

Southern Water and Sewer District

Another Response to Ky. PSC (Kentucky Public Service Commission) for case # 2019-00041

1. To the best of UMG's knowledge and records than can be located it was July of 2015
Note: Wouldn't the PSC already have this info since it was the authority that issued the increase.
2. The only rate increase request to the knowledge of UMG is the one the PSC just ruled on.
3. 1. Master meters / zone meters 2. Aging infrastructure 3. Understaffed at current time to create a dedicated leak detection crew.
4. *** See Attached***
5. *** See Attached***
6. **See below**
 - A. UMG / SWSD does allocate funds for training their certified personnel
 - B. Unknown by UMG at this time
 - C. SWSD has and will utilize all available training options but most common are: KWWOA , EKWWOA, KRWA, Ky-Tenn AWWA .
7. UMG is in process of trying to obtain any updated information
8. **See item #7**
9. KRWA has been utilized in the past but not since UMG has been managing the district. KRWA will be considered again in the future by UMG and SWSD
10. A leak detection crew would be a worthwhile investment.
11. ***See Attached*** Note: Since the PSC conducted the inspection and issued results, would those reports not already be on file with the PSC.
12. As stated in a previous response, no equipment has been purchased, the equipment already in inventory is utilized as needed.
13. Again, no written policy (as stated in earlier response) but if the SWSD board & UMG agree then one will be put in place. Each error or miscue will be addressed as they occur.
14. UMG did attempt to have master meter at WTP calibrated but an issue prevented it and UMG is looking in to options to have it verified (meter is still fairly new but needs verified) also the PSC has ordered SWSD to cease meter testing so approval will be needed.
15. Meters that failed have not been replaced but again with a new meter plan for SWSD they will be addressed.
16. To UMG's knowledge all meters are older than 10 yrs and have not been tested. They will not be tested as the PSC has ordered SWSD to not test any meters. UMG cannot provide reasons for meters not being tested previously as UMG was not involved with SWSD at that time.
17. SWSD/UMG does utilize SCADA
18. **Same as item #17**
19. As stated in item #3 of this response and item #30 of previous response UMG / SWSD will acquire new master meters / zone meters with the new meter plan and it will help tremendously in identifying areas that have a higher water loss than normal.
20. According to the CPA records the hourly rate was \$32.76 per hr. for the previous GM of SWSD.

21. As stated in item #35 of a previous response, SWSD does not have a map that includes service lines and connections. SWSD does not utilize 811 at this time.
22. UMG provided an amnesty period for customers of SWSD so no penalty was applied up to May 15. Since that date the illegal hook-ups located have been documented and to the knowledge of UMG there is a case going to the county attorney at the time of this response.
23. ***See attached*** SWSD utilizes the tariff on file with the PSC and each adjustment is addressed based on previous avg. usage as written in the tariff/policy.

If you have any questions or concerns regarding this response please contact me at the information listed below.

Sincerely



Donald R. Compton
UMG Special Projects Manager

SWSD

606-377-9296 (o) 606-226-3442 (c)

dcompton@umgllc.net

Item # 1

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 2

5th Revised SHEET NO. 4

CANCELLING P.S.C. KY. NO. 2

4th Revised SHEET NO. 4

Southern Water & Sewer District
(Name of Utility)

RATES & CHARGES

A. Monthly Water Rates:

All Meters:

First 2,000 Gallons	\$24.60	Minimum Bill	(I)
Over 2,000 Gallons	8.40	Per 1,000 Gallons	(I)

DATE OF ISSUE July 28, 2015
Month / Date / Year

DATE EFFECTIVE July 10, 2015
Month / Date / Year

ISSUED BY *Charles Johnson*
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2015-00192 DATED July 10, 2015

