

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 14 2011

In the Matter of:

PUBLIC SERVICE
COMMISSION

ALTERNATIVE RATE FILING OF)
HILLRIDGE FACILITIES, INC.)

CASE NO. 2010-00426

**ANSWERS OF HILLRIDGE FACILITIES, INC., TO THE LOUISVILLE AND
JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT'S REQUEST FOR
INFORMATION**

Comes Hillridge Facilities, Inc. ("Hillridge"), by counsel, and for its Answers to the Request for Information from Louisville and Jefferson County Metropolitan Sewer District ("MSD"), states as follows:

1) In Hillridge's answer to Commission Staffs' Second Request for Information #12, Hillridge stated that it called all of the contractors that it was familiar with that performed commercial sewer work and repairs and requested bids from those it deemed financially solvent. List all contractors Hillridge called. If Hillridge did not call the following contractors, explain why:

- Flynn Brothers Contracting Inc.
- Construction Solutions of Kentucky LLC
- ~~Duke's Root Control Service~~
- T&C Contracting Inc.
- MAC Construction & Excavating, Inc.
- Rasham Construction & Rental Company Inc.
- Pace Contracting, Inc.
- E-Z Construction Co., Inc.
- United Construction & Design L,LC
- Advanced Paving & Construction, Inc.

Answer: Hillridge contacted Murphy's Excavating, Bland Plumbing and Piping and Camden Environmental Services, Inc. to perform the repairs and/or upgrades to its collection system. These three contractors were requested to provide quotes because they are qualified to

do the work and can do it in an expeditious and effective manner. Hillridge is also aware that the three contractors from which it requested quotes can perform the repairs and/or upgrades in a cost-effective manner. Hillridge did not call the contractors identified in MSD's request, as it had already obtained bids from three competent firms, and in Hillridge's experience, the firms identified by MSD would be likely to charge more to provide the same services. Furthermore, the three contractors that were requested to provide bids are familiar with the Hillridge system, have previously worked on the system, and no complaints have arisen from the work completed by these contractors.

2) The United States Environmental Protection Agency ("USEPA") has numerous publications and guidance documents regarding technologies and methods used to reduce the impact of sanitary sewer overflows. Has Hillridge consulted any such USEPA publications and guidance documents, if so which ones; if not, why not?

Answer: Objection. Hillridge objects to this request on the basis that it is irrelevant to the issue of whether or not a new rate should be implemented for Hillridge or whether a surcharge should be approved. However, without waiving this objection, Hillridge states that it is aware of the steps that need to be taken to eliminate and/or minimize any inflow and infiltration into its ~~collection system, and in fact has obtained quotes reflecting the work that needs to be done to~~ make repairs and/or upgrades to its collection system.

3) Has Hillridge studied the characteristics of the wet weather flow in the Hillridge sewer system or at the Hillridge Wastewater Treatment Plant (e.g., peak flow rate, flow volume, concentration of key pollutants, frequency and duration of wet weather events)? Is so, what is the result of the studies; if not, why not?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to the issue of whether Hillridge is entitled to obtain a new rate and/or surcharge. However, without waiving this objection, Hillridge states that it has not prepared a formal study of the characteristics of the wet weather flow in the Hillridge Sewer System, but is certainly aware of the characteristics of the wet weather flow in the Hillridge Sewer System.

4) In Hillridge's answer to Commission Staffs Second Request for Information #5, Hillridge stated that an infiltration and inflow study examined approximately ninety percent (90%) of the entire Hillridge collection system. Explain why the remaining collection system was not examined, the state of the remaining collection system, and Hillridge's plans to correct any inflow and infiltration in the remaining collection system.

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to the issue of whether Hillridge is entitled to obtain a new rate and/or surcharge. However, without waiving this objection, Hillridge states that MSD conducted the infiltration and inflow study of the Hillridge collection system and determined the extent of the study. Hillridge's representatives shadowed the MSD workers performing the infiltration and inflow study. Hillridge's plans to correct the inflow and infiltration are set forth in the bid ~~provided by Murphy's Excavating (Attachment A).~~

5) What stream does Hillridge discharge into?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to the issue of whether Hillridge is entitled to obtain a new rate and/or surcharge. However, without waiving this objection, Hillridge states that the Hillridge WWTP discharges into Fern Creek.

