1,698.56	\$ 575.84	\$ 6,898.10	\$ 50,524.67	\$ 554,597.70
NOV	Lift Stations	1	68	\$ -	\$ 5.60	\$ -	\$ 13.90	\$ 19.50	\$ 44,678.47
	Wastewater Plants	2	19	\$ -	\$ 25.20	\$ -	\$ 274.91	\$ 300.11	\$ 6,924.99
	Sewer Line Leaks/Breaks	1	26	\$ 44.37	\$ 39.50	\$ 120.00	\$ 251.13	\$ 455.00	\$ 10,117.14
	Aerators	1	11	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 910.84
	Sewer Delinquents/Flw Up	8	34	\$ 53.34	\$ 39.20	\$ -	\$ 126.66	\$ 219.20	\$ 1,543.61
	Verify Sewer	1	19	\$ -	\$ 2.80	\$ -	\$ 21.85	\$ 24.65	\$ 2,086.83
	Install/Recon. Sewer	3	35	\$ 2,397.41	\$ 53.20	\$ -	\$ 77.27	\$ 2,527.88	\$ 24,796.89
	Grinders/Misc.	52	957	\$ 22,862.30	\$ 716.24	\$ 45.00	\$ 1,502.03	\$ 25,125.57	\$ 492,296.16
	Totals	69	1169	\$ 25,357.42	\$ 905.82	\$ 165.00	\$ 2,328.99	\$ 28,757.23	\$ 583,354.93
DEC	Lift Stations	5	73	\$ 10.59	\$ 98.00	\$ -	\$ 789.86	\$ 898.45	\$ 45,576.92
	Wastewater Plants	0	19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,924.99
	Sewer Line Leaks/Breaks	0	26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,117.14
	Aerators	1	12	\$ -	\$ 24.08	\$ -	\$ 61.24	\$ 85.32	\$ 996.16
	Sewer Delinquents/Flw Up	9	43	\$ 86.10	\$ 75.04	\$ -	\$ 238.68	\$ 399.82	\$ 1,943.43
	Verify Sewer	2	21	\$ -	\$ 14.00	\$ -	\$ 33.80	\$ 47.80	\$ 2,134.63
	Install/Recon. Sewer	5	40	\$ 4,253.15	\$ 39.20	\$ -	\$ 104.37	\$ 4,396.72	\$ 29,193.61
	Grinders/Misc.	47	1004	\$ 21,443.46	\$ 786.23	\$ 80.00	\$ 1,636.80	\$ 23,946.49	\$ 516,242.65
	Totals	69	1238	\$ 25,793.30	\$ 1,036.55	\$ 80.00	\$ 2,864.75	\$ 29,774.60	\$ 613,129.53

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2013

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
JAN	Lift Stations	11	11	\$ 909.18	\$ 356.82	\$ 220.00	\$ 2,037.23	\$ 3,523.23	\$ 3,523.23
	WWTPs	3	3	\$ -	\$ 70.11	\$ -	\$ 312.40	\$ 382.51	\$ 382.51
	Sewer Line Leaks/Breaks	4	4	\$ 1,932.97	\$ 133.95	\$ 221.50	\$ 465.23	\$ 2,753.65	\$ 2,753.65
	Aerators	1	1	\$ -	\$ 24.51	\$ -	\$ 61.24	\$ 85.75	\$ 85.75
	Sewer Delinquents/Flw Up	1	1	\$ -	\$ 19.95	\$ -	\$ 35.16	\$ 55.11	\$ 55.11
	Verify Sewer	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Install/Recon. Sewer	2	2	\$ 1,822.27	\$ 15.25	\$ -	\$ 36.79	\$ 1,874.31	\$ 1,874.31
	Grinders/Misc.	51	51	\$ 31,899.33	\$ 889.65	\$ 120.00	\$ 1,865.37	\$ 34,774.35	\$ 34,774.35
	Totals	73	73	\$ 36,563.75	\$ 1,510.24	\$ 120.00	\$ 4,813.42	\$ 43,448.91	\$ 43,448.91
	FEB	Lift Stations	2	13	\$ 12.99	\$ 90.06	\$ -	\$ 208.79	\$ 311.84
WWTPs		4	7	\$ 1,592.92	\$ 185.82	\$ -	\$ 866.77	\$ 2,645.51	\$ 3,028.02
Sewer Line Leaks/Breaks		1	5	\$ 174.45	\$ 17.10	\$ 160.00	\$ 345.12	\$ 696.67	\$ 3,450.32
Aerators		2	3	\$ -	\$ 94.11	\$ -	\$ 213.49	\$ 307.60	\$ 393.35
Sewer Delinquents/Flw Up		3	4	\$ 63.00	\$ 31.92	\$ -	\$ 55.06	\$ 149.98	\$ 205.09
Verify Sewer		1	1	\$ -	\$ 4.56	\$ -	\$ 16.90	\$ 21.46	\$ 21.46
Install/Recon. Sewer		5	7	\$ 4,397.76	\$ 82.65	\$ -	\$ 167.89	\$ 4,648.30	\$ 6,522.61
Grinders/Misc.		37	88	\$ 19,435.22	\$ 649.23	\$ 80.00	\$ 1,490.21	\$ 21,654.66	\$ 56,429.01
Totals		55	128	\$ 25,676.34	\$ 1,155.45	\$ 240.00	\$ 3,364.23	\$ 30,436.02	\$ 73,884.93
MAR		Lift Stations	1	14	\$ 70.35	\$ 14.25	\$ -	\$ 121.18	\$ 205.78
	WWTPs	2	9	\$ -	\$ 64.41	\$ -	\$ 170.46	\$ 234.87	\$ 3,262.89
	Sewer Line Leaks/Breaks	2	7	\$ 169.09	\$ 79.80	\$ 200.00	\$ 323.78	\$ 772.67	\$ 4,222.99
	Aerators	1	4	\$ -	\$ 24.51	\$ -	\$ 61.24	\$ 85.75	\$ 479.10
	Sewer Delinquents/Flw Up	3	7	\$ 94.50	\$ 37.05	\$ -	\$ 90.21	\$ 221.76	\$ 426.85
	Verify Sewer	1	2	\$ -	\$ 2.85	\$ -	\$ 6.95	\$ 9.80	\$ 31.26
	Install/Recon. Sewer	3	10	\$ 2,297.27	\$ 27.36	\$ -	\$ 88.84	\$ 2,413.47	\$ 8,936.08
	Grinders/Misc.	41	129	\$ 24,955.30	\$ 617.64	\$ 120.00	\$ 1,776.57	\$ 27,469.51	\$ 83,898.52
	Totals	54	182	\$ 27,586.51	\$ 867.87	\$ 320.00	\$ 2,639.23	\$ 31,413.61	\$ 105,298.54
	APR	Lift Stations	0	14	\$ -	\$ -	\$ -	\$ -	\$ -
WWTPs		0	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,262.89
Sewer Line Leaks/Breaks		4	11	\$ 183.42	\$ 99.75	\$ 240.00	\$ 715.49	\$ 1,238.66	\$ 5,461.65
Aerators		1	5	\$ -	\$ 19.95	\$ -	\$ 33.44	\$ 53.39	\$ 532.49
Sewer Delinquents/Flw Up		1	8	\$ 31.50	\$ 19.95	\$ -	\$ 35.16	\$ 86.61	\$ 513.46
Verify Sewer		2	4	\$ -	\$ 7.98	\$ -	\$ 33.80	\$ 41.78	\$ 73.04
Install/Recon. Sewer		4	14	\$ 3,331.06	\$ 45.60	\$ -	\$ 144.59	\$ 3,521.25	\$ 12,457.33
Grinders/Misc.		64	193	\$ 32,188.40	\$ 1,076.16	\$ -	\$ 2,229.24	\$ 35,493.80	\$ 119,392.32
Totals		76	258	\$ 35,734.38	\$ 1,269.39	\$ 240.00	\$ 3,191.72	\$ 40,435.49	\$ 145,734.03

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2013

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
MAY	Lift Stations	7	21	\$ 54.30	\$ 292.98	\$ 235.00	\$ 2,089.21	\$ 2,671.49	\$ 6,712.34
	WWTPs	3	12	\$ 711.62	\$ 210.90	\$ 240.00	\$ 685.97	\$ 1,848.49	\$ 5,111.38
	Sewer Line Leaks/Breaks	4	15	\$ 252.78	\$ 139.65	\$ 380.00	\$ 652.96	\$ 1,425.39	\$ 6,887.04
	Aerators	1	6	\$ -	\$ 24.51	\$ -	\$ 61.24	\$ 85.75	\$ 618.24
	Sewer Delinquents/Flw Up	2	10	\$ 63.00	\$ 11.40	\$ -	\$ 67.58	\$ 141.98	\$ 655.44
	Verify Sewer	0	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73.04
	Install/Recon. Sewer	5	19	\$ 2,679.23	\$ 43.32	\$ -	\$ 88.86	\$ 2,811.41	\$ 15,268.74
	Grinders/Misc.	63	256	\$ 30,818.43	\$ 1,059.06	\$ 3,420.00	\$ 2,454.98	\$ 37,752.47	\$ 157,144.79
	Totals	85	343	\$ 34,579.36	\$ 1,781.82	\$ 4,275.00	\$ 6,100.80	\$ 46,736.98	\$ 192,471.01
JUNE	Lift Stations	16	37	\$ 521.44	\$ 369.93	\$ 140.00	\$ 2,906.39	\$ 3,937.76	\$ 10,650.10
	WWTPs	6	18	\$ -	\$ 163.02	\$ 250.00	\$ 7,302.44	\$ 7,715.46	\$ 12,826.84
	Sewer Line Leaks/Breaks	2	17	\$ 259.89	\$ 51.30	\$ 80.00	\$ 170.88	\$ 562.07	\$ 7,449.11
	Aerators	1	7	\$ -	\$ 24.51	\$ -	\$ 61.24	\$ 85.75	\$ 703.99
	Sewer Delinquents/Flw Up	2	12	\$ 63.00	\$ 25.65	\$ -	\$ 70.32	\$ 158.97	\$ 814.41
	Verify Sewer	0	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73.04
	Install/Recon. Sewer	10	29	\$ 6,545.14	\$ 119.13	\$ 80.00	\$ 342.01	\$ 7,086.28	\$ 22,355.02
	Grinders/Misc.	103	359	\$ 41,054.78	\$ 1,592.40	\$ 40.00	\$ 3,566.92	\$ 46,254.10	\$ 203,398.89
	Totals	140	483	\$ 48,444.25	\$ 2,345.94	\$ 590.00	\$ 14,420.20	\$ 65,800.39	\$ 258,271.40
JULY	Lift Stations	2	39	\$ -	\$ 25.65	\$ -	\$ 101.66	\$ 127.31	\$ 10,777.41
	WWTPs	4	22	\$ 41.17	\$ 65.55	\$ -	\$ 258.01	\$ 364.73	\$ 13,191.57
	Sewer Line Leaks/Breaks	5	22	\$ 605.37	\$ 136.80	\$ 120.00	\$ 529.96	\$ 1,392.13	\$ 8,841.24
	Aerators	1	8	\$ -	\$ 24.51	\$ -	\$ 39.98	\$ 64.49	\$ 768.48
	Sewer Delinquents/Flw Up	1	13	\$ 10.92	\$ 17.10	\$ -	\$ 35.16	\$ 63.18	\$ 877.59
	Verify Sewer	2	6	\$ -	\$ 27.36	\$ -	\$ 64.95	\$ 92.31	\$ 165.35
	Install/Recon. Sewer	8	37	\$ 5,087.84	\$ 100.41	\$ -	\$ 166.54	\$ 5,354.79	\$ 27,709.81
	Grinders/Misc.	85	444	\$ 41,737.17	\$ 1,301.94	\$ 60.00	\$ 3,195.25	\$ 46,294.36	\$ 249,693.25
	Totals	108	591	\$ 47,482.47	\$ 1,699.32	\$ 180.00	\$ 4,391.51	\$ 53,753.30	\$ 312,024.70
AUGUST	Lift Stations	9	48	\$ 1,284.99	\$ 252.51	\$ 530.00	\$ 2,846.22	\$ 4,913.72	\$ 15,691.13
	Wastewater Plants	3	25	\$ 41.17	\$ 129.96	\$ 200.00	\$ 879.56	\$ 1,250.69	\$ 14,442.26
	Sewer Line Leaks/Breaks	2	24	\$ 96.96	\$ 55.86	\$ -	\$ 99.88	\$ 252.70	\$ 9,093.94
	Aerators	1	9	\$ -	\$ 24.51	\$ -	\$ 39.98	\$ 64.49	\$ 832.97
	Sewer Delinquents/Flw Up	8	21	\$ 31.50	\$ 27.93	\$ -	\$ 99.16	\$ 158.59	\$ 1,036.18
	Verify Sewer	2	8	\$ -	\$ 19.95	\$ -	\$ 40.66	\$ 60.61	\$ 225.96
	Install/Recon. Sewer	11	48	\$ 5,275.64	\$ 114.00	\$ -	\$ 202.15	\$ 5,591.79	\$ 33,301.60
	Grinders/Misc.	110	554	\$ 48,565.87	\$ 1,364.01	\$ 40.00	\$ 3,349.70	\$ 53,319.58	\$ 303,012.83
	Totals	146	737	\$ 55,296.13	\$ 1,988.73	\$ 770.00	\$ 7,557.31	\$ 65,612.17	\$ 377,636.87

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2013

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
SEPT	Lift Stations	4	52	\$ 632.02	\$ 39.95	\$ 294.00	\$ 1,955.53	\$ 2,921.50	\$ 18,612.69
	Wastewater Plants	2	27	\$ -	\$ 151.05	\$ 255.00	\$ 7,762.91	\$ 8,168.96	\$ 22,611.22
	Sewer Line Leaks/Breaks	1	25	\$ 28.44	\$ 6.84	\$ -	\$ 36.43	\$ 71.71	\$ 9,165.65
	Aerators	2	11	\$ 1.20	\$ 38.76	\$ -	\$ 139.52	\$ 179.48	\$ 1,012.45
	Sewer Delinquents/Flw Up	2	23	\$ 21.84	\$ 34.20	\$ -	\$ 45.20	\$ 101.24	\$ 1,137.42
	Verify Sewer	1	9	\$ -	\$ 17.10	\$ -	\$ 22.60	\$ 39.70	\$ 265.66
	Install/Recon. Sewer	9	57	\$ 5,861.26	\$ 106.02	\$ -	\$ 413.59	\$ 6,380.87	\$ 39,682.47
	Grinders/Misc.	87	641	\$ 46,922.45	\$ 1,395.93	\$ 120.00	\$ 3,085.61	\$ 51,523.99	\$ 354,536.82
	Totals	108	845	\$ 53,467.21	\$ 1,789.85	\$ 669.00	\$ 13,461.39	\$ 69,387.45	\$ 447,024.32
OCT	Lift Stations	6	58	\$ 91.12	\$ 94.05	\$ -	\$ 590.99	\$ 776.16	\$ 19,388.79
	Wastewater Plants	1	28	\$ 49.00	\$ 11.40	\$ -	\$ 22.60	\$ 83.00	\$ 22,694.22
	Sewer Line Leaks/Breaks	0	25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,165.65
	Aerators	0	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012.45
	Sewer Delinquents/Flw Up	4	27	\$ 126.00	\$ 54.15	\$ -	\$ 122.62	\$ 302.77	\$ 1,440.19
	Verify Sewer	2	11	\$ -	\$ 28.50	\$ -	\$ 59.56	\$ 88.06	\$ 353.72
	Install/Recon. Sewer	4	61	\$ 2,955.00	\$ 57.00	\$ -	\$ 87.16	\$ 3,099.16	\$ 42,781.63
	Grinders/Misc.	83	724	\$ 36,615.71	\$ 1,165.95	\$ 177.40	\$ 3,101.67	\$ 41,060.73	\$ 395,597.55
	Totals	100	945	\$ 39,836.83	\$ 1,411.05	\$ 177.40	\$ 3,984.60	\$ 45,409.88	\$ 492,434.20
NOV	Lift Stations	6	64	\$ 3,247.32	\$ 225.72	\$ -	\$ 669.61	\$ 4,142.65	\$ 23,531.44
	Wastewater Plants	4	32	\$ 26.00	\$ 67.83	\$ -	\$ 245.22	\$ 339.05	\$ 23,033.27
	Sewer Line Leaks/Breaks	0	25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,165.65
	Aerators	1	12	\$ -	\$ 32.49	\$ -	\$ 67.63	\$ 100.12	\$ 1,112.57
	Sewer Delinquents/Flw Up	1	28	\$ 31.50	\$ 2.85	\$ -	\$ 32.15	\$ 66.50	\$ 1,506.69
	Verify Sewer	2	13	\$ -	\$ 19.95	\$ -	\$ 58.07	\$ 78.02	\$ 431.74
	Install/Recon. Sewer	5	66	\$ 3,083.17	\$ 57.00	\$ -	\$ 104.23	\$ 3,244.40	\$ 46,026.03
	Grinders/Misc.	54	778	\$ 27,939.76	\$ 915.42	\$ -	\$ 2,071.95	\$ 30,927.13	\$ 426,524.68
	Totals	73	1018	\$ 34,327.75	\$ 1,321.26	\$ -	\$ 3,248.86	\$ 38,897.87	\$ 531,332.07
DEC	Lift Stations	7	71	\$ 929.00	\$ 159.08	\$ -	\$ 1,254.86	\$ 2,342.94	\$ 25,874.38
	Wastewater Plants	3	35	\$ 2,717.65	\$ 91.99	\$ -	\$ 881.05	\$ 3,690.69	\$ 26,723.96
	Sewer Line Leaks/Breaks	0	25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,165.65
	Aerators	0	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,112.57
	Sewer Delinquents/Flw Up	0	28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,506.69
	Verify Sewer	4	17	\$ -	\$ 22.50	\$ -	\$ 42.60	\$ 65.10	\$ 496.84
	Install/Recon. Sewer	3	69	\$ 1,642.92	\$ 15.39	\$ -	\$ 91.08	\$ 1,749.39	\$ 47,775.42
	Grinders/Misc.	63	841	\$ 22,143.04	\$ 981.67	\$ 120.00	\$ 2,389.85	\$ 25,634.56	\$ 452,159.24
	Totals	80	1098	\$ 27,432.61	\$ 1,270.63	\$ 120.00	\$ 4,659.44	\$ 33,482.68	\$ 564,814.75

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2014

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
JAN	Lift Stations	1	1	\$ 39.00	\$ 16.80	\$ -	\$ 54.10	\$ 109.90	\$ 109.90
	WWTPs	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sewer Line Leaks/Breaks	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Aerators	1	1	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 64.06
	Sewer Delinquents/Flw Up	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Verify Sewer	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Install/Recon. Sewer	4	4	\$ 1,841.92	\$ 15.12	\$ -	\$ 109.29	\$ 1,966.33	\$ 1,966.33
	Grinders/Misc.	68	68	\$ 26,853.87	\$ 986.64	\$ 80.00	\$ 2,515.22	\$ 30,435.73	\$ 30,435.73
Totals	74	74	\$ 28,734.79	\$ 1,042.64	\$ 120.00	\$ 2,718.59	\$ 32,576.02	\$ 32,576.02	
FEB	Lift Stations	0	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109.90
	WWTPs	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sewer Line Leaks/Breaks	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Aerators	0	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64.06
	Sewer Delinquents/Flw Up	3	3	\$ 94.50	\$ 39.20	\$ -	\$ 63.42	\$ 197.12	\$ 197.12
	Verify Sewer	3	3	\$ -	\$ 39.20	\$ -	\$ 87.79	\$ 126.99	\$ 126.99
	Install/Recon. Sewer	6	10	\$ 3,073.10	\$ 44.80	\$ -	\$ 190.92	\$ 3,308.82	\$ 5,275.15
	Grinders/Misc.	46	114	\$ 22,351.67	\$ 828.24	\$ 240.00	\$ 2,122.37	\$ 25,542.28	\$ 55,978.01
Totals	58	132	\$ 25,519.27	\$ 951.44	\$ 240.00	\$ 2,464.50	\$ 29,175.21	\$ 61,761.23	
MAR	Lift Stations	3	4	\$ 913.74	\$ 89.50	\$ -	\$ 625.83	\$ 1,629.07	\$ 1,738.97
	WWTPs	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sewer Line Leaks/Breaks	2	2	\$ 297.49	\$ 84.00	\$ 120.00	\$ 207.88	\$ 709.37	\$ 709.37
	Aerators	1	2	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 128.12
	Sewer Delinquents/Flw Up	4	7	\$ 94.50	\$ 46.48	\$ -	\$ 115.92	\$ 256.90	\$ 454.02
	Verify Sewer	3	6	\$ -	\$ 7.84	\$ -	\$ 83.06	\$ 90.90	\$ 217.89
	Install/Recon. Sewer	7	17	\$ 6,663.63	\$ 93.52	\$ 160.00	\$ 467.97	\$ 7,385.12	\$ 12,660.27
	Grinders/Misc.	42	156	\$ 25,170.45	\$ 870.57	\$ 340.00	\$ 1,996.96	\$ 28,377.98	\$ 84,355.99
Totals	62	194	\$ 33,139.81	\$ 1,215.99	\$ 620.00	\$ 3,537.60	\$ 38,513.40	\$ 100,264.63	
APR	Lift Stations	2	6	\$ -	\$ 53.76	\$ -	\$ 578.42	\$ 632.18	\$ 2,371.15
	WWTPs	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sewer Line Leaks/Breaks	3	5	\$ 39.80	\$ 56.00	\$ 15.00	\$ 159.48	\$ 270.28	\$ 979.65
	Aerators	1	3	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 192.18
	Sewer Delinquents/Flw Up	1	8	\$ 31.50	\$ 16.80	\$ -	\$ 36.50	\$ 84.80	\$ 538.82
	Verify Sewer	1	7	\$ -	\$ 3.92	\$ -	\$ 36.43	\$ 40.35	\$ 258.24
	Install/Recon. Sewer	10	27	\$ 5,968.09	\$ 131.04	\$ 80.00	\$ 417.54	\$ 6,596.67	\$ 19,256.94
	Grinders/Misc.	47	203	\$ 24,759.47	\$ 798.00	\$ 90.00	\$ 2,039.40	\$ 27,686.87	\$ 112,042.86
Totals	65	259	\$ 30,798.86	\$ 1,083.60	\$ 185.00	\$ 3,307.75	\$ 35,375.21	\$ 135,639.84	

