

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF WESTERN)
PULASKI COUNTY WATER DISTRICT FOR THE)
ISSUANCE OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
CONSTRUCT A WATER IMPROVEMENTS) Case No. 2020 - 00119
PROJECT PURSUANT TO THE PROVISIONS)
OF KRS 278.020 AND 807 KAR 5:001)**

Supplemental Response to Commission Staff's Second Request for Information

Western Pulaski County Water District ("Western Pulaski District"), by Counsel, hereby files its Supplemental Response to the Commission Staff's Second Request for Information, dated May 13, 2020, as follows:

REQUEST 2. Refer to response to Staff's Initial Request, Item 4.c.

(b) If the funding source for the project is proceeds from the \$3,304,000 loan approved by the Commission in Case No. 2017-00063, state why Western Pulaski District did not seek Commission approval to utilize those funds as directed by the final Order in Case No. 2017-00063.

WITNESS: Deron S. Byrne, P.E., Monarch Engineering, Inc.

SUPPLEMENTAL RESPONSE 2(b): On June 18, 2019, Western Pulaski District had a leak on a 6-inch water main at the intersection of Oak Hill Road and Slate Branch Road near the Somerset bypass highway. The repair to the leak was compounded by the lack of control valves in the vicinity of the leak. This was due to roadway improvements that were performed in 2014 to the Somerset bypass highway which resulted in valves that were installed but could not be located once the roadway improvements were completed. Western Pulaski District undertook an extensive search for the valves but has been unable to locate same.

At the intersection of Oak Hill Road and Slate Branch Road near the Somerset bypass highway where the leak occurred there is a large drainage culvert beneath Slate Branch Road and drainage ditches that drain into the culvert making it very difficult to access the area where the leak occurred. Western Pulaski District reported the leak to the Kentucky Division of Water ("DOW")

as required and stated that 800 customers were affected. Western Pulaski District worked for approximately 24 hours to repair the leak and another two days to restore the disturbed site.

The day the leak occurred coincided with Western Pulaski District's Board of Commissioners monthly meeting that was attended by Monarch Engineering. The meeting took place at 5:30 P.M. and the manager of Western Pulaski District explained to the Board the situation regarding the leak; how difficult it was to isolate the area of the leak due to the lack of control valves nearby; the number of customers affected; the difficulty they would have in repairing the leak in the exact location where it occurred; and the potential for another leak to occur in this area due to the saturation of the immediate area of the leak and the surrounding difficult terrain.

Western Pulaski District was aware that this was a high priority area to be addressed and that is why it was included in the original application for seeking financing from the Kentucky Infrastructure Authority ("KIA") in 2015. At this time, Western Pulaski District was in negotiations with the City of Somerset regarding the location of a main water line connection at the intersection of U.S. Highway 27 and the Somerset bypass which is the major portion of the Phase II project as described in the PSC Order for Phase I (Case No. 2017-00063). These negotiations had been ongoing since 2011 with no agreement being reached. In November, 2018, a new mayor of Somerset was elected and in January, 2019, negotiations for the connection were resumed but no agreement appeared forthcoming. When the leak occurred in June, 2019, it did not appear that an agreement would be reached in the near future therefore Western Pulaski District opted to address the leak at that time rather than take a chance it could occur again. In the early part of 2020, an agreement was reached for the connection which allowed Western Pulaski District to move forward with the remainder of the Phase II project.

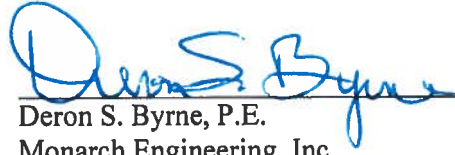
At the June, 2019 Western Pulaski District Board of Commissioners meeting, the Board authorized Monarch Engineering to prepare the necessary documents in order to solicit construction bids for the water line improvements that would eliminate the section of water line where the leak occurred and to install sufficient control valves to isolate this area. Plans and specifications were prepared by Monarch Engineering and they were approved by DOW on October 19, 2019. While plans were being reviewed by DOW, bids were solicited and received by Western Pulaski District on October 10, 2019. Two bids were received and the lowest was submitted by Stotts Construction Co., in the amount of \$69,890.00. On December 5, 2019, a contract was awarded to Stotts Construction Co., to perform the work. Construction began on December 31, 2019 and was halted on January 30, 2020 due to inclement weather. Construction has been on hold due to the weather and the impact of the Coronavirus but is expected to resume any day now. Currently the contract is approximately 69 percent complete.

In looking back at the events as they occurred, Monarch Engineering is of the opinion that Western Pulaski District took the proper steps to make an emergency and temporary repair to the broken water line and to follow that with the installation of a segment of water line that will allow Western Pulaski District to bypass the area where the leak occurred. Western Pulaski District has not paid the contractor or Monarch Engineering as they are hoping that a reimbursement from KIA would be allowed. Western Pulaski District recognizes that the PSC Order in Case No. 2017-00063 prohibits approval and/or payment for work done within the scope of Phase II without a subsequent

Order but the leak that occurred created an emergency that had to be dealt with as quick as possible and it just so happened in an area which is a part of Phase II. Western Pulaski District and Monarch Engineering have had a dialogue with KIA and they have indicated that they would reimburse Western Pulaski District once the PSC Order for Phase II is issued.

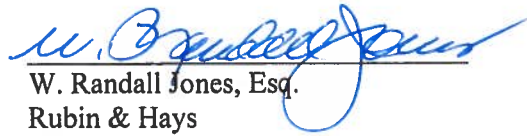
Certification of Supplemental Response to Commission Staff's Second Request for Information

The undersigned hereby certifies that I have provided the Supplemental Response to the Commission Staff's Second Request for Information. This information provided is the Supplemental Response is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry. Dated this June 2, 2020.


Deron S. Byrne, P.E.
Monarch Engineering, Inc.
Registered Professional Engineer,
State of Kentucky No. 23127

CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Western Pulaski County Water District's electronic filing of the foregoing Supplemental Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Kentucky Public Service Commission on June 2, 2020; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding; and that this Response in paper medium will be delivered to the offices of the Kentucky Public Service Commission in Frankfort, Kentucky in accordance with the mandates set forth in the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085 within 30 days of the lifting of the current state of emergency.


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