6) During wet weather events, does any discharge bypass the plant and enter the

stream without full treatment?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to the issue of whether Hillridge is entitled to obtain a new rate and/or surcharge. Furthermore, Hillridge objects on the basis that the request for information is ambiguous and requires speculation as to its meaning. However, without waiving said objections, Hillridge states that during extremely heavy rain events, the effluent entering the plant receives treatment, but may not remain in the holding tank for as long a period as normal before it is discharged to Fern Creek. However, all the effluent entering the WWTP receives treatment.

7) What policies has Hillridge adopted to ensure best operation and maintenance of the sewer system and sewer plant to avoid sanitary sewer overflows?

Answer: Hillridge has obtained qualified individuals to operate the subject WWTP. These licensed individuals operate and maintain the Sewer System and Sewer Plant by daily inspections, tests, cleaning, and maintenance activities at the WWTP, as well as the inspection of the four lift stations. Furthermore, Hillridge personnel also inspect the operation and maintenance of the WWTP and lift stations on a daily basis.

8) What policies has Hillridge adopted to ensure that the collection system does not ~~deteriorate structurally or become clogged by fats, oils and grease?~~

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to the issue of whether Hillridge is entitled to obtain a new rate and/or surcharge. Hillridge has obtained qualified individuals to operate the subject WWTP. These licensed individuals operate and maintain the Sewer System and Sewer Plant by daily inspections, tests, cleaning, and maintenance activities at the WWTP, as well as the inspection of the four lift stations. Additionally, Hillridge personnel also inspect the operation and maintenance of the lift

stations on a daily basis. Furthermore, Hillridge does not generally have a problem with its collection system being clogged with fats, oils, and grease. However, when a lateral line has been determined to be clogged by fats, oils, and grease, Hillridge has instructed the homeowners of the need to dispose of fats, oils, and grease other than by pouring it down the drain.

9) How many Sanitary Sewer Overflows (“SSOs”) has the system experienced in the past calendar year?

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to the issue of whether Hillridge is entitled to obtain a new rate and/or surcharge. Furthermore, Hillridge objects on the basis that the request for information is ambiguous and requires speculation as to its meaning. However, without waiving these objections, Hillridge states that any SSO’s experienced in 2010 have been reported to the Division of Water.

10) What public education programs has Hillridge adopted to reduce pollutant loads?

Answer: Hillridge has previously informed its customers that plastic items, kotexes, and other similar items are not to be disposed of in the collection system. Hillridge has also advised its customers to remove any sump pumps, down spouts, or other storm drain systems from its collection system. On an individual basis, Hillridge has advised customers experiencing ~~problems with their laterals that fats, oils, and greases are not to be disposed of in the sinks.~~

11) What inspections does Hillridge perform on the collection system to track condition and identify potential problems? What is the inspection timetable?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects on the basis that the request for information is ambiguous and requires speculation as to its meaning. However, without waiving said objections, the lift stations on the

collection system are on a daily basis. Additionally, when Hillridge identifies a problem through the camera inspection of a sewer line, it will then repair and/or upgrade the sewer line, subject to available funds.

12) What is the sewer cleaning schedule for the system. How does Hillridge flush or clean sludge, sediment, debris and fats, oils and grease from the sewer system?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving this objection, Hillridge states that the sewer collection system is cleaned on an as needed basis. Additionally, when Hillridge identifies a problem through the camera inspection of a sewer line, it will then repair and/or upgrade the sewer line, subject to available funds.

13) How is the public notified in the event of a SSO or system bypass?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving this objection, if Hillridge experiences an SSO or a system bypass, the site of the SSO and/or system bypass is posted with a sign in English and Spanish identical to the signs used by MSD with Hillridge's name and telephone number on it informing the public of the SSO or bypass.

14) When was the last time the sewer system or any part of it was air tested and what were the results of the test? What of hydrostatic testing, or smoke testing?