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2014

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
MAY	Lift Stations	5	11	\$ 1,255.79	\$ 90.72	\$ -	\$ 538.12	\$ 1,884.63	\$ 4,255.78
	WWTPs	5	5	\$ 763.30	\$ 122.08	\$ -	\$ 745.39	\$ 1,630.77	\$ 1,630.77
	Sewer Line Leaks/Breaks	4	9	\$ 2,707.30	\$ 126.98	\$ 760.00	\$ 2,467.85	\$ 6,062.13	\$ 7,041.78
	Aerators	0	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192.18
	Sewer Delinquents/Flw Up	1	9	\$ 31.50	\$ 16.80	\$ -	\$ 36.50	\$ 84.80	\$ 623.62
	Verify Sewer	0	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258.24
	Install/Recon. Sewer	9	36	\$ 6,739.60	\$ 87.92	\$ -	\$ 253.01	\$ 7,080.53	\$ 26,337.47
	Grinders/Misc.	65	268	\$ 32,682.44	\$ 1,105.91	\$ 120.00	\$ 2,363.48	\$ 36,271.83	\$ 148,314.69
	Totals	89	348	\$ 44,179.93	\$ 1,550.41	\$ 880.00	\$ 6,404.35	\$ 53,014.69	\$ 188,654.53
	JUNE	Lift Stations	11	22	\$ 2,907.20	\$ 1,147.04	\$ 420.00	\$ 9,113.31	\$ 13,587.55
WWTPs		3	8	\$ 349.00	\$ 235.76	\$ 260.00	\$ 1,031.38	\$ 1,876.14	\$ 3,506.91
Sewer Line Leaks/Breaks		1	10	\$ 10.74	\$ 19.60	\$ -	\$ 77.28	\$ 107.62	\$ 7,149.40
Aerators		1	4	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 256.24
Sewer Delinquents/Flw Up		1	10	\$ 31.50	\$ 16.80	\$ -	\$ 38.64	\$ 86.94	\$ 710.56
Verify Sewer		0	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258.24
Install/Recon. Sewer		2	38	\$ 1,685.84	\$ 19.60	\$ -	\$ 50.33	\$ 1,755.77	\$ 28,093.24
Grinders/Misc.		84	352	\$ 45,612.20	\$ 1,237.88	\$ 60.00	\$ 3,434.59	\$ 50,344.67	\$ 198,659.36
Totals		103	451	\$ 50,596.48	\$ 2,700.76	\$ 740.00	\$ 13,785.51	\$ 67,822.75	\$ 256,477.28
JULY		Lift Stations	9	31	\$ 64.00	\$ 444.64	\$ 300.00	\$ 4,376.47	\$ 5,185.11
	WWTPs	2	10	\$ -	\$ 199.60	\$ 600.00	\$ 2,176.98	\$ 2,976.58	\$ 6,483.49
	Sewer Line Leaks/Breaks	1	11	\$ 103.45	\$ 16.80	\$ -	\$ 77.28	\$ 197.53	\$ 7,346.93
	Aerators	1	5	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 320.30
	Sewer Delinquents/Flw Up	0	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710.56
	Verify Sewer	5	12	\$ -	\$ 19.60	\$ -	\$ 51.00	\$ 70.60	\$ 328.84
	Install/Recon. Sewer	10	48	\$ 2,777.33	\$ 102.48	\$ -	\$ 269.80	\$ 3,149.61	\$ 31,242.85
	Grinders/Misc.	80	432	\$ 41,340.38	\$ 1,447.52	\$ 80.00	\$ 3,380.04	\$ 46,247.94	\$ 244,907.30
	Totals	108	559	\$ 44,285.16	\$ 2,254.72	\$ 980.00	\$ 10,371.55	\$ 57,891.43	\$ 314,368.71
	AUGUST	Lift Stations	6	37	\$ 2,400.38	\$ 243.98	\$ 440.00	\$ 3,213.95	\$ 6,298.31
Wastewater Plants		2	12	\$ -	\$ 97.20	\$ 240.00	\$ 2,176.98	\$ 2,514.18	\$ 8,997.67
Sewer Line Leaks/Breaks		2	13	\$ 241.31	\$ 58.80	\$ 160.00	\$ 249.44	\$ 709.55	\$ 8,056.48
Aerators		1	6	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 384.36
Sewer Delinquents/Flw Up		0	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710.56
Verify Sewer		2	14	\$ -	\$ 22.96	\$ -	\$ 55.79	\$ 78.75	\$ 407.59
Install/Recon. Sewer		5	53	\$ 4,254.79	\$ 96.32	\$ 40.00	\$ 427.04	\$ 4,818.15	\$ 36,061.00
Grinders/Misc.		75	507	\$ 41,516.29	\$ 1,506.96	\$ 290.00	\$ 3,578.01	\$ 46,891.26	\$ 291,798.56
Totals		93	652	\$ 48,412.77	\$ 2,050.30	\$ 1,170.00	\$ 9,741.19	\$ 61,374.26	\$ 375,742.97

WATER DISTRICT
WASTEWATER MAINTENENACE WORK ORDER SUMMARY
2014

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
SEPT	Lift Stations	14	51	\$ 914.62	\$ 343.42	\$ 340.00	\$ 3,167.29	\$ 4,765.33	\$ 34,092.08
	Wastewater Plants	6	18	\$ 664.16	\$ 212.24	\$ 690.00	\$ 3,036.25	\$ 4,602.65	\$ 13,600.32
	Sewer Line Leaks/Breaks	0	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,056.48
	Aerators	1	7	\$ -	\$ 23.52	\$ -	\$ 39.98	\$ 63.50	\$ 447.86
	Sewer Delinquents/Flw Up	1	11	\$ -	\$ 3.92	\$ -	\$ 17.15	\$ 21.07	\$ 731.63
	Verify Sewer	11	25	\$ -	\$ 55.44	\$ -	\$ 178.51	\$ 233.95	\$ 641.54
	Install/Recon. Sewer	7	60	\$ 2,312.92	\$ 101.92	\$ -	\$ 184.83	\$ 2,599.67	\$ 38,660.67
	Grinders/Misc.	59	566	\$ 30,747.16	\$ 1,089.76	\$ 105.00	\$ 2,504.86	\$ 34,446.78	\$ 326,245.34
	Totals	99	751	\$ 34,638.86	\$ 1,830.22	\$ 1,135.00	\$ 9,128.87	\$ 46,732.95	\$ 422,475.92
OCT	Lift Stations	0	51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,092.08
	Wastewater Plants	0	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,600.32
	Sewer Line Leaks/Breaks	3	16	\$ 366.13	\$ 75.60	\$ 120.00	\$ 426.96	\$ 988.69	\$ 9,045.17
	Aerators	0	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447.86
	Sewer Delinquents/Flw Up	1	12	\$ 31.50	\$ 16.80	\$ -	\$ 22.60	\$ 70.90	\$ 802.53
	Verify Sewer	5	30	\$ 31.50	\$ 67.20	\$ -	\$ 170.15	\$ 268.85	\$ 910.39
	Install/Recon. Sewer	8	68	\$ 3,625.00	\$ 95.76	\$ -	\$ 222.96	\$ 3,943.72	\$ 42,604.39
	Grinders/Misc.	62	628	\$ 31,677.74	\$ 994.00	\$ 120.00	\$ 2,576.76	\$ 35,368.50	\$ 361,813.84
	Totals	79	830	\$ 35,731.87	\$ 1,249.36	\$ 240.00	\$ 3,419.43	\$ 40,640.66	\$ 463,116.58
NOV	Lift Stations	2	53	\$ -	\$ 36.50	\$ -	\$ 342.38	\$ 378.88	\$ 34,470.96
	Wastewater Plants	1	19	\$ -	\$ 34.72	\$ -	\$ 316.24	\$ 350.96	\$ 13,951.28
	Sewer Line Leaks/Breaks	1	17	\$ 199.10	\$ 13.44	\$ 80.00	\$ 184.14	\$ 476.68	\$ 9,521.85
	Aerators	0	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447.86
	Sewer Delinquents/Flw Up	0	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 802.53
	Verify Sewer	0	30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910.39
	Install/Recon. Sewer	3	71	\$ 2,523.40	\$ 44.80	\$ -	\$ 145.92	\$ 2,714.12	\$ 45,318.51
	Grinders/Misc.	48	676	\$ 23,630.17	\$ 896.64	\$ 60.00	\$ 2,223.51	\$ 26,810.32	\$ 388,424.16
	Totals	55	885	\$ 26,352.67	\$ 1,026.10	\$ 140.00	\$ 3,212.19	\$ 30,730.96	\$ 493,847.54
DEC	Lift Stations	4	57	\$ 90.00	\$ 61.60	\$ -	\$ 229.43	\$ 381.03	\$ 34,851.99
	Wastewater Plants	5	24	\$ 158.00	\$ 90.16	\$ -	\$ 461.41	\$ 709.57	\$ 14,660.85
	Sewer Line Leaks/Breaks	1	18	\$ 53.15	\$ 5.60	\$ 140.00	\$ 257.79	\$ 456.54	\$ 9,978.39
	Aerators	1	8	\$ -	\$ 19.60	\$ -	\$ 59.97	\$ 79.57	\$ 527.43
	Sewer Delinquents/Flw Up	1	13	\$ 31.50	\$ 11.20	\$ -	\$ 36.48	\$ 79.18	\$ 881.71
	Verify Sewer	0	30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910.39
	Install/Recon. Sewer	4	75	\$ 2,900.00	\$ 84.00	\$ -	\$ 216.67	\$ 3,200.67	\$ 48,519.18
	Grinders/Misc.	41	717	\$ 23,129.99	\$ 593.60	\$ 150.00	\$ 2,079.76	\$ 25,953.35	\$ 414,377.51
	Totals	57	942	\$ 26,362.64	\$ 865.76	\$ 290.00	\$ 3,341.51	\$ 30,859.91	\$ 524,707.45

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Second Data Request

Q 22. Since UMG began operating Mountain District in 2005, has Mountain District ever undertaken an investigation to determine the operational cost that Mountain District would incur if the UMG Agreement were to be terminated?

a) If the response Item 22 of this request is yes, provide copies of any analysis that Mountain District performed.

b) If the response to Item 22 of this request is no, explain in detail why Mountain District has not performed such an analysis.

WITNESS : Sawyer. Information provided by local counsel.

RESPONSE : 22(a)

No.

RESPONSE : 22(b)

In 2008, the MWD Board voted to terminate the Contract with UMG, and at that time, preliminary work was begun on determining what it would cost to operate the District independently. At a subsequent MWD Board meeting, that decision was reversed, and the Contract with UMG was amended to the satisfaction of the MWD Board. The research done at that time has not been retained by the District.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Second Data Request

Q 23. a) Perform an analysis of the test year that shows the costs Mountain District would incur if the management services currently performed by UMG were to be performed by Mountain District.

b) Provide a comparison of the results of the analysis performed in the response to Item 23(a) of this request to UMG contract costs for calendar year 2015.

c) Provide copies of all assumptions, calculations, and work-papers used by Mountain District to develop its responses to Item 23(a) and 23(b) of this request.

d) Provide an electronic copy of the responses to Items 23(a), 23(b), and 23(c) of this request in Microsoft Excel format.

WITNESS : Sawyer

RESPONSE : **23(a)**

It is not possible at this time to perform the requested analysis for a number of reasons. While we can reasonably anticipate that the cost associated with power, water production, water purchase, and repair and maintenance would be the same, the variable that cannot be determined is the cost of Human Resources. One can make a reasonable assumption that there would not need to be any additions to staff, other than the District's two current employees; however, the benefits cost for all employees in the public sector, could differ greatly than in the private sector. For example, we do not know what level of healthcare benefits could be provided, and the cost thereof, would vary greatly

based on how co-payments and deductibles were determined. Secondly, pension costs would change substantially under the public system, versus the private system, and it is not possible at this time to ascertain what those costs would be. There would be a number of decisions that would have to be made by the Board at the time of such transition, should it occur, and it would be purely speculative, and of no analytical value to compare the test year under UMG and the District, independently, for those reasons. However, to the extent the comparison can be done, those costs other than HR costs, we assume would remain approximately the same, but we do not know how much HR expenses would increase at this time, if we were independent.

RESPONSE : 23(b)

Not applicable.

RESPONSE : 23(c)

Not applicable.

RESPONSE : 23(d)

Not applicable.

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

Q 24

Refer to the Application, Exhibit J, Mountain District's Depreciation Schedules for the water and sewer divisions.

- a. The depreciation schedule for the G/L Account Number for the sewer division is for the six-month period ending June 30, 2014. Provide a revised depreciation schedule for the sewer division for the full test year which Mountain District defines as July 1, 2013, to June 30, 2014.
- b. The depreciation schedule for the G/L Account Number for the water division is for the six-month period ending June 30, 2014. Provide a revised depreciation schedule for the water division for the full test year which Mountain District defines as July 1, 2013, to June 30, 2014.
- c. Provide the depreciation schedules submitted in the responses to Items 24(a) and 24(b) of this request in Microsoft Excel format.
- d. Provide justification for all service lives proposed for water and sewer assets.
- e. Explain why the GRW Hydraulic Study is depreciated over a three-year period.
- f. Refer to Water Assets, 1011-02, Pumping Equipment.
 1. Provide details of water asset numbers: 311-2041, 3112042, and 311-2044, and how they pertain to pumping equipment.
 2. Provide justification for use of a pressure relief valve's 40-year service life in asset number 331-2062.
 3. Explain the difference in life cycles for booster pumping stations such as assets 311-2077 (40 years) versus asset 311-9848 (five years).
 4. Explain asset 311-2009, plant electronics' 30-year life cycle.
- g. Refer to Water Assets, 1030-04 Distribution Reservoir/Stands.
 1. Explain the variation in life cycles from ten to 40 years for storage tank/stand pipe assets such as 330 4002, and 330-4024.
 2. Provide a narrative that describes "ONE CARD" assets and explain the variation in life cycles from seven to 40 years for "ONE CARD" assets 330-4058 and 330-4065.
 3. Explain the 40-year life cycle of telemetry system asset 3304012.

WITNESS: Spears

RESPONSE:

- a. I cannot do a crossover period that corresponds to the test year as the fixed asset program does not have that capability. The approach I took was designated in the Fixed Assets Calculation which entailed taking the Dec. 31, 2013 balances and subtracting the June 30, 2013 balances to get the six months of depreciation and then ran the partial year June 30, 2014 and adding the two together. If the PSC so desires I can forward those periods for their review.
- b. I cannot do a crossover period that corresponds to the test year as the fixed asset program does not have that capability. The approach I took was designated in the Fixed Assets Calculation which entailed taking the Dec. 31, 2013 balances and subtracting the June 30, 2013 balances to get the six months of depreciation and then ran the partial year June 30, 2014 and adding the two together. If the PSC so desires I can forward those periods for their review.

- c. The program we use, "Fixed Asset Manager" by Pro Series does not have the capability of converting to Excel format.
- d. We have tried to use the PSC lives, however there are always mistakes that could be made with multiple people over the years entering the assets in the program.
- e. This was only 25% of the cost of the study and was done in 1998, I am not sure why the life was chosen. However there was no depreciation taken on this asset during the historic test year.
- f.
 - 1. These assets were added in 1995 and 1997, I take it that this was the allocation of pumping equipment as each of these appear to be projects that the pumping equipment was allocated from.
 - 2. This was an asset in 2000 and appears to have been an error in coding the useful life to the fixed asset program.
 - 3. It appears that the asset 311-9848 was parts capitalized to a pump station rather than an actual pump station, I came to this conclusion by the cost basis capitalized was only \$2,250.00.
 - 4. This was plant electronics put in place in 1981 which would have been put in place by one of the four districts that was consolidated into the current Mountain Water District. I have no idea as to why 30 years was used for the useful life.
- g.
 - 1. Asset 330-4002 was capitalized in 1983 and as stated in the answer to f. (4) above. I have no idea as to why in 1983 they chose a 10 year life and Asset 330-4024 was placed in service in 1989 again and it appears they chose 40 years as the asset life.
 - 2. One Cards are interface between the logic board and telemetry radios. The cards do not have a useful life of 40 years. I would assume that a 7 year life is more appropriate since technology changes.
 - 3. This asset was placed in service in 1985 by one of the former four districts consolidated into the Mountain Water District. I am not sure why they chose 40 years as this seems extensive however that may have been the PSC regulations at that time.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Second Data Request

Q 25. Refer to Exhibit B, Appendix G of the application, Water Tank Management Agreement. Provide a copy of the proposals for maintenance services that is identified in paragraph 3.

WITNESS : Sawyer

RESPONSE : 25

Please find attached a proposal for maintenance services for tank maintenance, and the responses that were received. See Exhibit 25.

EXHIBIT

25

**REQUEST FOR STATEMENT OF QUALIFICATIONS AND PRICING
PROPOSAL**

The **Mountain Water District** (District) is seeking Statements of Qualifications as well as Pricing Proposals from qualified storage tank maintenance firms to provide services for the facilities of the District. Interested firms must submit a Statement of Qualifications along with a Pricing Proposal for this service to the office of Dan Stratton, Stratton, Hogg and Maddox, (physical address) 111 Pike Street, Pikeville, Kentucky, 41501, or (mailing address) PO Box 1530, Pikeville, Kentucky, 41502 no later than 11:00 am on May 23rd, 2011. An RFQ/RFP packet containing information about the project and criteria which will be used to select the firm may be obtained by contacting Grondall Potter, Mountain Water District Project Manager, at 606-631-9162. A mandatory pre-proposal conference and inspection tour will be held at the office of the District at 6332 Zebulon Highway, Pikeville, Kentucky on May 17th, 2011 at 10:00 am. Inspection times will be made available on May 17th, 18th and 19th. Statements of Qualifications and Pricing Proposals will be considered by the District. Proposals will be ranked on the basis of written materials as set forth in the RFQ/RFP packet.

The District is an Equal Opportunity Employer and encourages responses from all qualified firms. The District reserves the right to reject any or all submittals.

REQUEST FOR STATEMENT OF QUALIFICATIONS and PRICING PROPOSAL

Mountain Water District (District) is accepting Statements of Qualifications and Pricing Proposals from qualified firms for services associated with inspection, maintenance, and repairs of water storage tanks. Bidders will be providing both short term and long term services associated with maintenance of its water tanks. This solicitation is being conducted to fulfill procurement requirements for the District.

DESCRIPTION OF WORK

The Project includes:

1. An initial and thereafter annual inspection of all tanks identified in this Request for Proposals. A listing of all the District's water storage tanks included in this proposal is attached and is labeled "Attachment A".
2. An assessment of any needed repair and/or maintenance work deemed necessary for all tanks and provision of identified maintenance and repair services. Initial repairs / maintenance should be prioritized based on the condition of each tank. If possible, all repair and maintenance work deemed as essential to the integrity of individual tanks should be scheduled over an initial five year period. Subsequent to the initial five year period, appropriate maintenance and/or repairs will be performed on tanks on a routinely scheduled basis. All tanks are to be maintained consistent with AWWA standards.
3. Tank repairs and maintenance being addressed in this proposal includes: maintenance of interior and exterior tank surfaces; tank foundations; all tank ladders, man-ways and other tank access systems; signage; gauges; and ventilation systems. Repair and maintenance services provided in this proposal do NOT include telemetry systems, fencing, security systems, access roads, and grounds maintenance around tanks.

SELECTION OF FIRM

A selection committee appointed by the District will consider both 'Statements of Qualifications' and 'Pricing Proposals'. In order to be considered, Statements of Qualifications and Pricing Proposals must be received prior to 11:00 a.m. on May 23rd, 2011 at the office of Dan Stratton - Stratton, Hogg and Maddox, 111 Pike Street, Pikeville, KY 41501. A mandatory pre-proposal conference and inspection tour will be held at the office of Mountain Water District at 6332 Zebulon Highway, Pikeville, Kentucky on May 17th, 2011 at 10:00 AM. Staff will be available to potential bidders for site visits to all tank sites on May 17th, May 18th, and May 19th. Submittals should be sealed and labeled "Statement of Qualifications/Pricing Proposals for Mountain Water District Tank Maintenance". Six copies of the Statement of the Qualifications/Pricing Proposal are to be submitted. The District reserves the right to reject any and all Statements of Qualification/Pricing Proposals received.

Proposals will be evaluated and ranked by the selection committee as follows:

A. Statements of Qualifications will be evaluated and ranked on the basis of the following considerations:

1. Overall qualifications of the firm.
2. Experience on similar projects.
3. Experience and availability of qualified personnel.
4. Familiarity with the existing water system and proposed project.
5. A list of references that may be contacted concerning previous performance on similar projects.

Statements of Qualifications should include the following minimum information:

1. Identification of specific personnel to be assigned to this project, including resumes of those persons indicating their experience on previous projects of this nature.
2. Identification of the firm's experience in tank maintenance and repairs.
3. A list of not less than three (3) prior clients for which the responding firm has performed tank maintenance and repair services.

B. Pricing Proposals: The District is soliciting proposals for a long term inspection, maintenance, and servicing program for those water storage tanks identified in Attachment A. Proposals should address all immediate repairs and both short term and long term maintenance associated with interior and exterior tank surfaces, tank foundations, all tank ladders, man-ways and other tank access systems, signage, gauges, and ventilation systems. Proposals shall not address telemetry systems, fencing, security systems, access roads, or grounds maintenance around tanks. Proposals must include a detailed listing of specific repairs or maintenance deemed to be necessary for each tank, along with a prioritization of when those repairs or maintenance are to be performed. Along with a schedule and pricing for initial repairs, bidders are requested to submit an ongoing annual inspection and maintenance schedule for all tanks. Pricing for both initial repair and maintenance and long term inspection and maintenance services may be submitted either on a per tank basis or as an aggregate annual fee to be charged to the District. The District assumes that per tank costs or annual service fees will be substantially higher in the first five years of any service proposal submitted.

Technical or operational questions related to this Request for Qualifications / Pricing Proposal should be addressed to Mr. Grondall Potter, UMG/Mountain Water District Project Manager at 606-631-9162. All other questions should be directed to Mr. Dan Stratton, Legal Counsel for Mountain Water District at 606-437-7800.

Statements of Qualifications and Pricing Proposals will be evaluated on the basis of written materials; therefore it is not necessary that a representative of the firm attend the evaluation meeting. After the completion of evaluation and ranking by the District's

committee, the District will notify the successful bidder. Likewise, all unsuccessful firms will be promptly notified.

The District will adhere to the provisions of Title VI of the Civil Rights Act of 1964 and Section 3 of Section 109 of the Housing and Community Development Act of 1974 in the implementation of this project. No persons shall be excluded from participation in, denied benefits of, or subjected to discrimination in the implementation of this project on the ground of race, color, national origin, sex, or handicapped status. Attention of bidder is particularly called to the requirements as to conditions of the employment to be observed under the contract: Section 3, Segregated Facilities, Section 109, Title VI and Executive Order 11246.

All Statements of Qualifications / Pricing Proposals should be addressed to: Dan Stratton, District Legal Counsel, Stratton, Hogg, and Maddox, (Physical Address) 111 Pike Street, Pikeville, Kentucky 41501 or (Mailing Address) PO Box 1530, Pikeville, Kentucky 41502.

EVALUATION CRITERIA

A. Statements of Qualifications

All Statements of Qualifications will be evaluated and awarded points on the basis of the following criteria:

1.	Qualifications of the Firm	0-10
2.	Experience on Similar Projects	0-15
3.	Familiarity with the District's System	0-10
4.	References	0-15

MAXIMUM POINTS POSSIBLE	50
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B. Pricing Proposals

Pricing proposals will be ranked and awarded points, as follows:

Lowest Price Proposal:	50
Next Lowest Price Proposal:	40
Next Lowest Price Proposal:	30
Next Lowest Price Proposal:	20

MAXIMUM POINTS POSSIBLE FOR STATEMENTS OF QUALIFICATIONS AND PRICING PROPOSAL COMBINED:	100
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The District will negotiate a contract with the bidder having the highest combined total of points (for both Statement of Qualifications and Pricing Proposal).