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

7/10/2015

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Item # 4

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	Water Produced	47,420,000	
3	Water Purchased	13,781,000	
4	TOTAL PRODUCED AND PURCHASED	61,201,000	
5			
6	WATER SALES		
7	Residential	22,940,000	
8	Commercial		
9	Industrial		
10	Bulk Loading Stations		
11	Wholesale	1,022,000	
12	Other Sales _____		
13	TOTAL WATER SALES	23,962,000	39.2%
14			
15	OTHER WATER USED		
16	Utility and/or Water Treatment Plant	1,450,000	
17	Wastewater Plant		
18	System Flushing	1,500,000	
19	Fire Department	98,500	
20	Other <u>Hwy dept., Mt Ent.</u> _____	25,000	
21	TOTAL OTHER WATER USED	3,073,500	5.0%
22			
23	WATER LOSS		
24	Tank Overflows	50,000	
25	Line Breaks	950,000	
26	Line Leaks	33,165,500	
27	Other _____		
28	TOTAL LINE LOSS	34,165,500	55.8%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	WATER LOSS PERCENTAGE		
33	Unaccounted-For Water (Line 28 divided by Line 4)	55.8%	

Southern Water & Sewer District Board Members

- A.) Mr. Jeff Prater / Chairman of SWSD
V P of Operations Big Sandy RECC
Education: Some college credit – no degree

- B.) Mr. Rick Roberts / Sec. of SWSD
Exc. Director of Business Development for Pikeville Medical Center
Education: BS Degree in Health Admin.

- C.) Mr. Donnie Daniels
Retired Educator / Athletic coach in Floyd Co. School System
Education: Master's Degree in Guidance Counseling

- D.) Mr. Steven Dawson
Pharmacist / Business owner
Education: BS Degree in Pharmacy

- E.) Mr. Bud Newsome
Transportation Engineering Tech III
Education: High School

Item

Matthew G. Bevin
Governor

Charles G. Snavely
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

P.S.C.
DVE 4-8-19

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

March 8, 2019

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Periodic Water Inspection
Southern Water and Sewer District Water System
Floyd County, KY

Called ✓
3-28-19
3-29-19 (m)
4-1-19
4-3-19 (m)
4-8-19 ✓

(Ext to April 30
per Ernie De-ges)

Dear Mr. Hall:

Public Service Commission staff performed a periodic inspection of the Southern Water and Sewer District water system on February 21, 2019 reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, there were four deficiencies found at the time of inspection.

1. Utility has 5/8" x 3/4" meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1) (5000 meters)
2. Utility is not requiring fire departments to send in quarterly usage reports as required in 807 KAR 5:095, Section 9(1).
3. Utility is not in compliance with the Division of Water as required in 807 KAR 5:066, Section 3(1). (Agreed Order DBP's)
4. Utility is failing to operate its facilities so as to provide adequate and safe services to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (2018-52.56 %)

According to Southern Water and Sewer District's annual report for 2017, unaccounted-for water loss equaled approximately 42.17 percent of the District's total water

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 35

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Southern Water & Sewer District
(Name of Utility)

RULES & REGULATIONS

AC. Leak Adjustment Policy:

While a utility is not required to have a leak adjustment policy to adjust bills due to a water leak, this utility chooses to offer a leak adjustment under the following conditions:

1. The customer must request a leak adjustment in writing to the utility.
2. The customer must provide a plumber's statement or other proof showing the leak has been repaired.
3. The customer's bill will be based on two components. The first step will be to calculate the customer's average monthly usage over a twelve-month period. The second step will be to deduct the customer's average monthly usage (as calculated above) from the total amount of water that passed through the meter. The usage calculated in step one will be billed at the utility's regular rates, while the remaining usage will be charged at the per thousand gallon leak adjustment rate. All water passing through the meter must be accounted and paid for by the customer. Therefore, the customer will owe the amount of his/her average bill plus the per thousand gallon leak adjustment rate for the remainder of the water that passed through the meter.
4. If meter readings are not available for an entire twelve-month period, the average usage of similar customer loads shall be used for comparison purposes for the calculation.
5. Only one (1) leak adjustment will be made for a specific service location during any given twelve-month period.
6. Wholesale customers are not eligible for this Leak Adjustment Policy.
7. The leak adjustment rate shall be: the cost of production per 1,000 gallons.

DATE OF ISSUE April 03, 2014
Month / Date / Year

DATE EFFECTIVE May 03, 2014
Month / Date / Year

ISSUED BY Paula Johnson
(Signature of Officer)

TITLE Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n DATED n/a

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH
Brent Kirtley

EFFECTIVE
5/3/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)