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving these objections, Hillridge states that since the early 1980's, whenever subdivision lines have been connected to its collection system, the new lines have been air-tested. The lines would not be connected to the Hillridge system if they did not pass the air-test. The following subdivisions have been connected to the Hillridge system after their lines were air-tested: Bristol Oaks, Hillridge East, Lochlea Estates, Mansfield Estates, and Summer Breeze.

15) Has Hillridge conducted any sewer investigations to identify bottlenecks or constrictions that limit flow in specific areas and prevent downstream treatment capacity from being fully utilized? If so, what were the results; if not, why not?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving this objection, Hillridge states that the personnel operating the WWTP inspect the four lift stations on a daily basis. Additionally, when a customer complains of a problem, Hillridge will do a video inspection of the line in the area of the problem.. Finally, MSD performed an inflow and infiltration study of its collection system.

16) Are there any flow meters anywhere in the Hillridge system or at the Hillridge plant? What data is obtained from the flow meters and how long is the data kept?

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge states that a flow meter has been installed in the Hillridge WWTP. This flow

meter determines the flow of the effluent through the WWTP, and the data is maintained for as long as necessary.

17) What practices has Hillridge adopted to maximize wet weather flows to the treatment plant:

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving these objections, Hillridge states that the personnel operating the WWTP inspect the four lift stations on a daily basis. Additionally, when a customer complains of a problem, Hillridge will do a video inspection of the line in the area of the problem, and make repairs to the collection system when problems are identified and funds are available to pay for the repair and/or upgrade of same.

18) When was the collection system constructed and who constructed it? Provide invoices and payment information for that construction. Provide reports filed with the PSC regarding same.

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge notes that MSD requires Hillridge to provide documents to it concerning the construction of its collection system and MSD approves these documents prior to the construction of the collection system. Hillridge states that Cantex Corporation, Inc. designed and supervised the original construction of the WWTP and collection system in 1965. Furthermore, Hillridge believes the information is already in the possession of MSD and it would be unduly burdensome and onerous to produce the records, which would go back in time as far as 1965.

19) When lots served by the Hillridge system were originally sold, were the lot owners provided access to the collection system? Were lot owners charged a connection fee? If so, how much, who paid and when?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving these objections, Hillridge states that when lots served by the Hillridge system were originally sold, no connection fee was charged.

20) When was the Hillridge treatment plant built, who built it at what cost? Is it fully depreciated on tax returns?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving these objections, Hillridge states that Cantex Corporation, Inc. built the Hillridge WWTP.

21) Are the sewer lines in easements and are they dedicated to the public on the subdivision plat?

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge.

22) At any time since it was built was the Hillridge plant or sewer lines held in trust or the subject of a trust indenture? If so, please provide a copy of all trust documents.

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge states, not to its knowledge.

23) Does Hillridge have individual contracts for sewer service with any homeowners or customers? If so, please provide copies.

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving these objections, Hillridge states that it has implied contracts with its customers to provide sewer service and also has entered into contract with developers to provide sewer service to certain identified lots.

24) Does Hillridge's construction permit contain language that states that the permit is temporary and once sewers available, the permit shall end? Provide copy of construction permit?

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge states that the construction permit does not appear to contained this language. (See Attachment B).

25) Has Hillridge repaired any of the collection system in the past? If so, provide information on the repairs including a description, time of repair, contractor and costs.

Answer: Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, it would be unduly burdensome to provide the requested information concerning all repairs made to the collection

system since 1965. However, without waiving these objections, Hillridge states that it has made many repairs to its collection system.

26) Is Hillridge going to repair manhole covers and/or chimneys to stop inflow and infiltration? If so, give details regarding the particular manholes and repairs; if not, why not?

Answer: Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge states that the repairs to eliminate the inflow and infiltration to its collection system are set forth on Attachment A.

27) Has Hillridge considered sliplining any of the collection system to stop inflow and infiltration? If so, explain which sections will be sliplined; if not, why not.

Answer. Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. Furthermore, Hillridge objects to this request on the basis that it is ambiguous and requires speculation as to its meaning. However, without waiving this objection, Hillridge states Hillridge states that the repairs and/or upgrades to be implemented to its collection system will not require slip lining.