**MOUNTAIN WATER DISTRICT
WATER STORAGE TANKS
AS OF APRIL 2011**

TANK ID NO.	NAME	GPF	CAPACITY	HEIGHT	OVERFLOW ELEVATION	CONSTRUCTION DATE
01FC	TOWN MOUNTAIN	15625	500,000	32 FT	1189	1987
05JC	CABIN KNOLL	4167	100,000	24 FT	923	1988
06JC	BENT MOUNTAIN	6250	200,000	32 FT	1390	1995
07JC	LAWSON BRANCH	6250	200,000	32 FT	1012	1987
08JC	ELKHORN FORK (KIMPER)	6250	200,000	32 FT	1220	1987
09JC	RIDGELINE ROAD	4167	100,000	24 FT	1553	1988
10GV	GRAPEVINE SCHOOL	3125	100,000	32 FT	1264	1988
11GV	HUNT KNOB	6250	200,000	32 FT	1592	1988
12BC	CANADA	6250	200,000	32 FT	1163	1989
15JC	COBURN MOUNTAIN	6250	200,000	32 FT	1303	1989
17BB	LONG FORK OF BIG CREEK	2273	50,000	22 FT	1231	1989
19PC	KY 292 TANK	6250	200,000	32 FT	817	1985
20PC	SOUTHSIDE MALL #1	6250	200,000	32 FT	845	1985
21PC	SOUTHSIDE MALL #2	4167	100,000	24 FT	983	1985
23PC	SHARRONDALE	4167	100,000	24 FT	895	1985
24PC	STONE	4167	100,000	24 FT	1032	1985
26PC	HARDY PARK	4167	100,000	24 FT	1119	1988
27BB	BLACKBERRY MOUNTAIN	6250	200,000	32 FT	1312	1988
28BB	BLACKBERRY SCHOOL	4167	100,000	24 FT	1515	1988
40MC	GRAVEYARD HOLLOW	6250	100,000	24 FT	1330	1971
41SV	SHELBIANA	6250	200,000	32 FT	1020	1987
42SV	DOUGLAS PARK	15000	300,000	20 FT	1092	1985
44IC	ISLAND CREEK	9375	300,000	32 FT	1325	1991
45SV	DORTON #1	4167	100,000	24 FT	1491	1991
47GC	GREASY CREEK	4167	100,000	24 FT	1260	1992
48BC	BUCKLEY CREEK	3571	100,000	28 FT	1232	1991
51LP	LOWER POMPEY	4167	100,000	24 FT	1530	2006
52JC	UPPER JOHNS CREEK #1	6250	200,000	32 FT	1385	1993
53JC	UPPER JOHNS CREEK #2	4167	200,000	48 FT	1722	1993
55SV	ROBINSON CREEK	6250	200,000	38 FT	1117	1993
56CP	COWPEN CREEK	4167	100,000	24 FT	1085	1993
57CP	PIKE COUNTY AIRPORT	588	50,000	85 FT	1550	1993
67SV	INDIAN CREEK	4167	100,000	24 FT	1285	1993
72HC	HURRICANE CREEK	4167	100,000	24 FT	1200	1995
73SV	ELKHORN CREEK	6250	200,000	32 FT	1530	1995
81PF	WIDOWS BRANCH	1639	100,000	61 FT	1579	1998
37MC	WOLFPIT	7813	250,000	32 FT	1020	1971
97MC	ROCKHOUSE, MARROWBONE	4167	100,000	24FT	1445	2002
98BC	BRUSHY CREEK	2083	100,000	48FT	1716	2002
37MC	ROAD CREEK	20833	1,000,000	48 FT	1140	2002
110FC	FERRELLS CREEK	7894	300,000	38 FT	1406	2003
		TOTAL	8,662,000			

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Second Data Request

Q 26. Indicate if the contract with Southern Corrosion Inc. was procured by Mountain District through the competitive bidding process. If the competitive bidding process was not used, explain why not. Provide supporting documentation including Mountain District board meeting minutes where the contract with Southern Corrosion Inc. was discussed.

WITNESS : Sawyer

RESPONSE : 26

The Contract with Southern Corrosion was procured through a competitive bidding process. Please find attached the supporting documentation, including Board Meeting Minutes concerning the procurement process and the awarding of the Contract to Southern Corrosion. See Exhibit 26.

EXHIBIT

26

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

May 25th, 2011
10:00 AM

ATTENDANCE

Jeff Settles, Classic Pools
Bruce Coleman, BMM, Inc.
Russ Cassady, Appalachian News Express
Jody Hunt, Summit Engineering, Inc.
Doug Griffin, Kenvirons, Inc.
Greg Dotson, Inspector
Mike Spears, Spears Management
Dan Stratton, Stratton, Hogg & Maddox
Tammy Olson, Office/Compliance Manager, UMG
Kevin Lowe, Office/Finance Manager, UMG
Carrie Hatfield, Assistant Financial Manager, UMG

CALL TO ORDER **AGENDA ITEM I**

The Mountain Water District Board of Commissioners Regular Meeting was held on Wednesday, May 25th, 2011 at 10:00 a.m.

Commissioners were present for the meeting as follows:

Commissioner Lester "John" Collins
Commissioner Kelsey Friend, Jr.
Commissioner Ancle Casey
Commissioner Prentis Adkins

Chairperson James was absent for this meeting.

In the absence of Chairperson James, Vice Chairperson Collins requested a motion to appoint a Secretary for this meeting, in that he could not serve as both the Chairperson and the Secretary simultaneously. Commissioner Casey made the motion to appoint Commissioner Adkins as the Secretary for this meeting. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson James	Absent
Commissioner Collins	Aye
Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 11-05-001

VISITORS **AGENDA ITEM II**

Vice Chairperson Collins inquired if there were any visitors for today's meeting. The Chair recognized Mr. Jeff Settles of Classic Pools. Mr. Settles stated that he wants to get water on property that he has purchased from Kevin Prater at the lights at Town Mountain. He has been in business as Classic Pools for 30 years and has already ordered a 60 X 180 building for the site and he needs water and a hydrant for the property. He stated that he is not asking the District to spend any money. He will pay to run the water up to the site and has spoken to Mr. Potter last year and about the District running the line and Mr.

Settles paying the District back for materials and labor and he mentioned for him to address the Board about this. He stated that he wants to do it right but as economically as possible because he is a small business in this community. There are other businesses that are going to locate here in the next little bit and they are negotiating with them to either lease or buy the property there at the lower lever and there is no water to the property. He is willing to pay to bring it up to him and whatever anybody does afterwards is up there, and he would like for the Board to adopt this into the system and allow him to do it. He has spoken to Tim Campoy about engineering the line. Vice Chairperson Collins inquired from Mr. Settles if he bought the lower and top sections. Mr. Settles responded that it is a hillside property leading up the back to where the road is. Right now you can see the flags where Mike Davis, Elkhorn Engineering, engineered that out, but his business will be located on the lower level at the entrance at the red lights, 167 foot wide back to the top of the bank where the road is. He drew it out on a map where he purchased property. Mr. Stratton presented a letter to Mr. Settles that was prepared for him. He stated that it is the policy of the Board to permit construction such as he is proposing subject to the terms and conditions outlined in the letter. The two major components of that letter are that it outlines the specifications for the materials that must be used and must be inspected by an inspector approved by the Board. Subject to the Board's direction, Mr. Campoy would be an acceptable engineer since he has done work for the District in the past. The motion would be to permit it subject to the letter dated May 25th, 2011 and subject to Mr. Campoy being the engineer and a Board approved inspector. Mr. Settles stated that Mr. Campoy had told him that inspection would be included in his fee and would be an outside inspector that would represent the Board. Mr. Stratton stated that may be fine and the Board would work that out. Mr. Settles stated that he was a small business person and he wants this done right, but at the same time he would like to get it done as economically as possible. Mr. Stratton stated that the Board understands that but the District has a policy for uniformity in the system and so we know what is under the ground and that is why the specifications are there. Mr. Settles clarified that if the line was done to the specifications in the letter, the Board will adopt it into the system. Commissioner Collins and Casey agreed that that would be the case as long as he abides by what is in the letter. Mr. Stratton stated that all this is subject to terms and specifications set forth in the letter. If the inspector comes back to the Board and says that those terms and conditions have not been met, then it will not be accepted into the system. Vice Chairperson Collins requested a motion that subject to the terms and conditions of the letter dated May 25th, 2011 to Mr. Settles regarding the specifications of the installation and construction of a water line to serve the property he has purchased at the light at Town Mountain, that Board will allow it to be constructed and paid for by Mr. Settles and will be adopted into the system once compliance with the terms and specifications of the District have been met and proven to be completed. Commissioner Casey made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson James	Absent
Commissioner Collins	Aye
Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 11-05-002

Mr. Stratton stated to Mr. Settles that once the line is completed and the inspection is done, he will need to come back to the Board and another motion will have to be made to accept it. So there will be one more step after the process has been completed. Mr. Settles agreed and thanked the Board for their time.

JULY FLOOD UPDATE

In the absence of Mr. Potter for today's meeting, Tammy Olson presented the July Flood Update on his behalf. Mrs. Olson stated that all of the construction work has been completed and Bob Meyer has been contacting Congressman Hal Roger's office every Monday as the Board requested and asking for updates. She distributed copies of the latest communication with his office stating that the top PWs for emergency and temporary repairs in the amount of approximately \$122,000 have been obligated. The

PWs at the bottom are the work to be completed and the warehouse items, and are still in process and review. Commissioner Casey inquired if those are the ones we have a loan on. Mrs. Olson confirmed that it was. We are waiting for the checks on the PWs listed on the top and waiting for the completion of the review process and obligation of funds for the PWs listed on the bottom of the page. Once the funds on the bottom of the list have been obligated, then we can move forward with submitting all of the invoices and our backup documentation on those.

Commissioner Adkins stated that the meeting before last he had asked for the minutes how we worded about hooking people up that were flooded. The way he read it was that we will hook people up that were in that area if they relocate. Mrs. Olson stated that Mr. Potter spoke to that issue at last month's meeting and said that he believed it was the intention of the Board that it applied to those who rebuilt or returned to that same property. Commissioner Adkins stated that they needed to look at the minutes again because he doesn't interpret it that way. He inquired whose money this is coming out of, Mountain Water or UMG. Mrs. Olson responded that it would be Mountain Water's expense. Commissioner Collins stated that he believed that it was just a gesture that we would....Mr. Stratton interjected that his memory was that we reinstalled the main line, up Marrowbone for example, and the District would re-hook the residents up that were washed away if they went back to the same property. Commissioner Collins stated that if they move to Chloe Creek, we are not going to go over there and hook them up. Commissioner Adkins stated that he has a different interpretation than that. He asked if Mr. Stratton read it. Mr. Stratton stated that he did not read that particular section of minutes and inquired what Commissioner Adkins' interpretation of it was. Commissioner Adkins stated that if they moved somewhere or whatever, we would re-hook them, the best he can remember the way he read it. He stated that it would cost the same no matter where they hooked back up. Mrs. Olson responded that that would not necessarily be the case. If they moved to another location that required longer footage or a pump or something to provide the required minimum psi, it could cost thousands to hook them back up. Commissioner Adkins stated that he understands the cost and everything but he also knows what these people have been through that lost everything they had and he thought that was what we were passing, was that if they relocated we would hook them back up. Mr. Stratton stated that there is nothing to keep the Board from reconsidering past actions and doing something different if they want. Commissioner Adkins stated that they needed to get the minutes out and go over them again. Mrs. Olson stated that she mentioned before that she had gone back and listened to the tapes and no one specifically said "to the same location" but Mr. Potter and several Board members understood that the intent of that was basically if they moved back to that property, rebuilt or moved a mobile home back to that property we would put those meters back that were washed away. We were not going to go and put the meters back in on a flooded piece of property and make them continue to pay minimum bills again on something they were not living on. Commissioner Collins suggested that this be revisited at the next meeting and that Mrs. Olson bring copies of the minutes pertaining to this issue for the Board to review. Commissioner Adkins stated that he has an altogether different idea of what they were talking about, that these people had a hard time and if they moved somewhere else and didn't have water and it was available for them, we would hook them up. He stated he may be totally wrong about it but that was the way he understood it. Mrs. Olson stated that if you look at it that way, what if they moved to Jonnican or an area where there is no water available. Commissioner Adkins responded that he wasn't talking about something ridiculous, just that if they moved into an area that had water. Mrs. Olson stated that if we say across the board, if you were affected and anywhere you move we will hook you back up at no cost to you, then some may move somewhere water may not be available or into another water provider's service territory. Would we then have to pay their water tap fee to the City of Pikeville, Elkhorn City or Floyd County? Mrs. Olson stated that what she will do is reprint the minutes and add it to the agenda for next month or the Board can address it at the work session. Commissioner Adkins stated that he wished we would do it because he has a woman who has moved and she is hounding him to death over this issue and he needs to be able to give her a definite answer. Mrs. Olson stated that obviously, as Mr. Stratton said, the Board can open it up and change it. They certainly can do that. Commissioner Collins stated that we don't want to get into a situation where the Board is obligated to pay for taps that are more complicated and costly, which would be the case in certain areas of the county. Mrs. Olson stated that she will prepare it for either the work session or the next meeting, whenever the Board meets again.

APPROVAL OF MINUTES

AGENDA ITEM III

Vice Chairperson Collins requested a motion to approve the minutes of the special meeting held on April 19th, 2011 as well as the regular meeting held on April 27th, 2011 as presented. Commissioner Friend made the motion to approve the minutes as presented. Commissioner Casey seconded the motion. Commissioner voting as follows:

Chairperson James	Absent
Commissioner Collins	Aye
Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 11-05-003

FINANCIAL REPORT – MIKE SPEARS, CPA

AGENDA ITEM IV

Mr. Spears distributed the financial statements to the Board. He stated that the Board's KIA bond payments are due June 1st and Carrie Hatfield already has the checks cut for those. He stated that Board needed to approve to pay them. Commissioner Collins requested a motion to approve the payment of the KIA bond payments due June 1st, 2011. Commissioner Casey made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson James	Absent
Commissioner Collins	Aye
Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 11-05-004

Mr. Spears continued by reviewing the financial statements with the Board. He stated that cash in bank at the end of April was \$736,811.00. Accounts Receivable was \$828,179.00. Plant and service was \$94,552,437.00 and accounts payable was \$591,864.00. That number has gone up because we are paying UMG directly after the first of the month each month and he thinks that is why our cash flow has been going up and down so much. Equity was \$80,628 644.00 and revenues for the month are down about 11% for the month of April and he believes that can be attributed to the billing dates. He stated that Kevin Lowe has done an analysis for him from January 1st to our last billing and our revenues are actually up \$8,000 from the same time last year, which is minimal but at least we are not losing ground. His concern is where we switched to the paper billing; it has thrown us off a bit. But he stated that he thinks we are okay on that and Mr. Lowe did a good job with the spreadsheet. Mr. Stratton inquired if it is a glitch in the billing system that we are not getting the revenue or is it a timing issue. Mr. Spears stated that it is a timing issue. If we go out and read meters on the 30th of last month and 27th of this month, we have a 28 day billing cycle and we lose 3 days of the billing which defers that to basically a month and a half from receiving our money. It got out of cycle in February and we are trying to catch it up and Mr. Lowe has said that he is going to try to get the reading months as close to a full month each time as possible. Operating expenses are \$902,278.00 and included in that is depreciation of \$271,000.00 and we had a loss for the month of \$246,440.00 and operating income was negative in the amount of \$196,192.00 which includes the depreciation as well. Cash increased this month by \$303,000.00 and we were \$240,000.00 last month. On page 4, Mr. Spears called the Board's attention to the positive cash flow in the amount of \$122,000.00 and we are at a positive cash flow for the year. He thinks right now we are looking fine on the cash flow but will continue to monitor it closely. He is continuing to move the funding into the sinking fund and reserve accounts each month and R & M expenditures for April were \$34,004.00.

Vice Chairperson Collins requested a motion to approve the financial report as submitted by Mike Spears. Commissioner Adkins made the motion. Commissioner Casey seconded the motion. Commissioner voting as follows:

Chairperson James	Absent
Commissioner Collins	Aye
Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 11-05-005

Mr. Spears continued that he has a request that relates to Jody Hunt and Summit Engineering for Shelby Valley Sewer ARRA Project, Phase III Section 2. He stated that he is asking that the Board void the last two (2) draws approved (7 and 8) and he will change the number on the draw for today to finalize this project. The state is saying they didn't get draws 7 and 8 and so Mr. Spears is combining them into one and will final out the project. Mr. Stratton suggested that the Board withdraw approval for draws 7 and 8 and reissue as a new combined final draw with regard to the Shelby Valley Sewer Project, Phase III, Section 2 in the amount of \$134,317.44. Commissioner Casey made the motion. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson James	Absent
Commissioner Collins	Aye
Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 11-05-006

PAYMENT OF BILLS **AGENDA ITEM V**

Ms. Olson distributed copies of the AP report and the Cash in Bank report to the Commissioners. After review and inquiry if there were any questions from Board members, Vice Chairperson Collins requested a motion to approve the payment of the bills as presented. Commissioner Friend made the motion to approve the payment of bills as presented. Commissioner Casey seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-007

CUSTOMER ADJUSTMENTS AGENDA ITEM VI

After review and discussion of the adjustments, Vice Chairperson Collins requested a motion to approve Customer Adjustments in the amount of three thousand, five hundred, and twenty-three dollars and eighty-four cents (\$3,523.84) as presented Commissioner Casey made the motion to approve the adjustments as presented. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed
Resolution No. 11-05-008

CONSTRUCTION REPORT AGENDA ITEM VII

Update by Summit Engineering – Jody Hunt, P.E. – on the following projects:

- 1. Shelby Valley Sewer Project, Phase III, Section 2:**
Mr. Hunt stated that this project is complete. They have submitted everything to Mrs. Hatfield that needs to go to the Division of Water and to KIA for the final draw.
- 2. Belfry/Pond Creek Sewer Project:**
Mr. Hunt stated that they have been going back and looking at the numbers. We bid this project in 2009 and have been looking at what those numbers would be today because it has been awhile. What they are finding out so far is that prices have increased from 10% to 15% over the 2 year period and they still need to do some research and investigate some things with the plant that was bid out at that time. He offered to come to the work session and present the new numbers to the Board and discuss the project at that time. He inquired from Mr. Stratton if there has been any progress made on the property issue. Mr. Stratton stated that he spoke to Rick Keene, the engineer for Tierney Coal who is the Lessor for that section of property. Massey is the Lessee and are in the process of being acquired by Alpha Energy and that is not yet complete and everything is kind of put on hold pending that. Tierney Coal is aware of the project and are talking to the Alpha folks about it to see where it is going to fall in the pecking order of things. It is not sitting still but it is on hold until the completion of that transaction which he understands will be sometime this summer.
- 3. Hurricane Branch AML Water Supply Project (Ridgeline Rd):**
Mr. Hunt stated that this project is complete and he is giving the final draw information to Carrie Hatfield today. He has been in discussion with Philip Bowling of AML and he has approved all the documents and a final walk through has been done on the project and AML is very happy with it. There is a list of minor punch list items that the contractor is working on now. Mrs. Olson stated that Mr. Potter asked her to mention that as soon as we get the letter of substantial completion from Mr. Hunt on this project we will flush the lines and get a good chlorine level and begin putting meters in.
- 4. Ridgeline Road Water Supply Project (Jonican & Upper Pompey):**
Mr. Potter stated that there is no new update on this project at this time.

5. **DOT Project – Pond at Draffin:**

Mr. Hunt stated that this project is under construction but the contractor has been delayed because of the bad weather we have had lately. The contractor is also waiting on the river level to go down so he can do the river crossings.

6. **DOT Project - Buckfield:**

Mr. Hunt stated the highway department is constructing new bridges in these areas and we are relocating the water and sewer lines out of their way. Summit has submitted the preliminary cost opinions to the state for these projects are waiting to hear back from them.

7. **DOT Project – Smith Fork Bridge:**

Mr. Hunt updated this project under item 6

COAL SEVERANCE PROJECTS REPORT

Update by Doug Griffin, Kenvirons, Inc and Greg Dotson, Inspector

1. **Smith Fork of Phelps Sewer Project, Phase II:**

Mr. Greg Dotson stated that they have hooked up the additional customers that were approved. The only items on the punch list are some road cuts that they need to concrete or asphalt them back where they have sank a little bit. Mr. Griffin has said that the only thing we are waiting on are the pumps from the change order for Pounding Mill and the digging of some test holes for the flow meters next week. The size of the pumps will be determined by the flow they have going to Pounding Mill. Commissioner Casey inquired if there was money left in that project. Mr. Dotson responded that there was about \$98,000 but about \$30,000 of that is retainage and with the purchase of the pumps, that will be pretty close. Mrs. Olson stated that Mrs. Hatfield has been working with the state this week on the balances for outstanding and old projects, and the balance at this time, excluding today's draw and the retainage, the balance is \$133,431.00. Mr. Potter has said that there is going to be some remaining money and the Board will have to decide what direction to go with that. Commissioner Casey stated that he remembered having a pretty good discussion about that several months ago and things were brought forward to fix the lines and work on the stations and things, but he wanted to extend the lines to get more houses hooked up. That was his main objective. He thinks the Board passed to go ahead and do the repairs that needed to be done and if there was any money left, that we would extend that line and he wants to go on record to do that as the Board stated at that time. He stated that he doesn't know if there is going to be any left over, but we want to hook up everyone we can just like we did down in Sycamore and took care of several more people at the end of that project also. Mrs. Olson stated that the number she has is not the final number, some of it is retainage and the current draw of \$22,013.00 which is \$50,000 of it right now spoken for which is close to the approximately \$90,000 that Greg Dotson was talking about. We will wait until all the invoices are in and get everyone paid and see what is left at that time. Mr. Dotson stated that new rails are in at Pounding Mill for the new pumps as well as at Billy Dotson and River Road. They are just waiting to see what kind of flow they have from Billy Dotson to Pounding Mill will determine what size pumps he can order.

2. **KY DOT Route 199 Water Line Relocation Project**
 This project is complete.

DRAWS:

Vice Chairperson Collins requested a motion to approve the draws as submitted with the Shelby Valley Sewer Project draw subject to the approved changes made under the Financial Report. Commissioner Friend made the motion. Commissioner Casey seconded the motion.

SHELBY VALLEY SEWER PROJECT, PHASE III, SECTION 2

Contract 1	Stimulus Funds	\$	53,803.55
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SMITH FORK SEWER PROJECT, PHASE II

Contract 1	Coal Severance Funds	\$	22,013.03
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TELEMETRY

Contract 1	Coal Severance	\$	7,250.00
Contract 1	Coal Severance	\$	120.00

HURRICANE AML PROJECT

Contract 1	AML Funds	\$	7,060.71
Contract 1	AML Funds	\$	57,398.29

Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-009

MANAGER'S REPORT

AGENDA ITEM VIII

In the absence of Mr Potter, Tammy Olson presented the Manager's Report to the Board.

LMI Project: Carrie Hatfield has come up with about a \$17,000 balance for this project. We thought there were going to be more invoices to come in but there are not so Mr. Potter has said he can do about 12 more and hopefully wrap this project up in the next couple of months.

Majestic Alternative Sewer Project: Mr. Potter is still working with the health department on this who are supposed to be holding community meetings with residents of the area for

education, gauge interest and participation. He is waiting on the report back on that from the health department.

