COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING)	
CAPACITY OF MARTIN COUNTY WATER)	CASE NO.
DISTRICT PURSUANT TO KRS 278.280)	2002-00116

ORDER

On April 5, 2002, Commission Staff filed a report (Staff Report), attached hereto as Appendix 1, indicating that serious operating deficiencies threaten the ability of Martin County Water District (Martin District) to continue to provide adequate service to its customers. Pursuant to KRS 278.250 and 278.260, we open this docket to investigate the situation fully and to specify immediate action that must be taken by Martin District to avoid potential enforcement action pursuant to KRS 278.990.

According to the Staff Report, Martin District's equipment is in serious disrepair. Redundancies required by any water system are lacking. Necessary equipment is either inoperable or is damaged. Insufficient personnel are available to ensure continued operation of the system. In short, there is a very real, and entirely unacceptable, possibility that the hundreds of homes and businesses served by Martin District could lose water service.

Accordingly, in this Order, we establish a procedural schedule to deal with both the emergency situation we have before us and the long-term issues concerning the operation of Martin District; to specify actions that must immediately be taken by Martin District; and to ensure that the deficiencies noted in the Staff Report are corrected without delay.

IT IS THEREFORE ORDERED that:

- 1. Martin District shall, no later than close of business Monday, April 8, 2002, place orders for all replacement parts necessary to restore operating sufficiency and necessary system redundancy.
- 2. Martin District shall appear at an informal conference with Commission Staff at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky at 1:00 p.m., Eastern Daylight Time, on Tuesday, April 9, 2002, for the purpose of providing to the Commission copies of the orders placed as prescribed in Ordering Paragraph 1, and for the purpose of discussing the actions necessary to cure the operating deficiencies of Martin District. Such actions shall include provisions for securing additional certified water treatment plant operators and for requesting, if necessary, emergency rate relief to cover expenses for the actions required by this Order.
- 3. A formal hearing, at which the Commissioners of Martin District shall appear, is scheduled for 1:00 p.m., Eastern Daylight Time, April 25, 2002 in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky for the purpose of receiving evidence concerning operating issues described in the Staff Report.
- 4. The Executive Director shall serve, by United States Mail and by facsimile, a copy of this Order upon the Natural Resources and Environmental Protection Cabinet, Division of Water; the County Judge/Executive of Martin County, Kentucky; each

member of Martin District's Board of Commissioners; and the Superintendent of Martin District.

Done at Frankfort, Kentucky, this 5th day of April, 2002.

By the Commission

ATTEST:

Deputy Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00116 DATED APRIL 5, 2002

Martin County Water District Water Plant Inspection 4/5/2002

On April 4, 2002 PSC personnel, Robert Amato, James Rice, and Virginia Smith inspected the Martin County Water Plant located on Lick Branch Road in Martin county, KY. Water plant personnel assisted on the inspection.

MCWD personnel walked us through the operation of the plant. The following observations were made of the water plant equipment and operation.

- Plant Operators There is one certified plant operator employed by the water district and a contract with Kentucky American Water Company to provide one certified operator for 8 hours per day, 5 days per week. The MCWD operator is working 16 hour shifts on weekdays and 24 hours per day on the weekends.
- High Service Pumps There are two 1400 gpm pumps that pump water from the treatment plant to the majority of the distribution system. One pump is out of service and valved off. It has reportedly been out of service for several years. There is only one starter for both pumps. The working pump reportedly has not been serviced in several years.
 - The pump has to be hand operated. The plant operator must watch the clearwell level and turn the pump on when the clearwell is nearly full and turn it off when the water in the clearwell lowers. The pump trips a breaker when starting about 25 percent of the time. The breaker must be manually reset and the pump started again. We observed a pump start. Three tries were necessary to start the pump. There are no replacement parts on site.
- Telemetry The telemetry system from the storage tanks to the plant does not work. The operators must rely on distribution personnel to visually observe the tanks and radio in to the plant the water level or, if it is overflowing. Often citizens call the plant to tell them that a tank is overflowing or that they are out of water. Several of the tanks overflow daily. (One tank was overflowing when we arrived at the plant for this inspection. Personnel did not know immediately how to stop the overflow without putting customers out of water. They later discovered an isolation valve at the tank site.)
- Filter Valves several of the valves that control the flow into and out of the filters do not work properly. The operators must monitor the level of water in the filters and adjust certain valves to keep the water at the appropriate level.
- Electric Panels Most electrical panels in the pump room are exposed.
- Booster Pumps According to MCWD personnel most of the booster pump stations are operating with only one pump (they are set up for two pumps).
- The chemical feed lines do not work properly.

Discussion

The MCWD water plant is in a general state of disrepair. The plant has lost most of the redundancy that was designed into it due to equipment failure. If a critical piece of

equipment, such as the high service pump starter, were to fail now, the plant would be unable to supply water to the distribution system. It could take from 1 to 7 days to get replacement parts and personnel in to repair the problem.

The lack of telemetry, automatic controls, and operators makes efficient operation of the system very difficult.

Recommendations

MCWD should take immediate action to obtain replacement parts for critical equipment that does not have a working back up and ensure that personnel or contractors are available to install and repair the critical equipment. The critical equipment includes starters and controls for the high service pumps.

Action should be taken to provide an adequate number of certified water plant operators to operate the water plant 24 hours per day with no employee regularly scheduled to work more than 40 hours per week.

Action should also be taken to restore redundancy to the pumping and treatment facilities. This may require repair or replacement of several pumps, electrical controls and valves.

The telemetry system should be repaired or replaced to allow monitoring of the system from the water plant and/or office.

Submitted,

Robert A. Amato, PE

Director, Engineering Division