

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF THE ADAIR)
COUNTY WATER DISTRICT TO ISSUE)
SECURITIES IN THE APPROXIMATE PRINCIPAL)
AMOUNT OF \$5,405,000 FOR THE PURPOSE)
OF REFUNDING CERTAIN OUTSTANDING) CASE NO. 2020 - 00148
OBLIGATIONS OF THE DISTRICT PURSUANT)
TO THE PROVISIONS OF KRS 278.300 AND)
807 KAR 5:001)**

** ** **** ***** **** ** **

RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

The Applicant, Adair County Water District d/b/a Columbia/Adair Utilities District ("Adair District"), by Counsel, files this Response to the July 1, 2020 Commission Staff's Second Request for Information set forth below.

The witness responsible for responding to all of the questions is: Mr. Lenny Stone, General Manager, Adair County Water District d/b/a Columbia/Adair Utilities District.

Request No. 1. Refer to Adair District's response to Commission Staff's First Request for Information (Staff's First Request), Item 1.a., in which Adair District states that the amount of water used for system flushing is "determined by metering the water that is flushed through the master meters" and that water loss due to line breaks is "determined using the same way - the master meters are read daily and we subtract any flushing that may have occurred and determine how much would be attributed to any line breaks."

(a). State whether Adair District determines its water used for flushing by metering it separately, with a separate meter that only measures the water used for flushing, each time that it engages in flushing or whether Adair District determines the amount used for flushing by measuring the flow through the master meter.

Response No. 1(a). We measure the flow through the master meter.

Request No. 1(b). If Adair District determines the amount of water used for flushing by measuring the flushing with a separate meter, explain in greater detail how Adair District then uses that information to determine the water attributable to line breaks.

Response No. 1(b). Not applicable.

Request No. 1(c). If Adair District determines the amount of water used for flushing by measuring the flow through a master meter, then provide an explanation of how Adair District distinguishes between water sold, water used for flushing, and water lost, including water attributable to line breaks.

Response No. 1(c). Water sold is measured by master meter readings. Water used for flushing is measured by reading the master meter; flushing the lines; and then re-reading the master meter. In some cases, we use a hydrant meter to measure water used. Water lost is water not used by customers or for flushing.

Request No. 1(d). Provide an explanation of why an amount for unaccounted-for-water is placed in line 20, under water use, and not on line 27, under water loss, of Adair District's 2018 Annual Report form, page 57.

Response No. 1(d). We use the spreadsheets previously filed with the Response to Initial Request to supply information to our Accountant who files our Annual Reports. The Accountant

fills out the information on page 57 of the Annual Report and puts such information in the appropriate lines.

Request No. 2. Refer to Adair District's response to Staff's First Request, Item 1.b.: the Excel file named 2010-2016_Yearly_Water_Loss_Totalsxlsx at Tab 2018. Provide a reconciliation of the 2018 totals for the columns titled leaks and unaccounted Loss with the water loss amounts reported in Adair District's 2018 annual report water statistics page 57.

Response No. 2. Leaks and unaccounted loss are determined by daily master meter readings minus any flushing and average daily customer usage.

Request No. 3. Identify and describe each circumstance under which the use of water by Adair District is considered to be "flushing" as that term is used in tabs 2016, 2017, 2018, and 2019 of the Excel file named 2010-2016_Yearly_Water_Loss_Totalsxlsx.xlsx produced in response to Staff's First Request, Item 1.

Response No. 3. Adair District flushes all main lines twice a year. We also flush lines after all service and main line leaks. We flush lines when we have complaints for bad tasting and odor problems from customers.

Request No. 4. State whether Adair District measures and documents water used for flushing contemporaneously as it engages in flushing, and if so, explain how. If Adair District does not measure and document it's flushing contemporaneously with the flushing, explain how it keeps track of the usage attributable to flushing for reporting purposes.

Response No. 4. Adair District measures water used contemporaneously as we engage in flushing. We read the master meter before and after flushing and sometimes use a hydrant meter to measure usage.

Request No. 5. Provide all documents for the years 2018 and 2019 in which Adair District recorded the water used for flushing that were prepared contemporaneously with the flushing activity.

Response No. 5. The 2018 and 2019 water loss reports are being filed with this Response.

Request No. 6. Explain why the volume of water used for flushing by Adair District varies so significantly from month to month, e.g., Adair District reported that it used over 12 million gallons for flushing in April, 2018, whereas it reported that it only used approximately 4.4 million gallons in April, 2019 and approximately 2 million gallons in August, 2019.

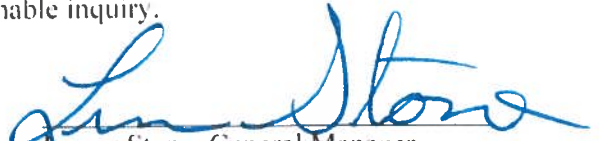
Response No. 6. Adair District merged with the City of Columbia utility system and began a process to replace their inadequate lines that had many issues with leaks and had never been repaired. We finished these projects in 2018 and these lines had to be filled and tested and refilled to check pressure. We also experienced algae bloom on Green River which provides our water source. We worked with our chemical supply company to alter the way chemicals are fed to combat the taste and odor problems. We had to drain and clean our basins during this situation on more than one occasion until the best combination of chemical feed was obtained.

Request No. 7. State whether Adair District contends that its water used for flushing in years 2016, 2017, 2018, and 2019 is high as compared to the water used for flushing by other similarly situated utilities water districts. If Adair District does not contend that its water used for flushing is high, explain why it does not believe so. If Adair District does contend that its water used for flushing is high as compared to other similarly situated utilities, explain why Adair District's water used for flushing is high.

Response No. 7. We do not monitor other water district's systems. We have had several projects during the years in question in which several main lines were replaced and upgraded. These lines were filled and pressure tested more than once. We also refurbished our Lindsey Wilson tank where the water was replaced in the tank several times.

Verification of Response to Commission Staff's Initial Request for Information

The undersigned, Lenny Stone, being duly sworn, deposes and states that he is the General Manager of the Adair County Water District d/b/a Columbia/Adair Utilities District and that he has personal knowledge of the matters set forth in the Responses for which he is identified as the witness, and the answers contained in said Responses are true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry.


Lenny Stone, General Manager
Adair County Water District d/b/a
Columbia/Adair Utilities District

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Lenny Stone, General Manager of the Adair County Water District d/b/a Columbia/Adair Utilities District, on this July 24, 2019.

My Commission expires: February 21, 2024.


NOTARY PUBLIC

KYNP3252
NOTARY PUBLIC ID Number

CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Adair County Water District d/b/a Columbia/Adair Utilities District's electronic filing of the foregoing 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 July 17, 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 within 30 days following the end of the state of emergency announced in Executive Order 2020-215, this Response in paper medium will be delivered to the offices of the Kentucky Public Service Commission in Frankfort, Kentucky.



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