MWD Office Roof: We had a storm that came through around the 10th of May and had some water leaks in the lobby area. We then sent Elvis Keene and his crew up to the roof to check into it. They have reported that the roof is in pretty bad shape. There were a lot of shingles blown and they patched what they could, but there are some dips in the roof and a lot of dry rotted areas causing water damage in the walls and ceilings of this building because of that. A lot is due to the age of the roof and also due to the repeated bad weather we have had. Commissioner Adkins inquired what Mr. Keene thought needed to be done. Mrs. Olson stated that it was her understanding that we needed a new roof. There are multiple issues in multiple places. Commissioner Collins inquired what kind of roof we have. Mrs. Olson stated that it is a shingle roof and lot of them are dry rotted. He inquired if we were talking about a whole complete roof or just repairs or new shingles. Mrs. Olson stated that she didn't even know if they could tell the extent of the damage until they started pulling off what is up there but there is a dip in the roof outside of Mr. Lowe's office. Commissioner Casey stated that it sounds like there are portions that are rotted also and suggested maybe checking into a metal roof. Commissioner Adkins stated that it needs to be fixed. Commissioner Casey stated that we need to get on that right away before more damage is done. Mr. Stratton stated that if it is the Board's intention to fix it, then have UMG solicit bids to do so. Mrs. Olson inquired if the Board wanted quotes submitted or advertised for bid. Mr. Spears interjected that insurance on a metal roof is outrageous and insurance companies typically don't like them and they hold the heat in. Commissioner Collins stated that they would just really cover up what is up there anyway. Mr. Spears stated that he went through that with his Dad and is still paying for it. Commissioner Adkins stated that if we do shingles we need to go with the best. Commissioner Casey stated that he believes they need to do that today because with the weather we are having, we will have more problems and deterioration. Commissioner Adkins agreed with Commissioner Casey. Mr. Stratton stated that the motion would be to authorize UMG to advertise for quotes to redo the roof of the Mountain Water District office building. Commissioner Adkins made the motion. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-010

WTP Expansion Update: Mrs. Olson state that Tim Campoy called this morning and reported that the river level had gone down enough for them to start working on the top of the intake barge. Mr. Potter has said that UMG is continuing to work with AEP on getting the power drop. We went to the court house last week and did some deed research and got them a copy of the deed to the property and they wanted an easement that Chairperson James signed and now we are waiting on them to set the pole and the power drop.

Keathley Fork Relocation: Mr. Potter has received a package from a company called Hall Harmon Engineering on an AML project possibly coming up at Keathley Fork of Hurricane Creek of Boldman. They sent a map showing that they want to relocate our water lines in that area because they are installing storm drains and they want us to provide cost estimates to relocate the line. Mr. Potter has said that since he is not an engineer and from looking at the map it will be a very difficult and involved process and there really isn't anywhere else to put our, except maybe under the road which is not an ideal location. He is suggesting that the Board may want to engage an engineer and contact AML to see if they would pay for the engineer to have them review this. He is not comfortable with giving them a cost estimate at this point. We were there first and due to the restrictions in the area, it may not even be possible to move the lines. If AML

doesn't want to pay for the engineer, he would suggest to them that they find another way to put their facilities in because it could end up in a big mess. He is hoping that they would redesign their own facilities to avoid this. It is, of course, up to the Board to decide whether to have an engineer look at it and see if AML will pay for their services or send them a letter recommending that they redesign the project. Commissioners Adkins and Casey stated that they would prefer to have an engineer look at it at AML's expense. Commissioner Casey stated that it is AML's problem and they would be the reason for us having to look at this in the first place. Mrs. Olson inquired if the Board wanted Mr. Potter to draft a letter requesting funds for the cost of an engineer.....Mr. Jody Hunt, Summit Engineering, interjected by saying that he didn't care to take a look at that and see what they want. He met with Phil Bowling yesterday and has a good relationship with him. He doesn't care to review the plans and make a couple of calls. Mr. Potter can still send a letter out if the Board wants, but he will look at it and see what issues we see that could be problematic for the District. Commissioner Casey stated that would satisfy the District at this time. Mr. Hunt stated that if it then turns into something more involved, the Board can send the letter requesting for AML to pay for any further engineering work required. That was acceptable to the Board.

Project Funds: Mrs. Olson stated that Carrie Hatfield has been working diligently at the request of Mr. Potter and Mr. Spears on compiling a list of outstanding project fund balances. There are a couple on the list that are ongoing projects such as Telemetry, Henry Clay, and Smith Fork. Mr. Spears stated that Mr. Potter wanted to make the Board aware of what was out there and then come to the work session with recommendation of what options he would recommend for those funds. Commissioner Casey stated that they had talked about this at the last meeting...some of those accounts that had some left over money in them. Mrs. Olson stated that is correct and the Board directed Mr. Potter to review and see what was left. She stated that Mr. Potter wanted the Board to have this spreadsheet for review before the next special session or next regular meeting and consider what direction you wanted to go with some of these outstanding monies. Mrs. Hatfield stated that there are a few that will expire on June 30th and will need extensions filed on them. Mrs. Olson stated that we need a resolution to allow Mrs. Hatfield to request extensions on the ones getting ready to expire to keep them viable. Commissioner Casey made the motion to allow Mrs. Hatfield to do what she needs to do to request extensions on those projects with balances that are ready to expire. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-011

Administrator: Mrs. Olson stated that as an update on the Administrator position, we have cleared out Lois Smith's old office which will now be the Administrator's office and moved her upstairs. We have had a separate phone line and internet access installed in that office. He will also have a UMG phone extension so that we can contact him internally as well. Mr. Potter suggested that the Board might want to get with Mr. Spears and see the progress on getting a laptop and printer and if the Board wanted to consider a cell phone purchase. Commissioner Casey inquired if he has started yet. Mr. Stratton stated that his official start date is now June 6th. Mrs. Olson stated that we are trying to get everything in the office ready but we don't have any spare computers. Mr. Spears stated that the Board might consider in lieu of a cell phone purchase, to give him a \$50 per month add on to his pay for cell phone allowance rather than getting into a contract. Commissioner Adkins stated that if you work some of these contracts right and go in and talk to them you can get a pretty good rate. He just got his contract down to \$44 per month. Mrs. Olson stated that the District does have the credit card locked up in her office to use for purchases, but we were not directed to do any purchases. The Board also needs to

consider if they want the credit card transferred to the Administrator's care and give him authorization to use it. It is only set up now for the Chairperson, herself and Mr. Spears to use. This can be done at the June meeting. Mr. Spears stated that it has a \$15,000 limit. Mr. Stratton stated that the Board should authorize Mr. Spears to purchase a laptop computer, printer, etc. up to X amount and he thinks the cell phone allowance is a good idea. Mr. Spears stated that he thinks a \$1200 limit would be sufficient for a laptop and printer. He just purchased a Dell with a docking station and everything for about \$800. Maybe a \$1500 maximum would be good and he will do some research and see what the best deal is. He said to put a monitor on the list as well because it is always good to have an external monitor at the office. Mr. Stratton stated that the motion would be to authorize Mike Spears to purchase a laptop, printer and monitor for a not to exceed cost of \$1500 and up to \$50 per month cell phone allowance for the Administrator. Commissioner Adkins made the motion. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-012

Mrs. Olson continued by reviewing the report. She stated that water usage was down in April and sewer usage was up .39%. Vice Chairperson Collins stated that he wondered what was going on out there. People aren't using as much water. Mr. Spears stated that part of that is also the deferred billing days also that will affect usage as well. Mrs. Olson stated that it is also time to do lead and copper sampling. We are on a 3 year cycle and from June through September we have to do lead and copper samples that have to be taken at resident's homes. We have certain sites that we have to use and give them an instructional letter on how to take the sample and then we pick them up and take them to the lab. Vice Chairperson Collins inquired if everything had been resolved with the TOC letters. Mrs. Olson stated that everything is good. The CCRs went out with the last month of bills and the City of Pikeville had a TOC violation at the end of last year and because we sell their water we had to give notice to our customers that were affected by that. But we have done that and had a few calls but we have explained to them that TOCs have no health effects and everything is fine. Vice Chairperson Collins inquired if when power goes out the water gets a milky color like it has a lot of air in it. Mr. Hunt stated that the longer water sets the chlorine goes out of it that is reason you have these hypochlorinators in the pump stations that gives it a shot of chlorine and freshens it up. Mrs. Olson stated that there is the possibility when the power goes out and we use generators and with any pressure changes on the line that air gets in the lines and causes that, but if residents will let us know, we will come out and flush the air off the lines.

Mr. Spears stated that they have been working with Kentucky Retirement Systems and the workers compensation insurance to get that in place.

Vice Chairperson Collins made a motion to approve the Manager's Report as presented. Commissioner Casey made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-013

NEW BUSINESS

1. **Johns Creek Daycare/PCFC Sewer Contract –**

Mr. Stratton stated that he has spoken to Roland Case and they have made Ms. Tackett, the operator of that daycare center, aware of the sewer issue. Our letter to the county stated that we stop servicing the plant on June 27th or 29th and they have told Ms. Tackett that if she can't work something out or do something on her own, it is suspected that she will be shut down because we will cut it off. Our deal is that we would service it until the end of June and then it is the county's problem and they have put her on notice that she needs to come up with a solution and they don't have the funds to fix it. She needs to make a decision on what she needs to do and go from there.

2. **MWD/City of Elkhorn City Water Contract –**

Mr. Stratton stated that this contract was given to the Chairperson to sign at the last meeting. Mrs. Olson stated that it was executed and sent to the Public Service Commission for approval. When we spoke to them, it was recommended that we update our tariff to include the new amounts that went up .20 on both the base rate and anything over 215,000 gallons per day; so we applied for that also. We did it by electronic submittal, which was one on the first ones the PSC had done like that and they were very pleased with the way it turned out. The PSC has given us permission to begin the rate effective June 1st so the bill they get in July for June usage will be at the new rate.

3. **System Maintenance – Advertisement for RFQ-P –**

Mr. Stratton stated that we received 2 proposals. The invitation to bid said that the District wanted the worst ones fixed first over the first 5 years and set up the rest over the next 5 years. One company came in with a proposal with a higher bid that fixes everything over a 5 year period. The second bid which was a little lower, fixes 25 of the 40 in the first 5 years and leaves 15 for the next 5 years out. Mr. Potter is going to do an apples to apples analysis to compare them and see what they are and if we are better off doing all of them or not. There is about a \$300,000 difference. One bid was \$1.3M and the other was \$1.6M. These packets are for the Board to take them home and review them and Mr. Potter recommended that we have a work session in a couple of weeks to give him a chance to do an analysis and a decision can be made at that time. After discussion, the decision was made to have the work session on June 8th at 10:00 am. Mr. Stratton stated that we would need to set the agenda for that meeting, so we have the tank maintenance bid review and the Belfry Pond Creek Sewer project on it for now. Vice Chairperson Collins made the motion to approve to hold the work session on June 8th at 10:00 am. Commissioner Adkins made the motion Commissioner Casey seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye

Commissioner Ancie Casey Aye
Commissioner Prentis Adkins Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-01014

Commissioner Adkins stated that he had a couple of matters that he would like to bring up at this time if the Board would be interested in putting them out to bid. Vice Chairperson Collins inquired what they were. Commissioner Adkins responded that it was just a couple of matters he would like to put before the Board. Vice Chairperson Collins responded for him to proceed. Commissioner Adkins stated that he wanted to put before the Board to publicize to put bids out for legal counsel and CPA work to save the District money on these services. Mr. Stratton stated that procedurally the Board can request a proposal for services, like the Board does for engineers, if that is the Board's choice. Mrs. Olson inquired if the Board has current contracts for these services. Mr. Spears stated that he doesn't know if his is expired or not. Vice Chairperson Collins stated that he can't go there because he doesn't know if the Board is under contract with anyone or not. He clarified that Commissioner Adkins' intention is to bid it out in the future. Commissioner Adkins agreed that he wanted to bid it out and see where we were at. Vice Chairperson Collins stated that there might be some implications there that we was not prepared to address, although it may be something to think about in the future. Mr. Stratton stated that it is the Board's call on whether to do it or not. Vice Chairperson Collins inquired if Commissioner Casey had an opinion on this issue. Commissioner Casey responded that he hadn't really thought about doing that. Vice Chairperson Collins stated that he hadn't either and it caught him off guard and he would need to look at the implications of that decision. Commissioner Adkins stated that he had been looking at some of these figures and thought we could put it out there. Vice Chairperson Collins responded that we have to work with somebody that has the knowledge and knows what we are dealing with as a water district; and sometimes figures are figures, but with the workings of the District, you have to look at the whole total picture and he doesn't want to rush into a decision on this. Mrs. Olson suggested tabling the issue until the next meeting. Vice Chairperson Collins stated that these were just comments that Commissioner Adkins wanted to make and probably should have made them at the end of the meeting, but right now there is no motion to be taken on this and continued the meeting by calling for a vote to convene into executive session.

4. Legal Issues
Executive Session to Discuss Outstanding Litigation and Potential Litigation -

Vice Chairperson Collins requested a motion to go into executive session to discuss outstanding and potential litigation as listed on the agenda. Commissioner Adkins made the motion. Commissioner Casey seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-015

Chairperson James requested a motion to reconvene from executive session where outstanding and potential litigation was discussed as listed on the agenda. Commissioner Adkins made the motion. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-016

Mr. Stratton stated that a resolution is needed to approve an amendment to the employment contract with the Administrator. Commissioner Casey made a motion to approve the amendment to extend the contract to a 3 year extension and include a provision for 2 weeks of vacation. Commissioner Friend seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-017

Mr. Stratton stated that Chairperson James received a letter from the Public Service Commission this week requesting information from UMG concerning their cost to run the District. It was in regard to a letter they sent to us on February 11, 2011 and Chairperson James has requested the Board to send a letter to UMG requesting that information that the PSC requested. Vice Chairperson Collins requested a motion for Mr. Stratton to prepare and send a letter to UMG requesting the information as requested in the letter from Public Service Commission. Commissioner Casey made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-018

COMMISSIONER COMMENTS

Vice Chairperson Collins inquired if there were any Commissioner comments. There were none

ADJOURN MEETING

Vice Chairperson Collins stated that if there were no further comments, he requested a motion be made to adjourn the meeting. Commissioner Adkins made the motion. Commissioner Casey seconded the motion. Commissioner voting as follows:

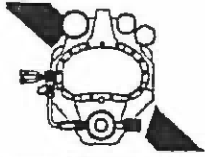
Chairperson Rhonda James	Absent
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Aye
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-05-019

RFQ/RFP EVALUATION RECOMMENDED SCALE

POSSIBLE POINTS

	(10)	(15)	(40)
EXCELLENT	10-9	15-13	40-33
GOOD	8-7	12-10	32-25
AVERAGE	6-5	9-7	24-17
BELOW AVERAGE	4-3	6-4	16-9
POOR	2-1	3-1	8-1



SOUTHEASTERN UNDERWATER SERVICES, INC.

126 N. Washington Avenue, Greenville, SC 29611
(864) 220-3481 FAX: (864) 220-3485
Email: seunderwaterinc@yahoo.com

Mr. Dan Stratton
Stratton, Hogg and Maddox
111 Pike St.
Pikeville, KY 41501

June 13, 2011

Proposed Contract for tank maintenance

Scope of Services:

SUSI will inspect and service all tanks as listed on addendum 1 on an annual basis and shall insure care and maintenance of same tanks as follows:

- a. Southeastern Underwater Services, Inc., proposes the following schedule and services to bring the tanks of MWD in Pikeville to acceptable AWWA standards.
- b. All tanks with the exception of those scheduled for coatings replacement in year one, will be inspected and cleaned in the first year of the contract. Those tanks will be evaluated and, with the advice and consent of the utility district, final schedules will be made for service.
- c. Southeastern Underwater Services, Inc., has an advantage of using divers for inspections and cleanings, which mean that the tanks will not be taken out of service for those activities. Also, prior to the year-one anniversary of interior coatings, SE Underwater will perform an underwater inspection on video, which can be directed by personnel of the utility district.
- d. The utility district will receive a DVD of all interior inspections, and an inspection report check list with items of deficiency.
- e. The scheduled priorities which accompany this proposal can be altered by the utility district as long as the number of tanks in a given year is not changed.
- f. Annually visually inspect interior and exterior of tanks to assure that they are in sound condition and suitable for storage of potable water.
- g. In the first and fifth year of the contract, SUSI will inspect and clean each tank using divers with a proprietary vacuum system. The tank may remain in service during this cleanout. The utility will be provided with an inspection sheet indicating shortcoming or needed repair, evaluation of coatings, and a DVD of the interior.
- h. In the first year of the contract, SUSI will remove necessary foliage around each tank, including tree limbs, weeds, vines and growth that threatens the integrity of the tank.
- i. Each year subsequently, SUSI will remove and maintain vegetative removal for each tank.
- j. SUSI will furnish technical and engineering services for complete tank maintenance and improvement during the terms of the agreement...

- k. All coatings will be as specified in the request for proposals; and in any case shall meet or exceed the requirements of the AWWA and/or the Steel Structures Painting Council.
- l. SUSI shall provide emergency services in response to needs as part of this contract with reasonable travel time to respond to calls at a rate of \$275 per hour portal to portal. (Includes graffiti removal).
- m. SUSI shall provide certificates of insurance for worker's compensation, general liability, environmental and autos.

TERM

The terms of this agreement shall commence on _____, 2011, and continue in effect for 5 years, unless earlier terminated by agreement of both parties. Renewable for a period of five years.

COMPENSATION

TOTAL: \$1,312,209

ANNUAL CONTRACT PAYMENT

1st year \$326,440.00

Years 2-5 \$246,442.00

60% in advance, balance on anniversary date, plus 50% advance for following year.)

Quarterly payment:

1st year: \$81,611.00

Years 2-5: \$61,611.00

25 percent (first quarter in advance, then each 90 days thereafter for length of contract.)

Monthly payment:

1st year: \$27,203.60 (1st month in advance, then on the first day of each month following)

Years 2-5: \$20,537.00 (1st month in advance, then on the first day of each month following).

For the sixth through 10th year of the contract, SUSI shall submit an invoice for 50 percent of the annual costs on the anniversary date of the contract and payment shall be made within 30 days. The balance, with 50 percent for the following year, will be due on the anniversary date. (Monthly rates divided by 12 equal payments in advance)

TERMINATION

In the event either party elects to terminate the agreement for whatever reason, the party terminating the agreement shall provide thirty (30) days written notice of termination to the other party. Upon such termination, SUSI shall be entitled to:

- a. Collect the outstanding fees incurred based upon the services provided to the Utility as of the day of termination.
- b. Any expenses for products or services committed to which may not be cancelled
- c. Eight (8) percent of the following year contract.

In event of termination, SUSI shall submit a final billing through the date of termination and, if accepted by the utility, payment shall be made within thirty (30) days of receipt.

GOVERNING LAW

This agreement shall be governed by and enforced in accordance with the laws of the State of South Carolina.

ENTIRE AGREEMENT

This agreement shall construe the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated herein.

REPAIRS of leaks: The material we use is a two-part underwater epoxy. The epoxy chemically bonds to the concrete, displaces water, and remains intact with greater bond than the original coating. All of our repair, sealing and coating materials meet or exceed the following standards:

- | | | |
|-------------|---|--|
| NSF 60 & 61 | - | Approved for use in, or in contact with, potable water |
| EPA | - | Approved for use in, or in contact with, potable water |
| USDA | - | Approved for use in, or in contact with, potable water |

For leaks or cracks in reservoirs, we utilize a dye injection leak detection and epoxy repair procedure. The first stage of repair is to perform a leak detection using a FDA-approved dye which is injected around suspected cracks or seams. Once the exact leak areas are located, they are filled with epoxy.

All inspections are done according to ASNT/NACE/AWWA standards

All disinfection and cleaning procedures and training have been standardized by SUSI in compliance with industry standards.

Inspection reports include a color /DVD. The videos are narrated live by the divers, by our personnel or your personnel (in the control trailer) at the time the video is recorded. One copy of each of the hand written inspection work sheets are provided with the video. Still photos on request. Coating tests and lead paint test included.

VIDEO For the total time we are inside the tank, the job is on video and can be viewed by your personnel. We record any portions of the job that you request, or in your absence, we record the areas of interest listed above with particular attention to areas in need of further maintenance. We are prepared to give you an estimate for and accomplish repairs at the time of inspection.

Steve Burdsal
President

Five - Year Extension

YEAR 6 **\$ 79,000.00**

Visually inspect all tanks
Dive inspection/cleaning of all tanks from year 1
Repairs as needed

YEAR 7 **\$ 80,500.00**

Visually Inspect all tanks
Dive inspection/cleaning of tanks from year 2
Repairs as needed

YEAR 8 **\$ 82,500.00**

Visually inspect all tanks
Dive inspection/cleaning tanks from year 3
Repairs as needed

YEAR 9 **\$ 93,500.00**

Visually inspect all tanks
Dive Inspection/cleaning tanks from year 4
Repairs as needed

YEAR 10 **\$ 95,750.00**

Visually inspect all tanks
Dive Inspection/cleaning tanks from year 5
Repairs as needed

Notes

Each year the tank maintenance schedules will be reviewed and updated.

**ADDENDUM #1
Foilage Removal**

**ADDENDUM #1
Foilage Removal**

Year 1 \$58,500.00

Year 2 \$31,200.00

Year 3 \$31,200.00

Year 4 \$31,200.00

Year 5

\$31,200.00

Memo

To : MWD Board of Commissioners
From : Daniel P. Stratton *DPS*
Date : June 2, 2011
Regarding : Water Tank Maintenance Contract Proposal

Legal Review

I was asked to review proposals from Southern Underwater Services, Inc., and Southern Corrosion, Inc., to determine whether or not they were compliant with the bid specifications published for water tank repair and maintenance, and to identify any issues in their proposals that the Board should consider.

In our RFQ/P, we described the project work as follows:

1. Initial and thereafter annual inspection of all tanks.
2. Assessment of any needed repair and/or maintenance work for all tanks. Prioritization for the work to be done, based on the condition of each tank. All maintenance and repairs deemed to be essential to the integrity of the tanks should be scheduled over the initial five (5) year period. Thereafter, appropriate maintenance and repairs will be performed on a routine basis.
3. Repair and maintenance to include interior and exterior surface, foundations, ladders, man-ways, and other access systems, signage, gauges and ventilation systems.

**MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS SPECIAL MEETING**

June 8, 2011
10:00 AM

ATTENDANCE

Nancy Cagle, Southern Corrosion, 738 Thelma Rd. Roanoke Rapids, NC
Katie Cagle, Roanoke Rapids, NC
Jim Dotson, Southern Corrosion
Travis Calvert, Southeastern Underwater Services, Inc. Greenville, SC
Steve Burdsal, Southeastern Underwater Services, Inc. Greenville, SC
Jody Hunt, Summit Engineering, Inc.
Dan Stratton, Stratton, Hogg & Maddox
Michael Spears, Spears Management, CPA
Roy Sawyers, Administrator, MWD
Grondall Potter, Manager, UMG
Tammy Olson, Office/Compliance Manager, UMG
Kevin Lowe, Office/Finance Manager, UMG

CALL TO ORDER

AGENDA ITEM I

The Mountain Water District Board of Commissioners Special Meeting was held on Wednesday, June 8th, 2011 at 10:00 am.

Commissioners present for the meeting were as follows:

Chairperson Rhonda James
Commissioner Lester "John" Collins
Commissioner Ancie Casey
Commissioner Prentis Adkins

Commissioner Kelsey Friend, Jr. was absent for this meeting.

AGENDA ITEM I

1. Tank Maintenance Proposals –

Mr. Potter stated the Board has had packets on both proposals since the last Board meeting and Mr. Stratton has given them each an analysis of the proposals as well as UMG has given a review of them as well. Mr. Potter stated that there were three (3) reference sheets done for each company and those are in their packet as well.

Mr. Potter called the Board's attention to their new Administrator, Roy Sawyers, being in attendance to this meeting. He was welcomed by the Board members. Mr. Potter stated that he hit the ground running Monday and he was given the tank proposals and has reviewed them with him and he has been brought up to speed on everything we have as far as the materials for these proposals. Mr. Potter stated that Mr. Spears has reviewed them as well and he wanted to take some time to review everything they have in front of them. Mr. Sawyers stated that he would wait to make any comments until the Board has thoroughly reviewed this information.

After a pause in the meeting to allow the Board to read both the analysis from their legal counsel as well as from UMG and the reference sheets, discussion continued. Chairperson James commented that there were representatives from each company who submitted a proposal in attendance and opened the floor for Commissioner questions. Mr. Potter stated that he, Mr. Stratton, Mr. Spears or Mr. Sawyers would answer questions also.

