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August 24, 2018

RECEIVED

AUG 27 2018

PUBLIC SERVICE
COMMISSION

Public Service Commission
Gwen R. Pinson
Executive Director
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

**Re: Responses to PSC Second Request for Information
Case #2018-00227**

Dear Mrs. Pinson:

I, Kevin Lowe, on behalf of Mountain Water District, have prepared the included responses to the Commission Staff's second request for information in case #2018-00227. I certify that the responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

If you need anything further, please contact me by calling 606-631-4000.

Sincerely,

Kevin Lowe
Office Manager

cc: Mike Blackburn, Chairperson
Dan Stratton, Stratton Law Firm
File

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC Second Request for Information

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Email From Pike County Health Department.....Appendix B

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC Second Request for Information

Q1: Refer to the response to Commission Staff's First Request for information (Staff's First Request), Item 1 –

Q1 (a.) Provide the number of residents who have requested a different payment plan than the one currently in place by Mountain Water.

Witness: Lowe

Response Q1 (a.): While the District does not track the request for a different payment plan than the one currently in place, we estimate that we have had three (3) requests from potential water customers and two (2) requests from potential sewer customers in 2018. Because the District does not track these requests we do not know if these potential customers have established service with the District at a later date by paying the tap fee in full.

Q1 (b.): Provide the number of residents with failing wells or septic systems but do not have adequate funds to pay the entire amount of the connection fee when immediate service is necessary.

Witness: Lowe

Response Q1 (b.): As stated in the response to question 1 (a.) the District does not track the requests for a different payment plan than the one currently in place; however, we have estimated the requests this year (2018) to be three (3) for water and two (2) for sewer. The District has no way of knowing the financial situation of a potential customer to determine if they have adequate funds to pay the entire amount of the connection fee when necessary, however we have had requests as mentioned in this response. The District can only make the assumption that a potential customer does not have the funds available if they request the service and decline to connect to the service at that time when informed that it has to be paid in full prior to the connection being established. The Pike County Health Department has stated in phone conversations and in the email in Appendix B that they only investigate and track septic systems failures for which they receive complaints. There are currently seventy two (72) active notices and they estimate that the actual numbers would be much higher.

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC Second Request for Information

Q1 (c.): Provide the number of residents who are out of compliance with Pike County Health Department waste disposal requirements due to failing septic systems or straight pipes.

Witness: Lowe

Response Q1 (c.): The Pike County Health Department has stated in phone conversations that they only investigate and track septic system failures for which they receive complaints. They currently have seventy two (72) active (either pending in court, or still in the 15 day notice time period) Notices to Abate a Nuisance issued.

Q1 (c.) (1): Of the amount, provide the number of residents who contacted Mountain District but do not have adequate funds to pay the entire amount of the connection fee when immediate service is necessary.

Witness: Lowe

Response Q1 (c.) (1): As stated in the response to question 1 (a.) and 1 (b.) the District does not track the request for a different payment plan than the one currently in place, however we have estimated the requests this year (2018) to be three (3) for water and two (2) for sewer. The District has no way of knowing the financial situation of a potential customer to determine if they have adequate funds to pay the entire amount of the connection fee when necessary; however, we have had requests as mentioned in this response. The District can only make the assumption that a potential customer does not have the funds available if they request the service and decline to connect to the service at that time when informed that it has to be paid in full prior to the connection being established.

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Q2: Refer to the response to Staff's First Request, Item 4.

Q2 (a.): Mountain District states that no customer has sought to use installment plan for the water connection fee and only one customer has taken advantage of the installment plan for the sewer connection fee. State whether the sewer customer taking advantage of the installment plan was a gravity sewer system customer or a pressurized sewer system customer.

Witness: Lowe

Response Q2 (a): The sewer customer taking advantage of the installment plan currently in place was a pressurized sewer system customer.

Q2 (b.): State whether any customers have expressed an interest in an installment plan similar to the one proposed in this case, and, if so, provide the number of customers who requested the proposed type of installment plan.

Witness: Lowe

Response Q2 (b.): While the District does not track the request for a different payment plan than the one currently in place, we estimate that we have had three (3) requests from potential water customers and two (2) requests from potential sewer customers in 2018. Because the District does not track these requests we do not know if these potential customers have established service with the District at a later date by paying the tap fee in full.

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Q3: Refer to the response to Staff's First Request, Item 7.

Q3 (a.): Mountain District states that if a customer defaults on the proposed installment plan then service to that customer is disconnected until the installment plan is current. Provide Mountain District's policy for disconnecting a sewer customer from the system when in default of the installment payment plan.

Witness: Lowe

Response Q3 (a.): Please see Appendix A for the District's Sewer Tariff Sheet 7 referring to Billing, Collection, Penalties for the District's policy on disconnecting a sewer customer from the system. The District is proposing to use the same policy as it uses for the disconnection of a customer not on an installment plan. You can also refer to the Appendix of the responses to Staff's First Request for Information for the District's proposed Customer Installment Plan. The following is an excerpt from the District' Tariffs with the Public Service Commission regarding disconnection.

