

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ELKHORN WATER)
DISTRICT FOR CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY, TO REPLACE)
6600 LF OF PIPELINE, TO REPLACE A BOOSTER) CASE NO. 2020-00113
PUMP STATION, TO INSTALL A NEW MASTER)
METER AND NEW INDIVIDUAL METERS, AND TO)
REFURBISH AN EXISTING ELEVATED WATER TANK)

Elkhorn Water District's Response to Commission's 2nd Request for Information

1. Refer to Elkhorn District's response to Staff's 1st Request for Information (Staff's First Request), Item 8.

a. Provide the winning bids requested therein for the improvements within the scope of Contract I and the improvements within the scope of Contract II as those contracts are defined in Addendum #1 to the contract documents filed as Exhibit 5 to the application.

RESPONSE: The winning bid of Twin States Utilities and Excavation, LLC. is attached.

The winning bid of C. I. Thornburg, Inc. for Contract II is attached.

b. Confirm that those bids were the lowest bids received for the work proposed, and if they were not the lowest bids, explain in detail why those bids were chosen over the lowest bids.

RESPONSE: This is to confirm that both of the bids in 1.a. above were the lowest bids received for the work in Contracts I & II, respectively.

2. Refer to Elkhorn District's Response to Staff's 1st Request, Item 10(d).

a. Confirm the potential alternatives to replacing the current meters with the meters and the meter reading system as proposed by Elkhorn District would be to replace the current meters with new meters that would be read manually, replace

the current meters with meters that would be read using advanced metering infrastructure (AMI), and replace the current meters with a different type of automated meter reading (AMR) meters. Explain why this cannot be confirmed.

Response: This is to confirm that potential alternatives to replacing the current meters with the meters and meter reading system as proposed by Elkhorn Water District would be to replace Elkhorn Water District's current meters with new meters that would be read manually, replace the current meters with meters that would be read using advanced metering infrastructure (AMI), or replace the current meters with a different type of automated meter reading (AMR) meters.

b. Explain why Elkhorn District chose AMR meters and the AMR system proposed over new meters that would be read manually and new meters that would be read using an AMI system.

Response: Elkhorn Water District chose the AMR meter system to be compatible with the currently used billing system. The District has a contract with Peaks Mill Water District to perform billing services and Elkhorn has already invested in the software of that billing system. Elkhorn and Peaks Mill use the same contract manager and support company. The contractor already has the remote reading equipment and is familiar with its use. In the event that the contract company is no longer able to provide services, the District will be able to rapidly train another person to utilize the AMR in locating meters and reading same.

c. Explain why Elkhorn District chose to require the use of the Sensus SR, positive displacement water meter, in the detailed specifications sent to bidders as opposed to requiring the use of other brands and types of meters.

RESPONSE: Elkhorn Water District has been replacing water meters for the last approximately 10 years. They have used the Sensus SR meter for all of these replacements. The District is desirous of keeping the same meter throughout the service area.

3. Refer to Elkhorn District's response to Staff's First Request, Item 10(d).

a. Identify the number of hours spent, on average, each month reading meters.

RESPONSE: The contract manager reports that he spends about 24-25 hours per month reading meters manually.

b. Provide an itemized explanation of the expected cost savings each year arising from the reduction in time spent reading meters due to the installation of AMR meters.

RESPONSE: Elkhorn expects slower increases in operating costs in the coming years due to less time spent on meter reading. The time predicted for meter reading will be approximately 8 hours with the AMR.

c. State whether Elkhorn District anticipates eliminating any personnel or reducing the hours of existing personnel as a result of the switch from meters that are manually read to AMR meters.

RESPONSE: Elkhorn Water District anticipates no elimination of personnel or reduction in work hours. The contract manager is responsible for the management of the personnel involved with meter reading.

4. Refer to Elkhorn District's response to Staff's First Request , Item 12.

a. Confirm that Frankfort Electric and Water Plant Board will be paying for the master meter described in the project, and explain why if Elkhorn District is not able to confirm.

RESPONSE: Frankfort Electric and Water Plant Board will be installing a new meter only. Elkhorn will be doing all the piping and preparation for the new meter. Elkhorn will be reimbursing FEWPB for the meter.

b. Provide an itemized cost estimate of those portions of the project to install a new master meter for which Elkhorn District will be responsible.

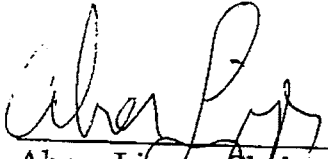
RESPONSE: Elkhorn Water District will be responsible for ALL of the costs associated with the master meter renovation.

c. Explain how Elkhorn District will fund its portion of the project to install a new master meter, and confirm that it is not funded with the proceeds of the loans for which authority is requested herein.

RESPONSE: Elkhorn will fund the renovation of the new master meter vault with existing funds.

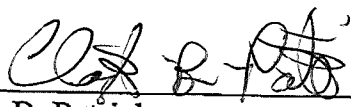
5. Refer to Elkhorn District's response to Staff's First Request, Item 1(c) and Exhibit 5 of the application in this matter at Addendum #1 to the contract documents. Confirm that Elkhorn District is not requesting a Certificate of Public Convenience and Necessity or financing approval for the renovation of the elevated water storage tank that is the subject of Contract III.

RESPONSE: Elkhorn Water District is negotiating for a possible secondary wholesale water provider, which will establish a redundant water source, and assist in the overall maintenance of the system. If a secondary source is secured and a connection made, then the refurbishment of the elevated water tank will no longer be needed. Note that no bids were received for the refurbishment phase of the project.



Abner Lipps, Chairman
Elkhorn Water District

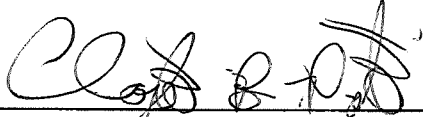
Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Sections 6 and 7, I certify that Elkhorn Water District's paper filing of this Response was made by eFiling to the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, on this the 15th day of October, 2020.

A handwritten signature in black ink, appearing to read 'Clayton B. Patrick', written over a horizontal line.

Clayton B. Patrick, *Counsel for Elkhorn Water District*