Chairperson James stated that her first question would be about the funding for this proposed contract. Mr. Spears responded that in looking at the proposals and speaking to Mr. Potter, the big issue is funding and he has a plan for how to go about it. He likes the buyout provisions in the one bid because it gives us an out of the contract if something were to happen and we got in a bind. We have to look down the road and where our revenues are going. We don't know yet what the economy is going to do to our revenues and we have to be cautious. To pay for this contract he stated that he has a plan that will require some approval from some other people/agencies. We have \$375,000 this year and next for both maintenance and debt service. Looking over the financials, the District can free up about \$19,000 per month with the debt service money with some left over. We owe in the \$525,000 range so we will have some left over. Chairperson James clarified that the \$375,000 per year for debt service for both years totaling \$750,000 will only clear up \$19,000 per month. Mr. Spears stated that that is correct. We have \$375,000 for repair and maintenance for two (2) years totaling \$750,000 that we can apply to this contract, with the exception of some for Mr. Potter for some work that needs done. Mr. Potter stated that it would be for rehab of some the stations and he will discuss that later in the meeting. The tank issue is also a critical item and he has preached for years that it needs to be done. Mr. Spears continued that we cannot pay any of it through R & M because we are just breaking even every year so that is not an option. His plan is now, that we have about \$500,000 in the reserve accounts; and he would ask Ronnie Brooks with RD for permission to use some of the reserve fund payments for this contract. If we project out in two (2) years, we will have about \$750,000 in there with the rate we are replenishing it now. We could ask Ronnie Brooks for permission to reduce our \$11,000 commitment to RD as well as our \$9,000 commitment to KIA by half, freeing up another \$10,000 per month which would allow this contract to be done. He thinks the Board would want their approval first. We could ask permission to take money out of the reserves, but in lieu of everything that we have gone through the last couple of years, he doesn't think that is a good idea. Mr. Potter stated that the reduced payments will probably be approved because they have a vested interest in the maintenance of the District because they are holding the bonds against it. Chairperson James stated that the reserves would still continue to grow because we are still contributing monthly to the accounts even though the amount would be reduced. Mr. Spears stated that that is true. His proposed plan for the budget would free up about \$30,000 per month. We know we can do the \$19,000 because we can pay those two (2) debts off but the other is contingent upon RD and KIA approval.

The Board might also want to consider running this through the Public Service Commission. It is something that would be considered anyway if we ever ask for a rate increase in the future. It would be a good idea to get their blessing to enter into a contract of this magnitude. But it is in the best interests of the customers of the District, our debtors and the PSC to agree to this because if we don't maintain our tank system, we can't provide the water to the customers or get the revenue to pay back the loans. The Board agreed that that would be a wise idea to do that.

Mr. Spears stated that he thinks the District can pay for this and the plan will work and that RD and KIA will agree to it. But we need to know for sure before we sign the contract. We have made a good faith commitment to them that the District would replenish that reserves and have done a good job doing it. Without having to borrow money and go into debt, this is the best plan he can give the Board to accomplish this.

Chairperson James requested a motion to authorize Mike Spears to contact RD and KIA regarding reducing the monthly amount of the reserve payments in an effort to help fund the tank maintenance contract. Mr. Spears stated that he should be able to get back to the Board by the next Board meeting with an answer on this. Commissioner Collins made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson James	Aye
Commissioner Collins	Aye
Commissioner Casey	Aye
Commissioner Friend	Absent
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-06-001

Mr. Spears inquired from the Chairperson if the District's debt service money is available. Chairperson James stated that the first round of funds is available and we need to go ahead and get the project scope and budget application submitted so they can issue a memorandum of agreement on that. The first round of maintenance monies are available as well. She inquired if that would go through Amy Barnes at the Coal Development Branch. Mr. Potter stated that he believed that is correct.

Chairperson James inquired from Mr. Potter how the proposal goes along with the priority that he had given the Board. Mr. Potter stated that there are some differences. Both companies said they were going to do 32 tanks in the first 5 years, there were other slight differences but nothing major in the work to be performed on the priority list. The tanks they identified were the ones he felt as though needed attention. Commissioner Collins inquired if the District had to purchase a new water tank, what the cost of that would be. Mr. Potter stated that the only tanks they looked at were 50,000 gallons up to 1,000,000 gallon capacity. The majority of the District's tanks are in the 100,000 to 200,000 range. He inquired if Mr. Hunt had bid one out recently. Mr. Hunt stated that the last one they did was about 2 years ago at Elkhorn and it was a 70,000 gallon tank with a lot of excavation work along with it. It was a lump sum of \$319,000. The District already has their site prepped so it would cost about \$200,000. Commissioner Collins inquired what they thought a 200,000 gallon would cost to replace. Mr. Potter stated that he would be guessing, but he thinks about \$2/ft is about the going rate so a 200,000 gallon tank would be about \$350,000 to \$400,000. Mr. Hunt agreed that would be about right. Mr. Potter stated that last tank that was cleaned and painted was Wolfpit tank in 2007. It was bid out and included telemetry and ran \$157,000 at that time and it is a 200,000 gallon tank. Commissioner Collins stated that he thought the Board needed to proceed cautiously and not get in over their head too fast. Mr. Potter stated that AWWA standards are that these tanks are to be inspected and painted at certain times and the District has just not concentrated on doing that in the past, but it needs to be done. They usually recommend each tank be on a 10 to 15 year rotation for maintenance. Mountain Water grew and grew and grew for years and built up a good system, but now you have all of these tanks that need attention. Commissioner Casey stated that you pay now or pay much more later. Commissioner Adkins stated that they will have issues also if one of those tanks busts or fails. Chairperson James inquired how they would prioritize the number of tanks that they have scheduled for the year. Mr. Potter stated that both have submitted a proposal with the number of tanks they will do each year and he assumes whoever is awarded the contract will bring in the crews necessary to do it and will have to coordinate with Roy Sawyers and himself on which ones they want to do and in what order, so that we can prep the access. Chairperson James directed a question to Southeast Underwater Services and stated that their proposal shows that in years 1-2 they intend to do 15 exterior painting and 15 interior repairs and modifications. When they looked at all of the tanks, did they do a priority of which tanks they felt were needed first. They responded that they did. Chairperson James stated that in doing that they would work with our guys here to make sure that we were on the same page. Mr. Potter stated that they will have to schedule with us and after speaking to both companies there is a limited time frame within a year that you can paint a tank; spring through fall. We may have scheduled six (6) but due to weather constraints...the paint has to have a certain temperature for so long. We may only get to three (3) or four (4) in a season and may have to make adjustments as we go. Chairperson James responded that she is assuming that they will stay on schedule with what they proposed. Mr. Potter stated that conditions change. Chairperson James clarified that the Board is going to get 32 tanks as proposed. Mr. Potter responded that she needed to direct that question to the tank companies, which she did. She inquired if both companies were sure that they could complete the 32 tanks in 5 years as proposed. Representatives of both companies responded affirmatively. Mr. Dotson with Southern Corrosion stated that they can put multiple crews on them and can have people working on the inside and outside of the tank simultaneously so when the outside is finished, the inside is curing for 7-14 days before you can put water back in it. Commissioner Casey inquired if Mr. Potter was prepared for taking these tanks out of service for that long. Mr.

Potter stated that we will have to be. It will be tough and he has asked both companies if they have a skid tank that can help during the down times. Mr. Dotson stated that they have skid tanks and relief valves. Chairperson James inquired if that was an additional cost. Mr. Dotson responded that it is not an additional cost and comes with the service to the tanks. Chairperson James inquired if coordinating that comes at no additional cost in the bid as well. They responded in the affirmative. Mr. Potter stated that it will be tough on the District as well as on UMG, but it has to be done. We will probably have to issue some informative things in the areas we are working and let customers know that Mountain Water is doing extensive maintenance on their tanks...and that they (the customers) may experience low pressure within the next two (2) to three (3) weeks in this zone due to maintenance. We may have to pull a 5,000 or 10,000 skid tank up there with a relief pop off and try to keep everyone in water while the process is continuing. It is either bear with the inconvenience and aggravation at this time or don't do it and have catastrophic failures and major problems down the road. We will work with whoever gets the contract to try to meet the schedule. Commissioner Adkins stated that they have done this long enough that they should be prepared to handle this. Mr. Potter stated that when he called on the references, and he couldn't remember which company it was, one company down south had had an issue with drought and had a tank scheduled for painting, but the company told the contractor that they couldn't do it right now and it was held until 2 years later when the drought had abated. If the Board had been under this contract last year in July when the flood occurred, he would have had to come to the Board and said that you will have to ask your tank contract people to hold off until next year. Chairperson James inquired how that would affect the contracts because that happens here a lot, major disasters that are wide spread. Mr. Dotson from Southern Corrosion stated that they see that everywhere and when people have trouble, they cover them, just like the ones that they held off painting their tanks and then added them to the list to complete when the system was able to work it out. Travis with Southeastern Underwater Services stated that they work for the Board; when the Board tells them to be here, they will be here. Mr. Potter stated that Mr. Sawyers will be here also to work with them. Shelby tank was scheduled for this year. The new mines have a 4 or 5 inch tap up there and are taking 300,000 gallons a day and we are going to have to look into making contingencies to deal with that. Next year they have scheduled to do Pompey and he may say that he would like to rotate this one on the schedule and bring it to the Board and let you know. He believes that both companies are real similar on what they want to do on the painting schedule and the first 2 years are pretty much the same tanks as what he envisioned were the ones that need attention. Mr. Spears inquired what if a major flood happens in the second year of this contract and completely delays everything a year. Do we pay the contract as it is proposed here. In the sixth year when they would be making up the year that is off, is the District required to pay the maintenance contract plus the year of the flood. Mrs. Kagle, Southern Corrosion, stated that what they would do is catch up in year 3 what was scheduled for year 2 when it flooded. Mr. Dotson stated that if they didn't do the work, they wouldn't require the payment for that work. It delays the contract a year. Chairperson James inquired if it would be the same way for Southeastern Underwater Services. They confirmed that it would. Chairperson James inquired if we have draft contracts for both companies. Mr. Stratton stated that he has a draft contract for Southern Corrosion but does not have one for Southeastern Underwater Services. Mrs. Kagle stated that the contract that he has is the final contract for Southern Corrosion unless he wanted any of the wording to change. Mr. Stratton stated that they may need to rework it and may have some things to talk about. Mr. Burdsal with Southeastern Underwater Services stated that the wording in the RFQ said that once someone is chosen, then a contract would be negotiated. That is why they did not include one in their proposal. Commissioner Adkins inquired what if they get into one of these tanks and find a major issue. Is that covered? Mr. Burdsal stated that their proposal states that they will dive every tank in the first year... do a cleaning and inspection so the Board will know what they have. Commissioner Adkins stated that he knows they are in this to make money and they are not going to drag this out any longer than they have to and the weather can't be helped. Mr. Dotson stated that there is a photo album on the desk with their inspection reports. They have already done the inspection on all the tanks that they looked at. If there is anything they find, it would be covered under their contract and it would be covered under warranty and they would repair it for the full duration of the contract. Chairperson James stated that the way she is understanding it then, is that regardless of the condition of the tanks when they get into it, the cost of the contract is firm and

will not change, even if there is more work to be done than they anticipate. Both companies confirmed that as correct.

Chairperson James inquired about warranty for both companies. Mr. Dotson stated that their work is warranted for the full duration of the contract. Mr. Burdsal stated that it was the same for Southeastern Underwater Services. Mr. Stratton stated that Southeastern Underwater Services said in their proposal that there is 2 year warranty after completion of the work being accepted and Southern Corrosion made no reference in their proposal whatsoever about a warranty. Mr. Dotson responded that their proposal stated that anything uncovered during inspection would be added to their schedule at no additional cost. Mr. Stratton stated that he is just trying to clarify what the warranties are for both companies. Mr. Dotson stated that their work is warranted for the full duration of the contract. If paint fails in year 9, they will repaint it and it states in their contract that they will repaint any failures as long as they are under contract. He stated that Southern Corrosion is promising you that we will maintain your tanks in a sanitary and structurally sound manner. Chairperson James clarified that if the contract were to end, there would be no more warranty at that point but Southeast Underwater Services warrants their work for two years after the work is accepted by the District. Both company's representatives confirmed that as correct.

Mr. Stratton stated that Southeastern Underwater Services put three (3) conditions on pricing; that the access to the tanks would be there; the District would remove all vegetation at the tank access and foundation; and that the District inspect and remove any insects at the tanks. Mr. Burdsal stated that usually insects aren't a big deal...a can of wasp spray and go on about your business. Commissioner Adkins inquired if the vegetation should be kept away from the tanks and be part of the maintenance. Mr. Potter stated that some of the tanks will also have to have access roads made and some have really tight easements. Commissioner Adkins inquired if chemicals can be used to control the vegetation at the tanks. Mr. Potter stated that EPA and the Division of Water really don't like using chemicals near water sources. They need to be cut down.

Mr. Stratton stated that Southern Corrosion had as part of their contract a fairly substantial penalty if the District came out of the contract at any particular time during the first five (5) years. Mr. Dotson confirmed that and stated that it is because of the schedule of work. They will do approximately \$1M worth of first and only get back \$300,000 the first year, so the differential between the schedule and scope of work that will be done and the District's payment, is why it is broken out that way because that is the fair value of work done in the first year and so on. It takes them getting into the fourth year before they're back even on the amount of the work they do versus the amount the District is paying. Mr. Stratton stated that the reason that may become an issue is that if for some reason the District can't continue or choose not to continue with the contract, there is an additional cost to exit the contract. The question then becomes as an alternative, looking at either pricing them all and get the price right each year and have each year paid and stand on its own which would cost us more up front. He stated that he is not saying anything would happen but he we have to understand that it is not just this price of the contract, but an additional cost in the event something happens and we have to end the contract early. Mr. Spears stated that they are going to be front loaded on work in the first few years and the payment stream is pretty level, and if we ask them to adjust it we might be getting a really bad and a mediocre bad tank and we probably need to look at that. He called Mr. Dotson yesterday and asked that question so that we understand it correctly.

Mr. Roy Sawyers, District Administrator, inquired from Southeastern Underwater Services what they propose for beyond the initial five (5) years and does the two (2) year warranty cover from completion of all services. Mr. Burdsal stated that the two (2) years begins from the time the tank goes back into service. Mr. Calvert stated that when they came for the pre-bid, Mr. Potter asked specifically for a bid price on the first five (5) years and we really didn't discuss the next five (5) years and off the hip he would say just a regular maintenance contract with regard to inspection and cleanings. Mr. Burdsal stated that they would like to get back with the Board on that. Mr. Sawyers inquired if they could submit a follow-up proposal. Mr. Burdsal stated that they could do that. Mr. Potter stated that he wanted the worst ones in the first five (5) years and then project out past that. That was the whole thing is projecting out long term maintenance to keep them in

compliance. Commissioner Collins inquired if Ferrells Creek was a fairly new tank. Mr. Potter stated that it was completed in about 2003-2005. Mr. Potter came over and looked over the album that Southern Corrosion provided of the tanks that the Board has and their condition. Discussion ensued regarding the condition and age of the tanks.

Chairperson James inquired if either of the companies had any questions for the Board. There were none.

Commissioner Adkins inquired if either company does a lot of sub contracting or if they do most of the work themselves. Mr. Dotson stated that Southern Corrosion has their own crews and Mr. Burdsal stated that Southeastern Underwater Services does a little of both. Chairperson James inquired from Mr. Burdsal how that works on the subcontracting. Mr. Burdsal responded that they have certain contractors that they use a lot. Chairperson James inquired if they have references on them. Mr. Burdsal responded in the affirmative. He also stated that Southeast has instructed them to hire locally if they can as well and work under their direct supervision. Mr. Sawyers inquired what specific work they sub out. Mr. Burdsal responded that it is the painting. Mr. Sawyers inquired that people they want to hire locally, will they hire someone that is a professional painter? Mr. Burdsal responded "yes". Mr. Sawyers responded that he just wanted to make sure they didn't get somebody with a roller down the road here...that they were qualified with the materials they would be working with. Mr. Dotson stated that in their contract in the insurance certificate, it has a professional liability and pollution liability insurance in the amount of \$2M, since they provided the specifications on the paint jobs and if their system fails because it was mis-specified their coverage is \$2M with an umbrella that brings it to \$8M, and the same with pollution liability. The products they bring in are hazardous and if they have a spill and it gets in the ground water, they are covered for \$10M through their pollution liability insurance.

Chairperson James stated that what the Board would like to do is to wait to hear from Kasi White and Ronnie Brooks regarding their answer for using the proposed funds and requested that Mr. Spears would send an email to the Board to let them know when their Board meetings are and what he finds out. Also, Southeastern Underwater Services is to turn in their follow-up information by June 17th so we can have everything can be reviewed and ready by the Board's next meeting on June 29th. She inquired if anyone had any further comments or questions. There being none, a five (5) minute recess was requested by the Chairperson. Commissioner Casey made a motion to take a recess from the current special meeting to allow for a restroom break and people to stretch their legs. Commissioner Collins seconded the motion. Commissioner voting as follows:

Chairperson James	Aye
Commissioner Collins	Aye
Commissioner Casey	Aye
Commissioner Friend	Absent
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed
Resolution No. 11-06-002

Chairperson James requested a motion to reconvene the meeting from a short recess. Commissioner Casey made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson James	Aye
Commissioner Collins	Aye
Commissioner Casey	Aye
Commissioner Friend	Absent
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-06-003

Mrs. Olson stated that before the Board goes forward with the meeting, she and Mr. Stratton have prepared scoring sheets for each proposal and she inquired if that was something Mr. Stratton wanted distributed and completed before the next Board meeting. Mr. Stratton stated that Mrs. Olson took some previous scoring sheets that we had done in the past and adapted them for this proposal. On page 2 there are three (3) sets of points possible; 10, 15 & 40 on the different categories. To standardize the evaluation, there is a sheet telling you what constitutes excellent, good, fair or poor on the scoring scale. Mr. Stratton explained to the Board the scoring procedure for each category. The Board will need to grade the proposals at or before the next meeting. Chairperson James clarified that since this had to be bid out, we don't have to go strictly by the cost. Mr. Stratton stated that is correct that is why there is a 60/40 scale on qualifications versus price. The other thing we have to look at is, if you want to choose one that is higher in cost you can, but it makes sense that the qualification scores would be significantly higher on that one. It would need to be justified, even with notes on the form, why the higher priced one was chosen, or why a lower score was given on either one. Commissioner Adkins inquired what Mr. Potter's opinion is of the proposals. Commissioner Collins inquired if he has had any dealings with either one. Mr. Potter stated that neither company has done any work for the District over the years. He stated that we advertised it on the KRWA website, we put it in the local paper as required and also randomly picked about three (3) tank companies that we knew of that had been sending pamphlets on their services for years. One of the companies responded that they appreciated being asked to bid, but they were primarily a tank construction company and not into the maintenance contracts. Mr. Sawyers had asked why the Board didn't get any more submittals. Mr. Potter stated that there are not a whole lot of companies out there that do the total package maintenance contract. Southeastern looks to him like they are primarily an inspection and clean out type of company with their divers. They come in and look but like they said, they sub out their painting and other types of work. Southern Corrosion have been in business for a lot longer and their proposal gave 118 clients as references while the other company gave 3 clients as references, which he called 3 from each company. Southern doesn't use subs, they have their own crews and he feels as though they have a lot more experience in the whole field. Mr. Spears stated that he had spoken to Mr. Dotson previously and he had said that the reason they don't dive the tanks is that the water will distort the views and they prefer dropping the tanks to actually see what is there. Mr. Potter said they had told him the same thing. One of the companies says that diving was fine and that is the way they do the inspections. The other company says they don't like to do that on inspections. They want to drop it out because you have the static pressure of the water in the tank may be holding the paint on the walls and until you drop it out and see if a bubble popped or pulls loose, you aren't really getting a true sense of the condition of the tank. Commissioner Casey stated that every question they had posed to both companies, the gentleman from Southern Corrosion answered it well. The other company said they would get back to us on two (2) different things. He stated that Mr. Dotson was well prepared and answered every question while the other one told us on two (2) questions they would have to get back with them on it. Mr. Sawyers stated that it looks as though Southeastern has a team that does primarily inspection and diving and they sub everything else out. Southern has sent literature that the Board has in front of them and have been in business since 1982. Commissioner Collins that the album Southern Corrosion presented was an extensive work up. Mr. Potter stated that Southeastern did a video from the time they spent at the tanks as well and is available if the Board wants to look at it. Chairperson James stated that she would like to see if the penalty could be negotiated a little bit. Mr. Potter stated that we need to remember also that you usually get what you pay for and sometimes cheaper isn't better. The only major difference he sees is that one company in the first 5 years is doing more tank modifications and repairs. Both are going to paint 32 and put them on the rotation; one company says they are going to do 18 modifications and/or repairs which may be manhole hatches, ladders, flapper repairs, vent repairs, etc. and the other says they are going to do 34, so pay attention to that. Commissioner Casey stated that not knowing these people or the companies, the Board bases a lot on the questions from this meeting to their representatives. Mr. Potter stated that he believes that Mr. Stratton and Mr. Spears are right, when the Board does this, whomever you select, justify it...state the reason on the evaluations why you believe one company is better than the other such as "this one is proposing

more work" or "this one uses more subs and these don't" or "these have been in business longer" or comments such as that. Mr. Spears stated that he believes procurement law states "the lowest and best bid". There is a reason why that is in there. He was told by the gentleman from Southern Corrosion yesterday that the way they do it is that they take the lowest and the highest bids and throws them out. They take the rest of the bids and go to a median and whoever is closest to the median gets the bid. He thought that was an interesting way of doing it. Mr. Potter stated that of the Board's 107 tanks, the majority are smaller skid tanks. Some of the tanks didn't originally have hatches or manholes in them, just small holes going in and out and if they have to be painted, someone has to cut it and modify it and when you look at those smaller ones, it is just about cheaper to buy another one. That is why they are not a part of this proposal.

2. Belfry Pond Sewer Project –

Mr. Hunt stated that this project started out as a \$4 - \$4.5M dollar job. We applied for the fund and got roughly half of that in that amount of \$2.85M so we had to scale the project back. It was designed for a larger area that what got permitted and we scaled it back and bid out the project to try to make it fit within the current budget. The plant is designed through a 400,000 gallon capacity. The initial plan was 200,000 gallons upgradable to 400,000. We had to cut it down to 100,000 when we bid it out. He stated that the low bid for the 100,000 gallon per day plant was \$1.9M dollars. Mr. Stratton clarified that the bid was just for the plant only. Mr. Hunt confirmed that as correct. That did not include any construction of sewer lines. Chairperson James inquired how many bid on that. Mr. Stratton confirmed that it was three (3) bidders; Bush and Burchett, Bristol Group and H2O Construction with H2O being the low bidder. Mr. Hunt stated that H2O had agreed to hold their bid price for over 6 months but we never could get the funds to fund the plant and the line. Mr. Hunt presented a map of what was actually bid to the Board. He stated that the plant site is behind the Belfry Middle School and bid Belfry proper to pick up the fire department, the court house, the school and homes in Belfry. We designed the project with larger lines so that it would handle further growth all the way out to Stone. Division of Water wants a flushing velocity. For this low amount of customers we probably had to have a 4" line, but we bid it out as a 10" line for future growth. For the line construction, there were three (3) bids on that one as well; US Rentals, H2O Construction and Appalachian Paving and Aggregate. This lowest bid was \$473,000 by Appalachian Paving and Aggregate. The second lowest was US Rentals and H2O was third. The line construction would only service about 40 customers in this first phase, but we were thinking since it would take a year to build the plant...the plant will be constructed and 40 customers on line, then by that time we would have more money and add more customers....but that didn't happen. The Board was not awarded any further Coal Severance Funds for this project so we are still waiting on more funds. The current permit runs out around January of 2012, but we just have to send everything back in to get a new permit. He showed maps of what was permitted for the project to the Board.

