

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF THE)
MCCREARY COUNTY WATER DISTRICT TO)
ISSUE SECURITIES IN THE APPROXIMATE)
PRINCIPLE AMOUNT OF \$1,702,000 FOR THE) CASE NO. 2020-00151
PURPOSE OF REFUNDING CERTAIN)
OUTSTANDING OBLIGATIONS OF THE)
DISTRICT AND REFINANCING OF A SHORT-)
TERM OBLIGATION PURSUANT TO THE)
PROVISIONS OF KRS 278.300 AND 807 KAR 5:001)**

**RESPONSE OF MCCREARY COUNTY WATER DISTRICT
TO COMMISSION STAFF'S REQUEST FOR INFORMATION
DATED JUNE 1, 2020**

McCreary County Water District submits its Response to Commission Staff's Request for Information dated June 1, 2020.

Dated: June 12, 2020

Respectfully submitted,



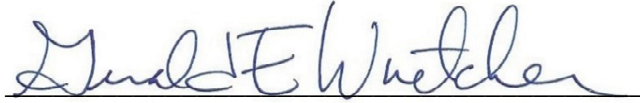
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Counsel for McCreary County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that McCreary County Water District's electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on June 12, 2020; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that 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 Public Service Commission.

A handwritten signature in blue ink, reading "Gerald E. Wetcher". The signature is written in a cursive style with a horizontal line underneath the name.

Counsel for McCreary County Water District

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RESPONSE OF
MCCREARY COUNTY WATER DISTRICT
TO
COMMISSION STAFF'S REQUEST FOR INFORMATION DATED JUNE 1, 2020

FILED: June 12, 2020

VERIFICATION

COMMONWEALTH OF KENTUCKY)

) SS:

COUNTY OF MCCREARY)

The undersigned, Stephen Whitaker, being duly sworn, deposes and states that he is the General Manager of McCreary County Water 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 therein are true and correct to the best of his information, knowledge and belief.

Stephen Whitaker
Stephen Whitaker

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12 day of June 2020.

Kathy Apple (SEAL)
Notary Public

My Commission Expires: 7/13/2022

Notary ID: 603026

MCCREARY COUNTY WATER DISTRICT

Response to Commission Staff's Request for Information Dated June 1, 2020 Case No. 2020-00151

Question No. 1

Responding Witness: Stephen Whitaker

Q-1. Refer to McCreary District's 2018 annual report, page 57, Line 12, Other Sales is listed as 97,382,000 gallons sold. Provide an explanation of the sales in this category. Include in the explanation the type of customers served and the rate these customers were charged

A-1. The "Other Sales" category includes sales to apartment buildings, schools, churches, government buildings and the U.S. Penitentiary McCreary. All customers except for US Penitentiary McCreary are assessed a minimum monthly rate of \$21.98, which includes the first 2,000 gallons of water, and a rate of \$7.29 per 1,000 for all monthly usage in excess of 2,000 gallons. US Penitentiary McCreary is assessed a minimum monthly rate of \$14,215.50, which includes the first 1,950,000 gallons of water, and a rate of \$7.29 per 1,000 for all monthly usage in excess of 1,950,000 gallons.

Please note that the 2018 Annual Report contains several reporting errors. McCreary County Water District intends to amend its 2018 Annual Report to correct these errors. For the correct entries, see Attachment A, page 1 of 6 of this Response.

MCCREARY COUNTY WATER DISTRICT

**Response to Commission Staff's Request for Information Dated June 1, 2020
Case No. 2020-00151**

Question No. 2

Responding Witness: Stephen Whitaker

Q-2. Refer to McCreary District's 2018 annual report, page 57. Line 21, Total Other Water Used is listed as 198,970,000 gallons, which equates to 30.19 percent of the water produced by McCreary District [footnote omitted].

- a. Provide a detailed explanation how the amounts were determined for each of the categories listed as Other Water Used.**
- b. Provide copies of all documents relied upon to support the amounts of water usage for each of the categories listed as Other Water Used.**
- c. In the event that any of the usage is estimated, provide the basis for the amount of the estimate.**

A-2. a. Utility/Water Treatment Plant: Usage is a combination of meter usage at each water treatment plant and an estimate of water usage for surface wash and chlorinators. Water usage for surface wash is estimated to be 2,000 gallons for each surface wash. Usage of plant chlorinators is based upon a formula that considers the diameter and length of chlorinator piping and piping pressure. See Attachment A.

Wastewater Plant: Water usage at the water treatment plant is metered.

System Flushing: A flow rate is determined by using pitot tube or gauge. An estimate of the amount of water used for each flushing is made based upon the flow rate and the time of the flushing.

Fire Department: This amount is obtained from monthly reports submitted to McCreary District by local fire departments.