~~28) What investigation did Hillridge perform to ensure that the contractor it chose for the planned repairs has experience with repairing sewer systems?~~

Answer. Objection. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge states that Murphy's Excavating has performed work for Hillridge for approximately 16 years, Bland Plumbing and Piping has performed work for Hillridge for approximately 5 years and the principle with Camden Environmental Services, Inc.,

has performed work for the Hillridge for approximately 40 years. Accordingly, Hillridge is very familiar with the capabilities and competency of the contractor that will be chosen to implement the planned repairs to its collection system.

29) Has Hillridge obtained a guarantee or warranty that the repairs its contractor will perform will reduce inflow and infiltration? If so, provide a copy; if not, why not.

Has Hillridge repaired any of the collection system in the past? If so, provide.

Answer. Hillridge objects to this request on the basis that it requests information irrelevant to this application for rate adjustment and surcharge. However, without waiving this objection, Hillridge states that the contractor indicated that it would warrant the work completed by it.

Sonya Ridge

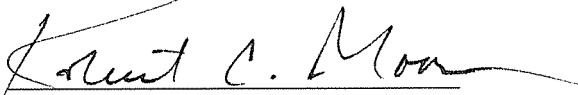
STATE OF KENTUCKY

COUNTY OF FRANKLIN

Subscribed and sworn to by Sonya Ridge, dated this ____ day of April, 2011.

My Commission expires: _____

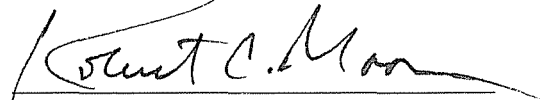
Notary Public, Kentucky at Large



Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street, 1st Floor
P.O. Box 676
Frankfort, Kentucky 40602-0676

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by first class mail, postage prepaid, on Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204 and Laurence J. Zielke and Janice M. Theriot, Zielke Law Firm PLLC, 1250 Meidinger Tower, 462 S. 4th Street, Louisville, Kentucky, on the 13th day of April, 2011.

A handwritten signature in black ink, appearing to read "Robert C. Moore", written over a horizontal line.

Robert C. Moore

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
2-26-10

HILLRIDGE FACILITIES INC.

BID PROPOSAL FOR:
REPAIRING SEWER LINES & STOPPING INFILTRATION & INFLOW OF WATER
PAGE 1

- 3905 LETHBOROUGH CT— REPAIR BROKEN PIPING BELOW MANHOLE, HAS LARGE HOLE APPROX. 2FT. LONG— REPLACE APPROX. 6FT. OF BROKEN TERRA COTTA PIPE.
 - 8517 OLD WATTERSON TRAIL— REPLACE BROKEN PIPING JUST BELOW MANHOLE
 - 3400 LA FOLLETTE— LARGE AMOUNT OF BROKEN PIPE & WATER INFILTRATION, REPLACE APPROX. 10FT. OF TERRA COTTA PIPE.
 - 3904 BONAFAY CT.—REPLACE BAD T CONNECTION & BROKEN PIPING.—BAD I & I.
 - 3700 MODESTO— BROKEN PIPING, REPLACE 5FT.
 - 3913 SAN MARCOS— APPROX. 15FT. OF PIPING BROKEN, LARGE AMOUNT OF HOLES, GRAVEL & INFILTRATION.
 - 4111 STONEY BROOK— DROPPED & SEPARATED PIPING—REPLACE 1 SECTION.
-
- 8" MAIN BETWEEN STONEY BROOK & THE LIFT STATION AT KIRBY LN.—LARGE HOLE IN PIPING, NEXT TO CREEK.—REPLACE 1 SECTION.
 - 8900 STONEY BROOK—LARGE HOLE IN PIPING, WATER INFILTRATION
 - 8808 AVONDALE— BROKEN PIPES & DROPPED & MISALIGNED PIPES.
 - 8807 KIRBY LN.—JUST BEFORE LIFT-STATION: CRACKED & BROKEN PIPING—7 LOCATIONS.