Mr. Stratton showed the Board on the map where the School Board owns property at the proposed plant site. The Board entered into a conditional settlement in lieu of condemnation of forgiving some debt and paying them some money. The problem is that Tierney Coal has all the mineral rights and was under lease to Massey Energy, which just became Alpha last week. In talking to Rick Keene, the Engineer, because they were going to surface mine this, they were going to lose coal. So we had a total bill of \$225,000 to get this property. Commissioner Casey stated that he believed we could negotiate a bid with Alpha. Mr. Stratton stated that it is Tierney that owns the property but we can try Alpha. The Engineer is telling him that Tierney has talked to Alpha about what they want to do with this property and they may be looking at releases or accelerating or delaying but we are still discussing the issue. Chairperson James inquired if they have given him any time frame as to when they will make a decision. Mr. Hunt stated that when they first started looking at the this property they were told that mining was going to begin with the next 2 months and we thought that was great, because they could get their coal out and we wouldn't have to pay for the mineral rights and we could get the property cheaper. That never happened. No one has ever mined it so far and thus we have this issue with the purchase of the property. Mrs. Olson inquired from Mr. Hunt if she was correct that there were many other sites that were looked at before it was decided that this is where it had to go hydraulically. Mr. Hunt responded that that was a great point. He stated that Mr. Potter and he have driven this and this

goes back to 2001-2002 when we first started looking at the properties. Mr. Potter stated that he drove the project with Mr. Brown, Mr. Keesee and Mr. Greg May looking for property and there are constraints on property for sewer; you have to be so many feet from an existing dwelling, you can't be in the flood plain, etc. Chairperson James stated that the issue then is getting the flow into that plant to be able to pay for it. Mr. Hunt stated that that is correct. If we found the "holy grail" property at Stone...it is not centrally located and it would cost a lot more in the future pumping and pumping it down the road. This property at Belfry hydraulically worked out great because it is centrally located and meets all the constraints and conditions of building the plant there. Chairperson James stated that that is where we need to do it then. She inquired if rebidding the project would produce lower bids. Mr. Hunt responded that he believed that the Board would get higher bids if they bid it like it is because this was bid out in 2009 and is roughly 2 years old and prices have increased for line installation approximately \$65,000. It is hard to estimate how much the cost for the plant has gone up or down but he thinks it has probably increased 10-15%. He stated that they ran several different scenarios on what to do with the current funding. Commissioner Adkins stated that what he has seen looking at some of these plants; when you do these plants, why not get the most people and most bang for your buck...hit these hollows and where ever. He knows that people like to run right down the highway and you pass all these people up. You cut some of these hollows out and he goes places all the time that would surprise you how many people are up in these hollows. Commissioner Casey stated that that is where the kids are at is up in the hollows. Mr. Potter stated that he understands what they are saying but a lot of the Division of Water's deal is and a lot of funding agencies deal is is that they want the main line put in first before you pick up side lines. Commissioner Adkins inquired if it can be designed to pick these up instead of just coming back years later and these people hollering that they need the sewer and you can't get to them and don't have the money now. Mr. Potter stated that in an ideal scenario we would put the plant in and run the main line and all side hollows at the same time. But the project then increases and the monies are more and you have to work within the budget you have and add on later as more funding is made available. That is the reason for the 10" line in this project, so that as more funding is available the line will be sized to keep adding more and more customers in the side hollows and both ways up and down the line. But you have to get the plant and main line in first with the funding you have on hand. Mr. Potter also stated that the Board could do more if the Board looked about generating more income from the sewer. Mr. Spears stated that after we get this tank repair issue under control the Board will have to address that. Chairperson James inquired if there is a solution for the Belfry Pond Project with the money that we have. Mr. Hunt stated that they have been looking at that and Mac Concrete is who was doing the plant and we need to get up with them and find out how much their plants have raised. Once we realize we may have flow problems with getting the plant up and running, we began looking at seeing if we could build the plant and run the line to Forest Hills and CVS Pharmacy and reverse the flow back to the plant. The Board is currently paying the City of Williamson to treat the sewer in that area. If we could reverse the flow and have that plant up and running, it could save the District some money in the long. That is the direction we were looking at last year but we still lack about \$800,000 to \$1,000,000 in funding to do that. So, we are going to get back in contact with the plant supplier and see what can be done to cut back the initial phase of the plant. We may be able to cut the initial capacity to 50,000 gallons per day that is upgradable for the future and get this within our current budget. The other scenario is to build the plant and look into just connecting in with Forest Hills, which would save the District some money in flow that does not have to be paid to Williamson to treat. Chairperson James directed Mr. Hunt to check out those scenarios and report back to the Board at the next meeting.

Commissioner Adkins inquired if water companies project out a profit of any kind. Mr. Spears stated that the Public Service Commission will not allow a water District to make a profit. If we request a rate increase, they look at what you have to have to service your debt for a 5 year period and your capital items to service the system you currently have, and make a determination of what your rates need to be the lowest possible for your customers and still be able to pay your debts and maintain the system. Chairperson James stated that if we were making a profit the PSC would make us lower our rates. Commissioner Adkins clarified that we have to depend on these grants and Coal Severance funding then. Mr. Spears stated that was correct. Mr. Potter stated that the state says that we are a subsidized industry that is dependent on government and grant monies because you cannot turn a profit for expansion. Mr. Spears stated that that is the

reason he believes that they will approve this tank maintenance contract because it is to maintain the system for public safety. Mr. Potter stated that on the Belfry Pond Sewer Project, Mr. Hunt will check into the scenarios for moving the project forward and Mr. Stratton will check into where we are with the property negotiations.

Mr. Potter stated that in conjunction with the sewer projects, he had told the Board previously that we are looking at another alternative to serve people that have issues. It is not through the Division of Water. The DOW says that if you do anything that discharges to a stream, it falls under the Division of Water's jurisdiction and you have to meet their criteria and it has to be permitted. If you discharge on site into the ground, it falls under the purview of the health department. The health department approached us a long time ago and asked for help with residents who have black water and can't be helped with a septic system. We have finally found the fusion system. UMG is currently doing 2 test runs with the health department to see if these are going to do a viable alternative to running force main all over the county and build plants. We have one at Radliff's Creek and one is going in at Groundhog Hollow in a couple of weeks. He stated that he is really impressed with what he has been seeing so far and will bring Mr. Sawyers up to speed on these also. The health department is really big on these so far and have brought in reps from the state offices and they are really liking it. These would be the units that would be installed for the Majestic Project that the Board has funding for currently to clean it up. The health department has given us a waiver on a leech field... a 10 X 10 or 10 X 12 is all we have to put it on because these units actually do treatment. The contract cost is about \$9,000 per customer depending on the concentration of people for force main. The contract cost for conventional septic systems is about \$7,800 and close to \$10,000 for an aerator system. The fusion unit for an average home costs about \$6,200 for the unit and the health department certifies the installers, plus whatever they are going to charge. He believes an average home could have one put in for about \$10,000 so it is comparable to contract costs for other alternatives. The health department, however, does not want people buying these and not doing the maintenance on them. The company that sells them says that they don't want to get a bad reputation because of customers who buy one and puts it in and doesn't maintain it and it fails, it will give the company a black eye. So what we are proposing is entering into a maintenance agreement with the customer for us to take care of for a monthly fee. What we would do is check it and take basic samples biannually and make sure it is running correctly and every 3-5 years we may have to pump the initial chamber for solids. Commissioner Casey inquired how big the units are. Mr. Potter stated that they will fit in the bed of a pick-up truck. They are 6' X 3' X 4.1/2'. Mr. Stratton inquired what the life span is. Mr. Potter responded that the life span is 30 years for the fusion units and the only moving part is a plastic diaphragm in the blower that costs about .46 they recommend replacing it every 2 years. Chairperson James inquired about odor. Mr. Potter stated that there is no odor with these units unless you have a problem inside the house trap, but no odor in relation to the unit itself. If this pans out it will be the future of sewer in the county.

3. River Road Rehabilitation –

Mr. Potter stated that this lift station, due to the material we handle being so corrosive is having major issues. This station has been in since 2000-2001 and was part of the very first contract on the Phelps project. The concrete is deteriorating and the station is in need of repairs. This needs to be a major rehab. We have gotten quotes and basically we need to go ahead and get this going. A quote from Eastern Pumps and Equipment is upwards of \$40,000 to do the work. A quote from another company just to treat the concrete was \$7,200. Another company quoted that pumps while another quoted the interior. He would like to go forward with this with the quotes that are under \$20,000 and would like after it is rehabbed to let another company come in and do the concrete treatment. Mr. Spears stated that he believes that as long as they are not related companies, it is okay. Chairperson James inquired what other stuff we do with Wascon. Mr. Potter stated that are the distributor of the grinder units we use. Mr. Stratton stated that he would look at this and see what can be done. Mr. Potter stated that he is concerned that we will have a catastrophic failure at this station. Commissioner Casey stated that we need to move on it. Chairperson James inquired where funding is coming from. Mr. Spears stated that with the \$375,000 coming and the initial year of the tank maintenance contract being around \$330,000+,

there would be enough left over to do this. Mr. Potter stated that he knows that he has preached pump stations and he doesn't want to forget them, but this station needs immediate attention. Commissioner Casey made a motion that the Board proceed with the companies that Mr. Potter has recommended contingent upon legal counsel review and approval with relation to the procurement procedure. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Chairperson James	Aye
Commissioner Collins	Aye
Commissioner Casey	Aye
Commissioner Friend	Absent
Commissioner Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution No. 11-06-004

Mr. Stratton and Mr. Potter are to review and meet in the coming week after this meeting and determine the correct course of action for this issue.

4. **Resolution of Flooded Meters Issue-**

Mr. Potter stated that the Board has discussed this issue several times and Mrs. Olson has brought the minutes from previous meetings. He stated this issue needs to be decided however the Board chooses to handle it. Commissioner Adkins stated that the way he understands it, those people would be hooked back up for free if they did relocate. Mrs. Olson distributed copies of the minutes from the September 29, 2010 meeting where the issue was originally discussed tabbed by that section. Chairperson James inquired how long do you let them do that and where do you let them relocate to and how long do you hold it. Commissioner Adkins stated that as long as there is water there... Chairperson James stated that as long as they build back in the same place, that is not a problem at all. Mr. Potter stated that the resolution of this issue is up to the Board. He also stated that when we talked about it last year he thinks he presented it for example, if house #802 on Harless Creek washed off and got flooded and the meter base washed off, during emergency repairs the residents didn't know if they were moving back to that spot at that time. He had said he would drop a note in the file for that location that there was an actual base there at one time, he presented it that if the customer comes back and had a meter before the flood, does the Board want to honor putting that meter back at no charge. Some did not get put back because some people said that they didn't know if they would ever come back. He continued by saying that the PSC stipulates that when a meter is installed on a property and that property is sold or changes hands, it goes with the property. The resident can't take it with them if they move. This is a Board decision and if the Board decides to honor putting a meter base in for someone who relocates to Johns Creek or somewhere, if they sell the property at Harless Creek to someone, the person that purchases the property will expect the base to be put back because it had one there previously and the PSC will agree with the new purchaser. Chairperson James inquired if the PSC would get involved with that. Mrs. Olson responded that they will involve themselves in it if a customer calls in a complaint about it. Mr. Spears stated that the Board may want to consider if you put one at Johns Creek for free for a flooded resident and their neighbor complains because they had to pay for theirs, it needs to be considered. Mr. Stratton stated that before the issue was that the Board could give an exemption for disaster relief, the question arises that if you put it in somewhere there wasn't a disaster because somebody relocated and someone challenged it, we would have to defend and justify that decision according to the disaster policy. Mr. Potter stated that if the Board decides to do it, what if they move to where the District doesn't have water or if the District doesn't have sufficient pressure to serve them where they relocate. Mr. Stratton stated that this cannot be a perpetuity deal because we can't track it forever. It needs a time limit like a year or whatever the Board decides. At the bottom of the first paragraph in the minutes it says "for those homes that are no longer being utilize due to the flood event, subject to consultation with the customer, those meters

being turned off and recaptured, and in the event that the customer wants to reestablish service in the future, we will waive the installation fee for them." Right there we didn't restrict it to the existing site and he doesn't know if it is implicated in there or not earlier on, but in the following meeting, the minutes reflect that it was not intended to be at a different site. What we have is an ambiguity that needs to be clarified by the Board. Mrs. Olson called the Board's attention to the 11th line from the bottom which states "we can put a note in the file so that if they ever rebuild we don't need to charge them for a meter installation". That indicates to her a note in the file for that address to rebuild. Mr. Potter stated that it is an ambiguity and up to the Board to clarify. Mr. Stratton stated that the Board has some latitude in an emergency situation, the question is how much latitude do you want to have. Mr. Sawyer reminded the Board that if that person sells that lot to someone else and there was an existing meter there, what do you do then? Mr. Potter stated that you have to put it back in. Mr. Lowe stated that then you have paid for two (2) meters. Chairperson James inquired from Mr. Stratton what the Board needs to do here. Mr. Stratton stated that the Board needs to make two (2) decisions; 1) clarify the point of whether it was intended to be waiving the fee for returning to the same site where the disaster occurred or if it will apply to relocating to a different site and 2) a time frame. Commissioner Casey stated that the point that Mr. Sawyers brought up is well taken. Chairperson James stated that the Board would end up paying for two (2) meters if you let them move and get the fee waived. If you let them say they will take it to any location they go to within the District's service area...but you can't say "any" location because they may move into an area where we don't have service. There is almost too much there and basically she wants to say that is only if they reestablish service there at that site. Mr. Potter stated that Board just needs to clarify and put into the record what was meant to be done. Commissioner Adkins stated that he has just been approached many times about and needed to get it resolved and give them an answer. Mr. Potter stated that the PSC is tough and if you try to put a time frame on it, they will make you put it back whether it has been 10 years or more. Mr. Stratton stated that he believes you can put a time line on it. Is it fair to say, for example, a guy comes back to the site 10 years later after moving away and he comes back and says "I want a free meter because you all said that 10 years earlier". Mr. Potter stated that he knows how the PSC is and they will ask if they were a customer in good standing when this occurred and if you say they were, the PSC will say you cannot deny them and you have to put their meter back. Mr. Lowe stated that he agrees 100%. The PSC is not going to want to hear the explanation; they are going to want to hear "yes" or "no" to whether they were a customer at the time. If you say "yes", they are going to tell you to put a meter back in because it belonged to the property. Commissioner Collins stated that there is the possibility that we would be out the cost of 2 meters instead of 1 because it is not ours to transfer to another property. Commissioner Casey stated that we have to abide by the PSC's regulations. Chairperson James requested a motion to clarify Resolution No. 10-09-002 to say that the intention of the resolution was to replace the meter at that location where it was lost due to the flooding event free of charge if the resident every moves back in at the same location. Commissioner Collins made the motion. Commissioner Casey seconded the motion. Commissioner voting as follows:

Chairperson James	Aye
Commissioner Collins	Aye
Commissioner Casey	Aye
Commissioner Friend	Absent
Commissioner Adkins	Abstained

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-06-005

5 Elkhorn City Water Contract – PSC Inquiry –

Mr. Stratton stated that the PSC sent the Board a letter inquiring why Elkhorn City was charged \$2.45 per 1,000 gallons and our other contract with Martin County was \$2.40. He has discussed and reviewed this issue with Mr. Potter and have prepared an affidavit that explains that the contract had expired, our costs had gone up. We can justify a portion of the cost and will submit it to the PSC. We will also explain that the Martin County contract at \$2.40 per 1,000 gallons will

expire sometime this year and we will be asking them for a rate increase at that time also. It is not in violation but they have looked at it and asked that question. So we will answer the question and go on. Chairperson James inquired if he anticipates any issue with it. Mr. Stratton stated that he doesn't anticipate any issues but we will just have to wait and see. The contract with Mingo County is \$3.75 per 1,000 gallons and they didn't even mention them in their inquiry.

6. Johns Creek Daycare –

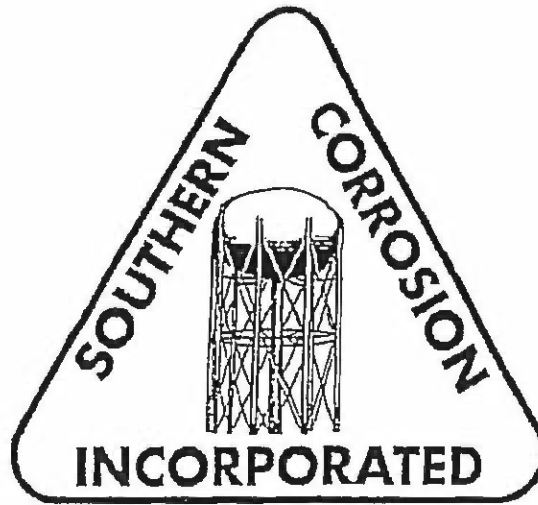
Mr. Stratton stated that we sent a letter to the County about 60 days ago saying that if they did not fund the capital improvements for repairs to the system that we could no longer be responsible for it. The County was unsuccessful in funding those repairs and have contacted their operator who is David Tackett, and told him to either fund it or fix it. Mr. Stratton stated that he has not heard anything further on it. The question is that come June 29th, what do we do? He wants to send them another notice and one to Johns Creek Daycare Center letting them know what the status is. Chairperson James inquired if the plant is not in compliance with the way it is now, who is responsible at this point....the District or the County? Mr. Potter stated that it is on the District right now as the operator. Mr. Stratton stated that we are basically stating right now that we are no longer going to be operating this system and we are drawing a line in the sand saying that we can no longer be held responsible because the County would not put the capital improvements in. So the question becomes, do we have a duty to recommend that it be shut down and let them know that they need to repair it or they are out of compliance. At this point they would have to have a certified operator to operate the plant. Mr. Potter stated that the Division of Water would have to be notified as well that the District is no longer maintaining this plant. He has spoken to Jeanne at Judge Rutherford's office who has contacted Mrs. Tackett at the daycare and told her that the site will be evaluated again for the installation of a fusion unit next week. Mr. Stratton stated that we would recommend that the Board direct him to do a follow up letter to the County saying that if this issue is not resolved, the District will cease to operate the plant as of June 29th and we will be required to notify the Division of Water that we are no longer the operator. Chairperson James and the Board agreed for Mr. Stratton to proceed with the letter and to send it to County Attorney Roland Case. Mr. Stratton stated that there is a contract modification in the works as well for the rest of the plants that the District operates for the County and it has not been completed yet. Chairperson James stated that when we get the daycare issue behind us we will then revisit the contract with the County for the other plants.

ADJOURN MEETING

Chairperson James stated that if there were no further comments, she requested a motion be made to adjourn the meeting. Commissioner Casey made the motion. Commissioner Collins seconded the motion. Commissioner voting as follows:

Chairperson Rhonda James	Aye
Commissioner John Collins	Aye
Commissioner Kelsey Friend	Absent
Commissioner Ancie Casey	Aye
Commissioner Prentis Adkins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 11-06-006



WATER TANK MANAGEMENT AGREEMENT

This Agreement made and entered into as of the Effective Date: _____, by and between SOUTHERN CORROSION, INC., a North Carolina corporation, having its principal office at 738 Thelma Rd, Roanoke Rapids, North Carolina, (hereinafter referred to as "Southern Corrosion") and the Mountain Water District, Pikeville, KY (hereinafter referred to as the "Owner"):

WITNESSETH:

The Owner desires that Southern Corrosion perform certain maintenance service on the water tanks known as 500,000 Gallon Town Mountain Tank, the 100,000 Gallon Cabin Knoll Tank, the 200,000 Gallon Bent Mountain Tank, the 200,000 Gallon Lawson Branch Tank, the 200,000 Gallon Elkhorn Fork(Kimper) Tank, the 100,000 Gallon Ridgeline Road Tank, the 100,000 Gallon Grapevine School Tank, the 200,000 Gallon Hunt Knob Tank, the 200,000 Gallon Canada Tank, the 200,000 Gallon Coburn Mountain Tank, the 50,000 Gallon Long Fork of Big Creek Tank, the 200,000 Gallon Kentucky 292 Tank, the 200,000 Gallon Southside Mall #1 Tank, the 100,000 Gallon Southside Mall #2 Tank, the 100,000 Gallon Sharrondaie Tank, the 100,000 Gallon Stone Tank, the 100,000 Gallon Hardy Park Tank, the 200,000 Gallon Blackberry Mountain Tank, the 100,000 Gallon Blackberry School Tank, the 100,000 Gallon Graveyard Hollow Tank, the 200,000 Gallon Shelbania Tank, the 300,000 Gallon Douglas Park Tank, the 300,000 Gallon Island Creek Tank, the 100,000 Gallon Dorton #1 Tank, the 100,000 Gallon Greasy Creek Tank, the 100,000 Gallon Buckley Tank, the 100,000 Gallon Lower Pompey Tank, the 200,000 Gallon Upper Johns Creek #1 Tank, the 200,000 Gallon Upper Johns Creek Tank #2, the 200,000 Gallon Robinson Creek Tank, the 100,000 Gallon Cowpen Creek Tank, the 50,000 Gallon Pike County Airport Tank, the 100,000 Gallon Indian Creek Tank, the 100,000 Gallon Hurricane Creek Tank, the 200,000 Gallon Elkhorn Creek Tank, the 100,000 Gallon Widows Branch Tank, the 250,000 Gallon Wolfpit Tank, the 100,000 Gallon Rockhouse, Marrowbone Tank, the 100,000 Gallon Brushy Creek Tank, the 1,000,000 Gallon Road Creek Tank, and the 300,000 Gallon Ferrells Creek Tank as described in the proposal which is attached hereto and by reference made a part here of (the "Maintenance Services"); and

Southern Corrosion desires to perform such Maintenance Services described in said proposal selected by the Owner upon the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the mutual promises and covenants set forth herein the parties hereto agree as follow:

1. **DEFINITIONS.** For the purposes of this Agreement the following definitions shall apply:

(a) "Effective date" shall mean the date on which this Agreement, executed by the Owner, is accepted by Southern Corrosion by the execution thereof by its appropriate corporate officers at its principal office.

2. **TERMS OF MANAGEMENT AGREEMENT.** The initial term of this Agreement shall be for a period of twelve (12) months commencing on the Effective Date, unless otherwise terminated or canceled as provided in Paragraph 7. The initial term shall be automatically extended successive additional periods of twelve (12) months each unless the Owner notifies Southern Corrosion in writing sixty (60) days prior to the expiration of the then existing term that it does not extend this Agreement.

3. **PERFORMANCE OF MAINTENANCE SERVICES.** Southern Corrosion shall perform the Maintenance Services selected by the Owner and described in proposal attached hereto and by reference made a part hereof.

4. **CHARGES.** The Owner shall pay Southern Corrosion charges for Maintenance Services selected by Owner as set forth on the proposal attached hereto and by reference made a part hereof. All charges shall be due and payable upon receipt of Southern Corrosion's invoice therefor.

5. **REPRESENTATIONS BY THE OWNER.** The Owner hereby makes the following representations and warranties:

(a) The Owner has full power and lawful authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby. This Agreement constitutes the valid obligation of the Owner legally binding upon the Owner and enforceable against the Owner in accordance with its terms.

6. **REPRESENTATIONS BY SOUTHERN CORROSION.** Southern Corrosion represents and warrants to Owner all of which represents and warranties that:

(a) That Southern Corrosion is fully authorized to enter into this Management Agreement. Southern Corrosion has full corporate power and lawful authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby. This Agreement constitutes the valid obligation of Southern Corrosion legally binding upon Southern Corrosion and enforceable against Southern Corrosion in accordance with its terms.