All bills not paid on or before the past due date shall be deemed delinquent. Any said delinquent bill shall be disconnected fifteen (15) days after the due date, but not before a least five (5) days written notice of termination is provided. Said termination notice shall be exclusive of and separate from the original bill. Included in the notice will be a statement that the District plans to terminate service and the date in which the District plans to terminate service if the balance is not paid in full (that month's installment). However, if, prior to discontinuance of service, there is delivered to the DISTRICT a written certificate signed by a physician, registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity at the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elapse from the time of the DISTRICT'S receipt of said certification, whichever occurs first. Such certificates shall not be accepted in consecutive months.

FOR All Territories Served
Community, Town or City

P.S.C. KY. NO. 4

2ND REVISED SHEET NO. 7

Mountain Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 5

SHEET NO. 7

RULES AND REGULATIONS

The DISTRICT shall be responsible for the maintenance of that portion of the service lateral installed by the DISTRICT and the consumer shall be responsible for the maintenance of that portion thereof installed by the consumer on gravity systems. On pressurized systems, the customer shall be responsible for that portion of sewer lateral beyond the grinder station. The DISTRICT shall be responsible for the maintenance and replacement of all grinder pump equipment used in connection with its pressurized sewer system with the exception of malfunctions caused by abuse on the part of the customer, including, but not limited to, subjecting the system to excessive amounts of grease. For a more comprehensive list of disapproved items, please visit the following webpage:
www.mountainwaterdistrictky.com/links.php

BILLING, COLLECTION, PENALTIES

Bills and notices relating to the conduct of the business of the DISTRICT will be mailed to the customer at the address listed on the user's agreement unless change of address has been filed in writing with the DISTRICT, and the DISTRICT shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performance required in said notice.

Bills for sewer service are due and payable at the office of the DISTRICT, or to any designated agent, by the 15th day after the date of issue. All accounts not paid in full 5 days after the due date shall be considered past due and an additional charge of 10 percent of the unpaid portion of the bill will be made. Payments may be made in the form of cash, check, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers choosing to pay by credit/debit card/electronic check shall be assessed a fee either by the District or directly by the credit/debit/check processor at the cost to process such transactions. The fee is generally calculated using a formula applied to the balance of the amount being paid, but may be a flat fee per transaction. Prior to processing the transaction, the customer will be informed of the fee amount and, upon request by the customer, the formula employed to arrive at this fee amount.

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All bills not paid on or before the past due date shall be deemed delinquent. Any said delinquent bill shall be disconnected fifteen (15) days after the due date, but not before at least five (5) days written notice of termination is provided. Said termination notice shall be exclusive of and separate from the original bill. Included on the notice will be a statement that the DISTRICT plans to terminate service and the date in which the DISTRICT plans to terminate service if the balance is not paid in full. However, if, prior to discontinuance of service, there is delivered to the DISTRICT a written certificate signed by a physician, registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity at the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elapse from the time of the DISTRICT'S receipt of said certification, whichever occurs first. Such certificates shall not be accepted in consecutive months.

(N)
(N)

The DISTRICT will disconnect sewer service for non-payment of sewer and/or water service. Any and all applicable disconnect/reconnect charges, in addition to the bill owed must be paid before service may be restored.

DATE OF ISSUE June 8, 2018
Month / Date / Year

DATE EFFECTIVE July 9, 2018
Month / Date / Year

ISSUED BY /S/ MICHAEL BLACKBURN
(Signature of Officer)

TITLE CHAIRPERSON

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 7/9/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kevin Lowe

From: Cole, Raymond J. (LHD - Pike Co.) <RaymondJ.Cole@ky.gov>
Sent: Friday, August 24, 2018 10:35 AM
To: Kevin Lowe
Subject: RE: Failing septic systems

Kevin,

Sorry about the slight delay in getting with you. Our clerk as had 2 doctor appointments and jury duty this week.

Again just to restate some of the Health Department's process on complaints. We only investigate complaints that are communicated to our office. We do not go out and actively look for problems, we have been told this can be construed as selective enforcement, so the policy is that we take these on complaint basis only. We in the Environmental Department are aware that the problem is much greater than the number of Notices we issue.

Currently in the areas you have listed we have 72 active (either pending in court, or still in the 15 day Notice time period) Notices to Abate a Nuisance issued. The actual numbers in these area of failing, mal-functioning, or lack of sewage systems are much higher. Unfortunately I do not have the actual number of individuals that need to be connected to municipal sewage to give you for the information you have requested.

If I can be of an further assistance please feel free to call on me and I will be very glad to help.

Jackie Cole R.S.
Environmental Health Director
Pike County Health Department
606/509-5533
raymondj.cole@ky.gov

Platinum Status Member



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