ATTACHMENT A

PAGE 2

- 3716 BRISTOL OAKS—LARGE AMOUNT OF ROOTS & INFLITERATION AT 5 LOCATIONS.
 - 3913 BONAFAY CT.—MULTIPLE FRACTURES ABOVE & BELOW MANHOLE—ROOTS & WATER INFLITERATION.
 - 9102 LETHBOROUGH—CRACKED PIPES & LARGE AMOUNT OF ROOTS.
 - 9211 LETHBOROUGH—LARGE AMOUNT OF ROOTS AT 56FT. DOWNSTREAM FROM MANHOLE.
 - LARGO CT.— LARGE AMOUNT OF ROOTS AT 6 LOCATIONS, DOWNSTREAM FROM MANHOLE.
 - WAKULLA CT.—WATER COMING IN AT 4 LOCATIONS, JUST BEFORE LIFTSTATION.
 - 4003 STONYBROOK RD.— ROOTS AT 5 LOCATIONS.
 - 4002 STONYBROOK RD.— BAD ROOTS AT 3 LOCATIONS.
 - 3822 SHANNON RUN TRAIL— 8" MAIN RUNNING TO LIFT STATION & NEXT TO CREEK, BAD I & I AT 3 LOCATIONS.
 - INTERSECTION OF LACOSTA & COLLINGWOOD— ROOTS & CRACKED PIPES RUNNING ENTIRE LEGNTH.
-
- LARGE 15IN. MAIN, JUST BELOW SAN MARCUS & WATTERSON TRAIL, HAS LARGE AMOUNT OF ROOTS IN MANHOLE & IN EVERY OTHER SECTION OF PIPE—176 FT. LONG.
 - FROM MANHOLE AT THE END OF LETHBROUGH CT. TO 8IN. MAIN IN DITCHLINE, ROOTS & CRACKED PIPE 200FT. LONG.

- FULL LABOR PRICE OF ALL REPAIRS----- \$196,600.00
- PARTS: PAVEMENT, CONCRETE, PIPING
PERMITS & BONDING----- \$ 93,400.00
- TOTAL----- \$290,000.00

TWO HUNDRED NINETY THOUSAND DOLLARS

THANK YOU

JOSEPH MURPHY

file

COMMONWEALTH OF KENTUCKY

DEPARTMENT OF HEALTH

ATTACHMENT B

WATER POLLUTION CONTROL COMMISSION

TO: Millridge Facilities, Inc.

ADDRESS: 5151 Summit Bank Road, Louisville, Jefferson County, Kentucky
(City) (County) (State)

Pursuant to your application submitted to this office on June 7, 19 66, together with engineering plans, specifications, and other supporting data, the Kentucky Water Pollution Control Commission authorizes the issuance of this

C O N S T R U C T I O N P E R M I T

Therefore, by authority of Kentucky Revised Statutes 220.590, etc., you are authorized to construct Sewage Treatment Works and/or Industrial Waste Treatment Works at:

Millridge Substation, Patterson Trail and Kirby Lane, Jefferson County, Kentucky

in accordance with the plans, specifications, and other information submitted in your application. In addition, this Construction Permit also includes the following conditions:

1. Effluent to be discharged into Fern Creek.
2. Construction to conform to provisions of Resolution #1, dated July 12, 1965.
3. Water supply lines and yard hydrants must be provided for clean up purposes.
4. The bid cost must be submitted in accordance with Regulation 14-1.
5. When this system is completed the applicant must certify in writing that the treatment plant & system have been constructed in accordance with the approved plans & specifications.
6. Within 30 days after receipt of the bid cost & certification, an inspection will be made by this office and if the facilities are satisfactory, an operational permit will be issued. In the interim between completion and issuance of the operating permit the facilities may be operated.

(over)

No deviation from the plans and specifications submitted with your application or the conditions specified herein is permitted, unless authorized in writing by the Commission. All rights of inspection by representatives of this Commission are reserved. Responsibility for satisfactory effluent to prevent pollution of the public waters of Kentucky must be borne by permittee.

Unless construction on the works specified herein is begun on or before the 15th day of July, 19 66, this Construction Permit shall be null and void.

Issued this 15th day of July, 19 66.

Joseph C. Pickens
Executive Director

cc: James L. Spalding, Engineer
Louisville-Jefferson Co. Health Dept's
Planning Program

ATTACHMENT B