7. **TERMINATION/CANCELLATION.** This Agreement may be terminated/canceled by Southern Corrosion if Owner is in default of any provision hereof and such default has not been cured within twenty (20) days after notice of default is given to Owner or Owner becomes insolvent or seeks protection voluntarily or involuntarily under any Bankruptcy Law.

(a) In the event of any termination/cancellation of this Agreement, Southern Corrosion may (1) declare all amounts owed to Southern Corrosion to be immediately due and payable, (2) cease performance of all Maintenance Service hereunder without liability to Owner.

(b) In the event of default hereunder, Owner agrees to pay interest at the highest legal rate on all sums due under the Agreement and all costs of collection including a reasonable attorney's fee of fifteen percent (15%) of said amount due Southern Corrosion.

(c) The foregoing rights and remedies shall be cumulative and in addition to all other rights and remedies available in law or in equity to Southern Corrosion.

8. **LIMITATION OF LIABILITY.** In no event shall Southern Corrosion be liable to Owner for indirect, special or consequential damages or lost profits arising out of or related to this Management Agreement of the performance or breach thereof even if Southern Corrosion has been advised of the possibility thereof. Southern Corrosion's liability to Owner hereunder if any, shall in no event exceed the total of the amounts Owner has paid Southern Corrosion hereunder.

9. **EXCUSABLE DELAY.** Southern Corrosion shall not be liable for any delays or failure in performance of Maintenance Services hereunder if such delays or failures are due to strikes, inclement weather, acts of god or other causes beyond Southern Corrosion's reasonable control.

10. **REGULATIONS.** Performance of the Maintenance Services is predicated on work practices, methods, and procedures legal as of the effective date. Subsequently enacted regulations that effect or alter Southern Corrosion's work practices, methods, and procedures, to perform, or add additional burdens to performance, will be grounds for renegotiating the amount of payment originally agreed upon.

11. **GENERAL.**

(a) Notices. Notice of the breach of any covenant, warranty or other provision of the Agreement and all communications and notices provided for in this Agreement shall be deemed given when in writing, addressed to the parties at the addresses set forth below, and deposited, certified mail, postage prepaid in the United States mail:

Owner:

Mountain Water District
P.O. Box 3157
Pikeville, KY 41502

Southern Corrosion Inc.
738 Thelma Rd
Roanoke Rapids, NC 27870

(b) Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent by either party shall not be unreasonably withheld.

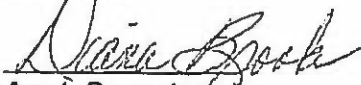
(c) Governing Law. This Agreement shall be construed in accordance with the laws of the State of Kentucky.

(d) Entire Agreement. This Agreement is an integrated document and contains the entire agreement between the parties. No modifications, extensions, or waiver of this Agreement or any of the provisions hereof, nor any representation, promise or condition relating to the Agreement shall be binding upon the parties hereto unless made in writing and signed by the parties hereto.

(e) Binding effects. The provisions of this Agreement shall bind and inure to the benefit of Southern Corrosion and the Owner, and their successors, legal representatives and assigns.

IN WITNESS WHEREOF the parties have hereto executed this Agreement in the manner provided by Law, this the day and year first above written.

ATTEST:


Asst. Secretary

(Corporate Seal)

ATTEST:

SOUTHERN CORROSION, INC.

BY:


President

MOUNTAIN WATER DISTRICT

BY: _____

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Second Data Request

Q 27. Are Mountain District's current water and sewer rates based on the results of a cost of service study?

- a) If so, provide a copy of the cost of service study.
- b) If not, identify how Mountain District developed the current rate structure.

WITNESS : Sawyers

RESPONSE: 27

No

RESPONSE: 27(a)

N/A

RESPONSE : 27(b)

The PSC staff prepared a water rate COS in Case No: 96-126. See attached Exhibit 27(a). Since that case, rates have been adjusted based on RD rate reviews filed pursuant to KRS 278.023. There has been no sewer rate COS.

EXHIBIT

27(a)

#30

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE OPERATIONS AND)
MANAGEMENT OF MOUNTAIN WATER DISTRICT) CASE NO. 96-126

O R D E R

Commission Staff has performed its financial review of Mountain Water District's ("Mountain") operations and herewith files its report containing the Staff's findings and recommendations. All parties to this proceeding should review the report carefully and provide written comments on or before June 13, 1997.

A hearing has been scheduled for June 24, 1997 in the Commission's offices for the purpose of examining witnesses on all issues in this case. Commission Staff will be available to testify as well as two of the Barrington-Wellesley management audit consultants; Mr. John Conley, Project Manager and Mr. Ron McCoy, Lead Consultant for Operations. Accordingly each party planning to present witnesses should file its witness list with the Commission, with service on all other parties, no later than June 13, 1997.

IT IS THEREFORE ORDERED that:

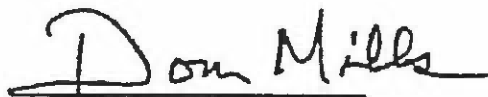
1. All parties shall file comments on the Staff Report no later than June 13, 1997.
2. All parties intending to present testimony at the hearing shall file their witness lists no later than June 13, 1997.

3. Mountain shall publish notice of the hearing pursuant to 807 KAR 5.011,
Section 8(5).

Done at Frankfort, Kentucky, this 30th day of May, 1997.

By the Commission

ATTEST:


Executive Director

Case # 96-126
5/30/97

RECOMMENDED WATER RATES

METER SIZE	BLOCK USAGE	MONTHLY RATES
<u>5/8 X 3/4 INCH</u>		
FIRST	2,000	\$17.88 Minimum Bill
NEXT	8,000	5.95 per 1,000 gallons
OVER	10,000	5.15 per 1,000 gallons
<u>1 INCH</u>		
FIRST	5,000	\$35.73 Minimum Bill
NEXT	5,000	5.95 per 1,000 gallons
OVER	10,000	5.15 per 1,000 gallons
<u>2 INCH</u>		
FIRST	20,000	\$117.08 Minimum Bill
OVER	20,000	5.15 per 1,000 gallons
<u>3 INCH</u>		
FIRST	30,000	\$168.58 Minimum Bill
OVER	30,000	5.15 per 1,000 gallons
<u>4 INCH</u>		
FIRST	50,000	\$271.88 Minimum Bill
OVER	50,000	5.15 per 1,000 gallons
<u>6 INCH</u>		
FIRST	100,000	\$529.88 Minimum Bill
OVER	100,000	5.15 per 1,000 gallons

MOUNTAIN WATER DISTRICT
VERIFICATION OF
RECOMMENDED RATES

RATE CODE	BILLS	GALLONS	REVENUE	
01	49,377	232,955,179	\$1,739,892.89	
01	51,474	245,798,424	1,826,320.79	
02	607	19,349,874	110,448.90	
03	598	58,145,434	317,615.25	
04	24	4,431,700	23,200.69	
05	60	15,791,743	84,548.35	
06	24	3,136,490	19,183.24	
37	1,350	11,561,407	65,550.32	
38	140	1,613,220	12,409.11	
39	85	1,858,474	13,112.91	
40	36	520,680	4,865.49	
41	12	111,310	1,328.59	
42	12	252,174	2,221.00	
43	24	512,965	4,541.51	
47	12	575,000	4,282.37	
50	MARTIN CO. (\$1.80/1,000)	12	3,812,041	6,861.67
51	12	516,270	4,238.92	
60	12	676,748	10,377.16	
63	12	1,972,800	15,469.68	
70	12	4,257,000	31,358.99	
80	12	4,894,000	40,478.30	
99	(FIRE PROTECTION)	163	0	3,237.50
SUB TOTAL		104,070	612,852,933	\$4,362,540.24
LINE LEAK ADJUSTMENTS (@ \$3.28/1000 gallons)		10,417,940		\$34,170.84
TOTAL		104,070	623,280,873	\$4,396,811.08

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE OPERATIONS)
AND MANAGEMENT OF MOUNTAIN WATER) CASE NO. 96-126
DISTRICT)

STAFF REPORT

Prepared by: Mark C. Frost
Public Utility Financial
Analyst, Chief
Water and Sewer Revenue
Requirements Branch
Financial Analysis Division

Prepared by: Carryn J. Lee
Rates and Tariffs Manager
Communications, Water and
Sewer Rate Design Branch
Rates and Research Division

Prepared by: Samuel H. Reid, Jr.
Public Utilities Rate
Analyst, Principal
Communications, Water and
Sewer Rate Design Branch
Rates and Research Division

STAFF REPORT
ON
MOUNTAIN WATER DISTRICT
CASE NO. 96-126

A. Preface

On March 27, 1996, Mountain Water District ("Mountain") requested the Commission's assistance in conducting a review of its financial operations. The results of the financial review would become the basis of a rate study that would assist Mountain in achieving financial stability and providing economical and efficient service to its customers. By its Order issued on April 2, 1996, the Commission initiated this investigation into the operations and management of Mountain.

The investigation and the request for assistance in conducting a financial review were precipitated by several factors, including consistent and substantial operating losses, reports of line loss exceeding 30 percent, and concerns regarding past management of the District. In response to these concerns, the Commission directed a management audit of Mountain, which was conducted by the Barrington-Wellesley Group, Inc. at a cost of \$48,400. The management audit contained 42 recommendations for improvements, some of which are addressed herein because they affect pro forma expenses.

On March 5, 1997, Mountain filed a request for increased water and sewer rates pursuant to KRS 278.023, which requires Commission approval of agreements between federal agencies and water districts and associations as a result of federally funded

construction projects. In Case No. 97-112,¹ which involved Phase I construction of a new sewer treatment plant, Mountain requested an increase in both its water and sewer rates. The Commission approved the sewer rate increase, but denied the water rates because the construction project involved only sewer facilities. In denying Mountain's request for rehearing in that proceeding, the Commission suggested that Mountain consider filing a motion for emergency rate relief in this proceeding. Subsequently, Mountain filed such a request, which was approved by the Commission for water service rendered on and after May 2, 1997.

The Commission Staff ("Staff") performed a limited financial review of Mountain's test-period operations for the 1995 calendar year. Mark C. Frost of the Commission's Division of Financial Analysis performed the limited review on October 29 and 30, 1996, and February 18 and 19, 1997. Mr. Frost is responsible for the preparation of this Staff Report except for the determination of Operating Revenue; Section E. Rate Design; Section F. Cost of Service Study; and Exhibit's A, B, and I through K, which were prepared by Carryn Lee and Samuel Reid, Jr. of the Commission's Division of Rates and Research.

The emergency rates approved by the Commission by Order dated May 2, 1997, resulted in an interim increase in annual water revenues of \$1,014,788. Based on the

¹ Case No. 97-112, The Application of Mountain Water District of Pike County, Kentucky, for a Certificate of Public Convenience and Necessity to Construct, Finance and Increase Rates Pursuant to KRS 278.023, Final Order dated March 11, 1997; Rehearing denied by Order dated April 1, 1997.

findings contained in this report, Staff recommends that Mountain be granted a permanent increase in annual water revenues of \$1,395,321 and an annual line-loss surcharge of \$277,225 for a 3-year period.

Scope

The scope of the review was limited to obtaining information to determine whether the 1995 operating revenues and expenses were representative of normal operations. Insignificant or immaterial discrepancies were not pursued and are not addressed herein.

Sewer Operations

Originally, Staff's limited financial review was to include both the water and sewer operations. Since this case was initiated, the Commission granted Mountain approval in Case No. 97-112, to: construct a \$1,869,600 sewer project; incur the associated financing; and increase the sewer rates mandated by the U.S. Department of Agriculture's Rural Development ("RD").

During 1995 and 1996, Mountain operated two small package treatment plants. Until the sewer construction project is complete and the treatment plant is in operation, insufficient financial information is available upon which to project the sewer's revenue requirement. However, the rates approved in Case No. 97-112 are based on financial projections that are not related to past operation of the package treatment plants.

For the forgoing reasons, this report does not address Mountain's sewer operations, and does not contain a recommended change in the sewer rates approved in Case No. 97-112. However, Staff does recommend that the Commission place Mountain on notice that within a year from the completion of the construction approved in Case No. 97-112, Mountain should review its sewer operations and file for the appropriate rate relief if those rates prove insufficient.

B. Analysis of Operating Revenues and Expenses

Operating Revenues

Mountain reported total operating revenue for the test year of \$3,138,201. Of this amount, Mountain reported \$3,000,720 as revenue from water sales. The remainder is comprised of \$38,937 in customer late charges, \$18,446 in rent receipts from 2 properties and receipts for property damage by contractors. Mountain collected \$34,606 in service reconnection fees and received \$45,492 from Pike County Fiscal Court for: (1) collecting payments on package waste water systems; and, (2) Ky. DOT funding for removing water mains.

Staff prepared a detailed billing analysis, summarized in Exhibit A, which produced \$2,968,225 from test year water sales. Exhibit B contains a summary of a normalized billing analysis which includes an adjustment for sales to the former customers of Potter Water Company ("Potter Water") which now receive service from Mountain. The billing

analysis in Exhibit B is based on the interim rates approved by Order dated May 2, 1997. These adjustments resulted in an increase in test year revenue from water sales of \$1,047,283 for total test year water revenues of \$4,015,508.

Operating Expenses

In its 1995 Annual Report, Mountain reported test-period operating expenses of \$3,397,790. The following are Staff's recommended adjustments to Mountain's actual 1995 test-period operations for water service:

Salaries & Wages - Employees: Mountain's 1995 salaries and wages - employees expense was \$645,364. During 1995 and 1996 Mountain's staff consisted of 42 employees; however, during this two year period 13 employees were replaced and a new superintendent was hired. Given management problems experienced by Mountain during 1995 and 1996, an employee turnover rate of approximately 34 percent² is not surprising. This turnover coupled with the 1996 pay increases, demonstrates that Mountain's 1995 salaries and wages - employees expense is not representative of current or ongoing expense levels.

During the course of the field review, Staff advised Mountain that the rate-making criteria of "known and measurable" would be used to evaluate pro forma adjustments. An adjustment based on documented cost increases would constitute a known and

² $14 \text{ (New Employees)} + 42 \text{ (Staff Positions)} = 33.33\%$.

measurable adjustment. Therefore, an adjustment to reflect Mountain's current staff level and the 1996 wage increases does meet the known and measurable criteria and has been included herein.

Mountain's 1996 employee pay increases ranged from 0.5 percent to 18 percent, with the majority of the increases in excess of 5 percent going to Mountain's field personnel. The Management Audit supports Mountain's wage increases with comparisons to the Kentucky Rural Water Association's study and the wages paid by the City of Pikeville for comparable positions. These comparisons revealed that, in general, Mountain's field personnel are paid below average, while clerical, plant operation, and office management employees are paid slightly above average.³

Mountain is attempting to correct the wage discrepancies noted by the Management Audit and to develop standardized wage levels among each employee job classification. The increased 1996 wages remain within the ranges used in the Management Audit comparisons, and for these reasons, the 1996 pay increases are reasonable and should be reflected in Mountain's pro forma operations.

During 1995 Mountain installed 414 meters which it capitalized and depreciated. The cost of labor incurred to install these new meters is also a capital cost which should be depreciated over the same period. Staff has estimated Mountain's labor cost

³ Management Audit report, page IV-5.

associated with the installation of new meters and has deducted this amount from pro forma operations, discussed elsewhere in this report.

Using Mountain's current staff level, the 1996 wages, and deducting labor which should have been capitalized for the installation of the new meters, Staff arrived at Mountain's pro forma salaries and wages - employee expense of \$931,637, as shown in Exhibit C. Accordingly, Staff recommends that salaries and wages - employee expense be increased by \$286,273.

Salaries & Wages - Commissioners: In 1995, Mountain reported salaries and wages - commissioners expense of \$79,073, which incorrectly included the salaries paid to Mountain's management. Mountain currently has five commissioners on its board and each is paid the maximum allowed by law. According to KRS 74.020(6), "a water district commissioner shall receive an annual salary of not more than \$3,600." Based on five commissioners being paid an annual salary of \$3,600, Mountain's salaries and wages - commissioners expense would be \$18,000, \$61,073 less than the amount Mountain reported. Therefore, Staff recommends that salaries and wages - commissioners expense be decreased by \$61,073.

Employee Pensions and Benefits: Mountain reported test-period employee pension and benefit expense of \$161,932. For each employee, Mountain currently pays the full cost of providing: (1) single health insurance coverage; (2) life and disability

insurance; and (3) an 8.82 percent contribution to the employee retirement account. If an employee opts for family or spousal health insurance coverage, the employee contributes \$28 every two weeks and Mountain pays the remainder of the premium.

The Management Audit noted that many companies have required employees to be responsible for a larger portion of their health insurance, especially for dependent or family coverage.⁴ The current trend is for companies to provide health insurance coverage for their employees, but to require the employees to pay for coverage for their family or spouse. For example, Kentucky State Government requires its employees to pay the difference between family/spousal and single insurance plans.

The Management Audit noted that, "There is a perception of internal inequity of salaries among employees."⁵ Mountain's current policy of paying a higher health insurance premium based on marital status and dependent coverage contributes to the internal pay inequity. The Commission has found it reasonable for rate-making purposes to allow utilities recovery of only the cost of providing single health insurance to their employees.

In the past the Commission has made the following two exceptions for the recovery of family/spousal health insurance: (1) when a utility is bound by a labor union

⁴ Ibid., page IV-8.

⁵ Ibid., page IV-3.

contract; or (2) when a utility can demonstrate that if an employee opts for single or no coverage, then that employee's wages are increased accordingly. Neither condition is true for Mountain. Staff, therefore, recommends that Mountain be allowed to recover only the cost of providing single health insurance to all employees for rate making purposes.

Using Mountain's current employee level of 42, the 1996 annual employee insurance premium of \$1,192,⁶ the employee retirement contribution, and deducting the percentage of this cost associated with installing new meters, Staff arrived at Mountain's pro forma employee pension and benefit expense of \$129,970, as shown in Exhibit D. Accordingly, Staff recommends that employee pension and benefit expense be decreased by \$31,962.

Purchased Water: Mountain reported a 1995 purchased water expense of \$986,180. In 1995, Mountain produced 20.948 percent of its water and purchased the remaining 79.052 percent from the following three sources: (1) 41.016 percent from the City of Pikeville ("Pikeville"); (2) 35.927 percent from the City of Williamson ("Williamson"); and (3) 2.109 percent from the Sandy Valley Water District.

⁶

\$92.15 (Single Health Premium) x 12 Months =	\$ 1,106
\$ 7.20(Life & Disability Premium) x 12 Months =	+ 86
Annual Employee Insurance Premium	<u>\$ 1,192</u>

Pikeville and Williamson increased their wholesale water rates charged to Mountain and, because Mountain protested the increased wholesale water rates, it paid only the amount that was not in dispute. The 1995 purchased water expense reflects the amount Mountain actually paid to Pikeville and Williamson and not the amount billed.

In Case No. 95-296,⁷ the Commission determined the wholesale rate that Pikeville could charge to Mountain is \$1.31 per 1,000 gallons. The Commission has no jurisdiction over the rate charged by Williamson and arrearages for past due purchases are currently in dispute. Applying Pikeville's wholesale water rate of \$1.31 per 1,000 gallons, Williamson's wholesale water rate of \$1.87 per 1,000 gallons, and Sandy Valley's actual wholesale water rate of \$1.90 to the actual amount of water purchased in 1995, Staff determined Mountain's actual purchased water expense was \$1,180,162, \$193,982 above the amount expensed.

In its 1995 Annual Report, Mountain reported a line loss of 27 percent. However, Staff's billing analysis shows that in 1995 Mountain sold 34,146,169 gallons less than it reported, which results in a corrected line loss of 30.69 percent.⁸ The Commission

⁷ Case 95-296, City of Pikeville, Kentucky Complainant v. Mountain Water District Defendant, order issued August 8, 1996.

⁸

Test Period Water Purchased/Produced	944,727,000 Gal.
Less: 1995 Water Sold	620,882,831 Gal.
Water Used by Mountain	- 33,905,000 Gal.
Line Loss	<u>289,939,169 Gal.</u>
289,939,169 (Line Loss) ÷ 944,727,000 (Water Produced) = 30.69%.	

generally allows recovery of the cost of water lost up to 15 percent for rate-making purposes. Mountain's line loss of 30.69 percent far exceeds the Commission's allowable limit of 15 percent. Furthermore, a review of Mountain's four previous Annual Reports reveals that excessive line loss is a historical problem for Mountain.

By its letter dated August 11, 1995, the Commission reminded all water utilities under its jurisdiction of its line loss limitation policy. Mountain has had the opportunity to take the corrective action necessary to curb its line loss problem and is currently aware of the Commission's concern regarding this issue.

Staff recommends that Mountain's test-period purchased water expense be adjusted to include the 15 percent line loss limitation. Using the same ratios of test-period water purchased/produced, Staff determined that the 15 percent limitation would result in a pro forma purchased water expense of \$916,061, as shown in Exhibit E. Therefore, Staff recommends that reported purchased water expense be decreased by \$70,119.

Purchased Power: Mountain's 1995 purchased power expense of \$175,607 included \$26,715 for the electricity used to operate its water treatment plant. Since Staff has recommended that Mountain's line loss be limited to 15 percent, any costs directly related to such water production should likewise be excluded. Using the 15 percent line loss limitation, Staff has determined that the electricity expense for the

treatment plant would be \$19,970,⁹ and therefore recommends that purchased power expense be decreased by \$6,745.

Chemicals: Mountain's 1995 chemical expense of \$30,957 is directly related to water production, and should, therefore, be adjusted for the 15 percent line loss limitation. Staff has determined that chemical expense would be \$24,578,¹⁰ and therefore recommends that chemical expense be decreased by \$6,379.

Materials and Supplies: Mountain's 1995 materials and supplies expense was \$135,693. Staff analyzed the test-period invoices and determined that the following are capital expenditures that should be depreciated rather than expensed:

Flocculator Paddle System	\$ 2,715
Wall Fan with Shutter	\$ 490
10 H. P. G.E. Motor	\$ 1,175
5 H. P. Franklin Motor and Pump	\$ 2,005
15 H. P. Unimount Motor and Pump	\$ 586
5 H. P. Franklin Motor and Pump	\$ 2,005
Tele-Monitoring System	\$12,736

After consulting with a representative of the Commission's Engineering Division, Staff determined that the appropriate depreciable lives are: 10 years for motors, pumps,

⁹ \$26,715 (Electric) ÷ 197,905,000 (Gall. Produced) = \$ 0.00013
 Multiplied by: Adjusted Gallons Produced x153,613,614
 Pro Forma Electric - Treatment Plant \$ 19,970

¹⁰ \$30,957 (Chem.) ÷ 197,905,000 (Gal. Produced) = \$ 0.00016
 Multiplied by: Adjusted Gallons Produced x153,014,747
 Pro Forma Chemical Expense \$ 24,578

and flocculator paddle system; 5 years for the wall fan; and 20 years for the tele-monitoring system. Removing the capital expenditures from test-period operating expenses and depreciating them over their estimated useful lives results in a decrease to materials and supplies expense of \$21,712 and an increase to depreciation expense of \$1,584.¹¹

A further analysis of the test-period invoices revealed that the following expenditures are nonrecurring costs that should be amortized rather than expensed:

Soil Conservation	\$ 4,959
Rebuilt 10 H.P. G.E. Motor	\$ 319
Rebuilt 2 H.P. Baldor Motor	\$ 252
Rebuilt 30 H.P. Flygt Pump	\$ 2,399
Rebuilt 15 H.P. Motor and Pump	\$ 480
Rebuilt 40 H.P. Vertical Pump	\$ 796
Rebuilt 40 H.P. Vertical Pump	\$ 1,183

Staff determined that the appropriate amortization periods are 5 years for the rebuilt motors and pumps and 3 years for the soil conservation study. Removing the non-recurring expenditures from test-period operating expenses and amortizing over their

¹¹ \$8,486 (Pumps, Motors & Flocculator Sys) + 10 (Years) = \$ 849
\$490 (Wall Fan with Shutter) + 5 (Years) = 98
\$12,736 (Tele-Monitoring Sys) + 20 (Years) = + 637
Depreciation Expense \$ 1,584

in 1995 be removed from pro forma operating expense and the total cost of \$30,019 for Case No. 95-296 be amortized over a 3-year period. Therefore, operating expenses have been decreased by \$7,430 and amortization expense increased by \$10,006.

Insurance: Mountain's total 1995 insurance expense was \$78,702.¹³ Upon review of the 1996 invoices, Staff noted that Mountain's insurance premiums had increased. Since the 1996 premiums represent Mountain's on-going insurance cost, Staff is of the opinion that they should be reflected in pro forma operating expenses. Based on the 1996 insurance premiums and the pro forma salaries recommended herein, less the percentage of workers' compensation cost associated with installing new meters, Staff has calculated a pro forma insurance expense of \$109,264, as shown in Appendix E. Therefore, insurance expense has been increased by \$30,562.

Management Audit: As previously mentioned, Mountain's 1996 Management Audit cost \$48,400. The cost of a management audit is a non-recurring expenditure that should be amortized rather than expensed. In its previous decisions, the Commission has determined that the appropriate amortization period is 3 years. Therefore, Staff

¹³	Vehicle	\$ 14,373
	Liability	3,146
	Workers' Compensations	51,972
	Other	+ 9,211
	1995 Insurance	<u>\$ 78,702</u>

recommends that Mountain's test-period operating expenses be increased by \$16,133 to reflect amortizing the Management Audit cost over 3 years.

The majority of the 42 recommendations contained in the Management Audit do not impact Mountain's revenue requirement. However, the recommendations that do have a revenue requirement impact are listed in Exhibit G.

Normally, management audits include recommendations to reduce costs and ultimately benefit the ratepayers through reduced rates. However, in this instance the auditors strongly suggest that Mountain requires additional resources to operate properly. Even though the additional resources result in increased operating expenses, implementation of the audit recommendations should benefit Mountain's customers through improved service. Therefore, Staff recommends that Mountain's pro forma operations be adjusted to include the cost to implement the Management Audit recommendations noted in Exhibit G.

The recommendations identified as requiring a one-time expenditure total \$128,000. Since these costs are nonrecurring, they should be amortized rather than expensed. Staff has determined that a 3-year amortization period is appropriate, and therefore recommends that management audit expense be increased by \$42,667.

The annual benefit of \$15,000 for improving the meter reader productivity will not be fully realized in the first or second year of operation. Consistent with the recovery

period for non-recurring expenditures, Staff is of the opinion that the savings should be spread over 3 years, and therefore recommends that management audit expense be decreased by \$5,000.

The remainder of the recommendations are recurring costs or savings that have a net cost of \$113,200. During the field review, Mountain informed Staff that the additional maintenance employees were hired in 1996. Since this cost should be reflected in pro forma wages and salaries - employees, the expense related to the hiring of the 2 maintenance employees of \$35,000 has been removed from this adjustment. Therefore, Staff recommends that management audit expense of \$78,200 be included.

Based on the aforementioned recommended adjustments, operating expenses have been increased by \$132,000 to reflect amortization of the management audit cost and the expenses associated with the audit recommendations.

Staff's recommendations are based upon encouraging Mountain to implement the audit recommendations. At the upcoming hearing, Mountain's management should be fully prepared to update the Commission on its plans to implement these and other audit recommendations. As noted by the management auditors:

[F]ull rate relief and additional revenues should not, in our opinion, be provided without a commitment by Mountain to the management implementation plan contained in this Audit

and an assurance by Mountain that any rate increases be well utilized and spent in an ethical manner...¹⁴

Therefore, based on the quality of Mountain's testimony, the Commission should consider whether to exclude some or all of these costs in its Final Order.

Payroll Taxes: Mountain reported 1995 payroll taxes of \$50,739. Staff has determined that the pro forma salaries and wages - employee expense recommended herein, will result in a pro forma payroll tax expense of \$71,270,¹⁵ an increase of \$20,531 above the test-period amount. Therefore, Staff recommends that payroll tax expense be increased by \$20,531.

Operations Summary

Based on Staff's recommendations contained in this report, Mountain's operating statement would appear as set forth in Exhibit H to this report.

C. Revenue Requirement Determination

An approach frequently used by this Commission to determine revenue requirements for "non-profit" water utilities is debt service coverage ("DSC"). Staff recommends the use of this approach in determining Mountain's revenue requirement. Mountain's long-term debt consists of RD revenue bonds and Kentucky Infrastructure Authority ("KIA") loans. The annual debt service for Mountain's RD revenue bonds and

¹⁴ Management Audit Report, pages I-8 and I-9.

¹⁵ \$931,637 (Pro Forma Payroll) x 7.65% (FICA Rate) = \$71,270.

KIA loans is \$441,145 and \$288,940, respectively; when combined, they result in an annual debt service of \$730,085.

Mountain's pro forma operations, including the annual revenue of \$1,014,788 from the interim rate increase, reflect \$465,401 in net income available for debt service, which results in a DSC of 0.64x.¹⁶ Staff is of the opinion that a 1.2x DSC will provide a sufficient level of revenue for Mountain to meet all of its future operating expense and debt obligations. A DSC of 1.2x will result in a revenue requirement of \$4,538,981,¹⁷ for an increase in water revenues of \$380,533.¹⁸

D. Line Loss Surcharge

As previously mentioned, excessive line loss is a historical problem for Mountain. Because of the topography and geography of the area served by Mountain, it is difficult

¹⁶ \$465,401 (Net Income) + \$730,085 (Debt Service) = 0.64x.

¹⁷	Debt Service	\$ 730,085
	Add: 0.2x Coverage	+ 146,017
	Recommended DSC	\$ 876,102
	Add: Pro Forma Operating Expenses	+ 3,662,879
	Recommended Revenue Requirement	<u>\$ 4,538,981</u>

¹⁸	Recommended Revenue Requirement	\$ 4,538,981
	Less: Interest Income	- 5,459
	Revenue Requirement - Operations	\$ 4,533,522
	Less: Other Operating Revenues	- 137,481
	Revenue Requirement - Water Sales	\$ 4,396,041
	Less: Pro Forma Revenue - Water Sales	- 4,015,508
	Recommended Revenue Increase	<u>\$ 380,533</u>

and expensive to address leaks in the system. Due to sustained operating losses over the years, Mountain has not had the financial resources to correct the line loss problem.

In the 1980s' the Commission established a water loss demonstration project designed to assist water utilities in reducing their unaccounted-for water loss. Through the demonstration project, the Commission allowed the utilities to collect a temporary monthly surcharge from their customers for the sole purpose of reducing line loss below the 15 percent allowable limit.

Given the severity of Mountain's line-loss, Staff is of the opinion that Mountain should be permitted a surcharge similar to the line loss demonstration project. Mountain should be permitted to assess its customers a surcharge that will produce \$277,225¹⁹ annually. The actual amount of the surcharge on a per customer basis is addressed in Section E, Rate Design.

Staff recommends that the line loss surcharge be in effect for a period not to exceed 3 years, unless otherwise extended by the Commission. If the surcharge is granted, the proceeds should be placed in a separate interest bearing account. Before expending any funds from this account, Mountain should be directed to submit to the Commission a

¹⁹ Line-Loss Adjustment	\$ 264,101
Add: Purchased Power Adjustment	6,745
Chemical Expense Adjustment	+ 6,379
Annual Surcharge Collections	<u>\$ 277,225</u>

comprehensive study of its water system that would identify and prioritize Mountain's engineering and operational deficiencies. The study should also include a plan outlining the steps that will be taken to reduce Mountain's line loss to 15 percent.

The Management Audit recommended that Mountain, "Employ someone with engineering experience or seek outside assistance to review and approve engineering drawings and specifications," at an estimated cost of \$35,000. Mountain should use these funds to hire an engineering consultant to perform the comprehensive system analysis and to develop the line loss reduction plan. Staff recommends the Commission consider directing Mountain to utilize a "Request for Proposal" process to select the engineering firm.

Monthly transfers to the surcharge account should be equal to the proceeds from the monthly surcharge recommended herein and should be transferred from gross operating revenue prior to the revenue being dispersed for another purpose. Mountain should be directed to file with its Management Audit Progress Reports, a summary containing the following information: monthly surcharge billings and collections; monthly bank statements for the interest bearing surcharge account; a descriptive list of the amounts expended from the account to reduce its water loss; copies of the invoices to support the amounts expended from this account; and a narrative explanation of the steps taken to correct the line loss, including an analysis of each steps effect on line loss.

Mountain's failure to comply with the above funding requirements or to file the summaries should warrant the revocation of the surcharges and refunding of the monies already collected, plus interest thereon.

The surcharges constitute Contributions In Aid of Construction, and should be accounted for in the manner prescribed by the Uniform System of Accounts for Class A&B Water Districts and Associations. The monthly billing should be debited to customer accounts receivable and credited to the contributions account. When the amount is collected, special funds would be debited and customer accounts credited.

E. Rate Design

Billing Analysis: Commission Staff performed a detailed billing analysis to identify and analyze customer usage patterns, select water usage blocks and determine revenue from water sales. The billing analysis was prepared in accordance with guidelines set out in the American Water Works Association M-1 manual. Information used was obtained from Mountain's computer records, billing records, leak adjustment records and employees of Mountain. The billing analysis completed by Staff is a review of individual customers monthly usage and billing for each month of the test period.

Mountain applies its tariffed rates, which are set out by meter size, to its billing software. The billing software categorizes customers into different rate codes, each rate code distinguishes customers by different criteria such as meter size, multi-unit

dwellings, special contracts, and fire protection. Mountain uses twenty-two different rate codes in its customer billings.

Multi-unit dwellings have one meter but serve more than one household. These customers actually receive one bill per month, however that one bill includes the multiple number of minimum bills corresponding to the number of households and the customer is given credit for the multiple number of minimum usage gallons as well. The normalized billing analysis shows that Mountain rendered 104,070 bills however, when the multiple users are included the number of minimum bills increases to 110,458.

Staff's first step was to perform a billing analysis based on the actual test year billing information. During the process of gathering the information to perform the billing analysis we found that, when making adjustments to customers bills for misread meters, incorrectly estimated meter readings, and line leaks, Mountain does not adjust customer usage amounts in its computer program. Staff determined from Mountain's manual billing records that adjustments actually made to customer accounts totalled over 42,356,616 gallons. The significance of not entering the manually adjusted usage into the computer program is that reported utility statistics concerning usage and revenue derived from the computer program are inaccurate. For example, Mountain's 1995 Annual Report shows water sales of 655,029,000 while the billing analysis based on 1995 usage shows 620,882,831 gallons sold, a difference of 34,146,169 gallons. Staff

recommends that when adjustments are made to a customer's bill, a corresponding adjustment be made in the computer program to reflect the adjusted usage amount.

Mountain was directed to provide customer usage information for the test period in a Lotus 123 spreadsheet format on 3.5 computer disk. The utility was unable to provide the information in the manner initially requested so a hard copy was generated consisting of several thousand pages of billing data. The company that provides Mountain with its software program provided, at some cost to Mountain, a breakdown of usage data as the Commission had requested. Review of that information revealed that some customers had been omitted entirely and customers who were not on the system the entire year had been given 0 usage for the months they were not on the system.²⁰ Staff corrected the usage data to reflect the customers that were omitted and deleted all 0 usage when a minimum bill was not sent. Staff then tracked each dollar adjustment that had been made by Mountain and corrected the data to reduce actual usage by 42,356,616 gallons. Of this amount, 10,417,940 gallons of the adjustments were for line leaks that are billed at \$1.64 per one thousand gallons. The adjusted billing analysis produced test year actual revenue from water sales in the amount of \$2,968,225.

²⁰Assigning 0 usage for customers who were not on the system an entire year may not yield a reliable, normalized, billing analysis.

Staff then prepared a billing analysis based on adjustments to test year usage to produce a normalized analysis. Since Mountain has added additional customers that were formerly served by Potter Water, estimated usage of 4,500 gallons per month was added to the billing analysis to reflect their usage. The emergency rates approved for Mountain have been incorporated into the normalized billing analysis.

Mountain has been charging rates for fire protection and wholesale service that have not been approved by the Commission. Therefore, adjustments were made to the billing analysis to remove amounts collected that are not included in Mountain's tariffed rates. Thus, the normalized billing analysis produces revenue from water sales in the amount of \$4,015,507 and is set out in Exhibit B.

Unauthorized Rates: Mountain's tariff contains a rate of \$12.50 for fire protection for customers served by a 4 inch connection. In reviewing the billing records it was determined that Mountain was charging 6 customers a rate of \$12, one customer a rate of \$13.50 and one customer a rate of \$3.20 per 1,000 gallons. In its response of March 4, 1997 to an information request Mountain stated that these customers were erroneously billed. Staff recommends that Mountain refund all overcollections and bill for all undercollections during the past two years as set out in KRS 278.225.

Mountain's current tariffed wholesale rate is \$1.87 per one thousand gallons but there are presently no customers paying this rate. Martin County Water District Number

2, ("Martin County") purchases water from Mountain at a rate of \$1.91 per one thousand gallons. The rate for Martin County was established by a special contract executed in 1992, however the contract was not filed with nor approved by the Commission. In the course of this proceeding Mountain furnished the Commission with a copy of the contract. Mountain should be advised that under Kentucky law, all rates charged by Mountain must be approved by the Commission prior to their implementation.

F. Cost of Service Study

Once revenue requirements have been determined a cost of service study should be performed to allocate costs among customers. The purpose of a cost of service study is to design rates that reflect the costs of providing service for each customer class based on both quantity and characteristics of use. The AWWA Manual M-1 states that since the needs for total volume of supply and peak rates of use vary among customers, the costs to the utility of providing service also vary among customers. The attached study, Exhibits I through K, address the costs associated with providing service to Martin County, the leak adjustment rate, line loss surcharge, and the cost of providing service to Mountain's retail customers.

Leak Adjustment Rate: Mountain received revenue of \$17,085 from leak adjustments during the test year. Mountain's current leak adjustment rate is \$1.64 and is based on a wholesale cost of water of \$1.31 per 1,000 gallons plus 25 percent. Staff

has determined that the leak adjustment rate should be \$3.28 per 1,000 gallons. Exhibit I, contains a breakdown of the allocation of expenses which have been included in the calculation of the leak adjustment rate. The expenses include purchased water, purchased power, chemicals, water treatment salaries, and depreciation. An additional 10 percent has been added to the rate to cover the administrative and general costs of adjusting both usage and revenue amounts due to the utility based on the leak adjustment. The increased leak adjustment rate will result in revenue from leak adjustments in the amount of \$34,171.

Line Loss Surcharge: The Management Audit Report recommends that Mountain implement a program to reduce its line loss. It has been determined that Mountain requires \$277,225 annually for a period of three years to implement such a program. This amount includes an adjustment for purchased power of \$6,745 and an adjustment for chemicals of \$6,379. The surcharge can either be based on the number of bills rendered or gallons sold. Based on the 110,458 bills each customer would pay a flat monthly fee of \$2.51. Mountain sold 619,468,832 gallons based on normalized test year sales which would result in a surcharge of .45 cents per 1,000 gallons. The wholesale rate recommended in this report allocated a proper percentage of line loss to Martin County. Staff recommends the surcharge be based on the number of gallons sold,

including all sales which are subsequently adjusted for line loss. However, Staff recommends the line loss surcharge not be assessed to Martin County.

Wholesale Rate: Mountain has a contract with Martin County to sell water at a rate of \$1.91 per 1,000 gallons. An analysis of expenses, set out in Exhibit J was prepared to determine if the current wholesale rate covered the cost associated with providing service to this particular customer. Sheet 1 sets out the total water produced, water sold, line loss, plant use and sales to Martin County.

Sheet 2 sets out the wholesale rate allocation factors. The water production multiplier shows that due to plant use and line loss, Mountain must produce or purchase 1.5158 gallons in order to sell one gallon. The amount of line loss that is allocated to a wholesale customer is generally based on the inch-miles of the total system the customer uses which assumes that the leak potential is directly proportional to length and diameter of pipe. Mountain has 2,597.84 inch-miles of line of which 42.084 inch miles are jointly used by Mountain and Martin County. Staff determined that a line loss of 15 percent should be allocated to Martin County. This amount, plus amounts for plant use, results in the joint sharing of line loss and plant use factor.

The water production multiplier takes into consideration the amount of Mountain's system that Martin County uses and determines that Mountain must produce or purchase 1.0398 gallons in order to sell Martin County one gallon. The production allocation factor

is used to allocate source of supply, treatment and pumping expense. The pipeline transmission factor is used to allocate transmission and distribution expense.

Sheet 3 shows the total operating expenses for Mountain which have been included in the allocation of costs to Martin County based on the allocation factors determined on Sheet 2. The rate recommended for Martin County is \$1.80.

Retail Rates: Once the operating revenue requirement has been established for the retail customers the costs were allocated to the rate increments. The commodity-demand methodology used in this study was developed by the AWWA and is set out in the AWWA Manual M-1 at Chapter 5. This method of designing rates allocates costs into functional categories which allows the utility to recover the cost of meeting average water use as well as peak demand requirements.

Exhibit K, Sheet 1, shows the allocation of plant value to commodity, demand and customer cost functions. The percentage of plant value allocated to each of these components was used to allocate debt service among the usage increments. Sheet 2 shows the allocation of operation and maintenance expense into the cost functions. Cost allocations to the commodity functions include costs that vary directly with the amount of water sold. These costs include purchased water, purchased power and chemicals. Costs allocated to the demand component include labor, transmission and distribution, materials and supplies. Customer costs include billing and collecting, meter reading and

labor associated with these functions. Administrative and general expenses are based on the subtotal allocation of demand and customer expenses, and were allocated to these functions on a percentage basis.

The total costs for each function are shown on Sheet 3. Operation and maintenance expenses were carried forward from Sheet 2 and debt service was allocated based on the percentages of plant value shown on Sheet 1. All other operating income was deducted from the required amount to determine the amount of revenue needed from water sales.

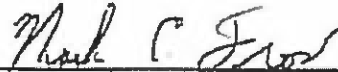
The next step in preparing the cost of service study was to review water usage patterns to determine the rate increments. Mountain changed its rate design when applying for interim rates from a minimum usage allowance of 2,000 gallons to a minimum usage allowance of 1,000 gallons. A review of usage patterns shows that only approximately 14 percent of Mountain's residential customers use between 0 and 1,000 gallons per month and approximately 30 percent of Mountain's residential customers use between 0 and 2,000 gallons per month. The minimum usage level should cover as many residential customers as possible without placing an undue burden on low level users. Therefore, Staff recommends that the minimum usage level be changed to 2,000 gallons.

Mountain has several customers who use a large quantity of water such as Utility Coal Company's average usage of 117,500 per month and a church-school who averages usage of 417,687 per month. These customers generally have a lower peaking factor than residential customers, which indicates a more uniform usage of water at higher use levels. In order to recognize the difference in demands placed on Mountain's system, Staff recommends that Mountain implement a three step rate design consisting of a minimum usage allowance of 2,000 gallons, a usage increment ranging from 2,001 to 10,000 gallons and an over 10,000 gallons increment.

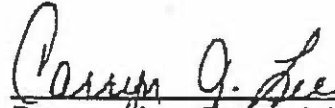
Due to the change in rate design for the interim rates, customers who used 1,000 gallons or less received a decrease of 8.77 percent while customers who used up to 2,000 gallons received an increase of 25.61 percent. The rates recommended by Staff result in an increase of 37.54 percent for customers who use 1,000 gallons or less and a decrease of 0.11 percent for customers who use up to 2,000 gallons.

The calculation of rates based on these usage increments is set out on Sheet 4. The recommended rates and verification that they will produce the required revenue are shown on Sheet 5.

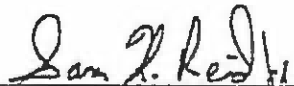
G. Signatures



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RECOMMENDED WATER RATES

METER SIZE	BLOCK USAGE	MONTHLY RATES
<u>5/8 X 3/4 INCH</u>		
FIRST	2,000	\$17.89 Minimum Bill
NEXT	8,000	5.95 per 1,000 gallons
OVER	10,000	5.15 per 1,000 gallons
<u>1 INCH</u>		
FIRST	5,000	\$35.73 Minimum Bill
NEXT	5,000	5.95 per 1,000 gallons
OVER	10,000	5.15 per 1,000 gallons
<u>2 INCH</u>		
FIRST	20,000	\$117.08 Minimum Bill
OVER	20,000	5.15 per 1,000 gallons
<u>3 INCH</u>		
FIRST	30,000	\$158.68 Minimum Bill
OVER	30,000	5.15 per 1,000 gallons
<u>4 INCH</u>		
FIRST	50,000	\$271.88 Minimum Bill
OVER	50,000	5.15 per 1,000 gallons
<u>6 INCH</u>		
FIRST	100,000	\$529.88 Minimum Bill
OVER	100,000	5.15 per 1,000 gallons

MOUNTAIN WATER DISTRICT VERIFICATION OF RECOMMENDED RATES

RATE CODE	BILLS	GALLONS	REVENUE	
01	49,377	232,955,179	\$1,739,892.89	
01	51,474	245,798,424	1,826,320.79	
02	607	19,349,874	110,448.90	
03	588	58,145,434	317,615.85	
04	24	4,431,700	23,200.69	
05	60	15,791,743	84,548.35	
05	24	3,136,490	19,183.24	
37	1,350	11,561,407	85,550.32	
38	140	1,613,220	12,409.11	
39	85	1,858,474	13,112.91	
40	35	520,590	4,865.49	
41	12	111,310	1,328.59	
42	12	252,174	2,221.00	
43	24	512,955	4,541.51	
47	12	575,000	4,282.37	
50	MARTIN CO. (\$1,801,000)	12	3,812,041	6,861.67
51	12	516,270	4,236.92	
60	12	676,748	10,377.16	
63	12	1,972,800	15,469.68	
70	12	4,257,000	31,356.89	
80	12	4,994,000	40,478.30	
99	(FIRE PROTECTION)	163	0	3,237.50
SUB TOTAL		104,070	612,862,933	\$4,362,640.24
LINE LEAK ADJUSTMENTS (@ \$3.25/1000 gallons)			10,417,940	\$34,170.84
TOTAL		104,070	623,280,873	\$4,396,811.08

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

Q 28 Explain why Mountain District's proposed water and sewer rates are not based on the results of the 2014 cost-of-service study.

WITNESS: Sawyers

RESPONSE: Please refer to page five (5) of the testimony provided in the application by Roy Sawyers.

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

Q 29

Why is Mountain District not charging rates based on the costs of each customer class?

WITNESS: Sawyers

RESPONSE:

Please see response to question 28.

CASE: Mountain Water District
CASE NO: 2014-00342
RE: PSC Second Data Request

Q 30. The 2014 cost-of-service study reflects a rate design that differs from Mountain District's current rate design. Specifically, the 2014 cost-of-service study proposes rates that charge a monthly service fee and a flat per 1,000 gallon rate for all usage instead of the declining rate block currently in Mountain District's tariff. Why does the cost-of-service study propose this change in Mountain District's rate design?

WITNESS: Howard

RESPONSE:

The cost of service alternate was provided as an alternate to the declining block structure. The cost of service approach places more of the fixed costs in the service fee.