Other: This category includes water usage related to contractor flushing, tank cleanings, and billing adjustments and is estimated.

- b. See Attachment A.
- c. See response to Question 2a.

Annual Water Use Report

Water Utility: McCreary County Water District

Year: 2018

LINE #	ITEM				GALLONS	%	
1	WATER PRODUCED or PURCHASED						
2	Water Produced	Plant A	126763180	Plant B	513229365	639,992,545 100.0%	
3	Water Purchased				0	0.0%	
4	TOTAL PRODUCED AND PURCHASED					639,992,545	
<hr/>							
WATER SOLD							
5	Residential				241,291,800	66.0%	
6	Commercial				20,270,500	5.5%	
7	Industrial				632,100	0.2%	
8	Bulk Loading Stations					0.0%	
9	Wholesale				0	0.0%	
10	Other Sales (explain)				103,618,700	28.3%	
<hr/>							
11	TOTAL WATER SOLD					365,813,100	57.2%
12	TOTAL WATER NOT SOLD					274,179,445	42.8%
<hr/>							
BREAKDOWN OF UNSOLD WATER USED							
13	Utility and/or Water Treatment Plant				172,774,188	27.0%	
14	Wastewater Plant				2,200,000	0.3%	
15	System Flushing				14,850,500	2.3%	
16	Fire Department				538,000	0.1%	
17	Other (explain)	<u>Contractor flushing, Adjustments, Tank Cleaning.</u>			8,607,000	1.3%	
<hr/>							
TOTAL UNSOLD WATER USED					198,969,688	31.1%	
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BREAKDOWN OF WATER LOST							
18	Tank Overflows					0.0%	
19	Line Breaks				6,651,000	1.0%	
20	Other Loss				68,558,757	10.7%	
<hr/>							
TOTAL UNSOLD WATER LOST					75,209,757	11.8%	
<hr/>							

"OTHER LOSS" FLOW RATE CALCULATION:		
21	"Other Loss"	68,558,757
22	% "Other Loss"	0
23	Number of Days in Period	365
24	"Other Loss" per Day (1,000's gallons per Day)	187,832
25	"Other Loss" per Minute (GPM)	130,439



This form approved by: EPPC/DEP/DOW, KY PSC, KRWA

Annual Water Use Report

Water Utility: McCreary County Water District

Year: 2018

Revised 6/12/20 5w

LINE #	ITEM		GALLONS	%
1	WATER PRODUCED or PURCHASED			
2	Water Produced	Plant A 127397965	Plant B 531716000	659,113,965 100.0%
3	Water Purchased			0 0.0%
4	TOTAL PRODUCED AND PURCHASED			659,113,965
WATER SOLD				
5	Residential		241,291,800	66.0%
6	Commercial		20,270,500	5.5%
7	Industrial		632,100	0.2%
8	Bulk Loading Stations			0.0%
9	Wholesale		0	0.0%
10	Other Sales (explain)		103,618,700	28.3%
11	TOTAL WATER SOLD			365,813,100 55.5%
12	TOTAL WATER NOT SOLD			293,300,865 44.5%
BREAKDOWN OF UNSOLD WATER USED				
13	Utility and/or Water Treatment Plant		172,774,188	26.2%
14	Wastewater Plant		2,200,000	0.3%
15	System Flushing		14,850,500	2.3%
16	Fire Department		538,000	0.1%
17	Other (explain)	Contractor flushing, Adjustments, Tank Cleaning.	8,607,000	1.3%
TOTAL UNSOLD WATER USED			198,969,688	30.2%
BREAKDOWN OF WATER LOST				
18	Tank Overflows			0.0%
19	Line Breaks		6,651,000	1.0%
20	Other Loss		87,680,177	13.3%
TOTAL UNSOLD WATER LOST			94,331,177	14.3%

"OTHER LOSS" FLOW RATE CALCULATION:

21	"Other Loss"	87,680,177
22	% "Other Loss"	0
23	Number of Days in Period	365
24	"Other Loss" per Day (1,000's gallons per Day)	240,220
25	"Other Loss" per Minute (GPM)	166,819



This form approved by: EPPC/DEP/DOW, KY PSC, KRWA

**McCreary County Water District
Plant A and B Water Report 2018**

	Plant A					Plant B				
	Total Production	Date	Daily Maximum Produce	No. BW	Backwash Total	Total Production	Date	Daily Maximum Produce	No. BW	Backwash Total
Jan	12,624,565	1/17	1,109,673	4	93,554	49,555,000	1/2	2,108,000	15	722000
Feb	12,514,385	2/12	1,293,576	6	88,323	35,179,000	2/23	1,925,000	7	418000
Mar	5,931,941	3/28	667,027	4	79,187	46,719,000	3/31	1,870,000	11	599000
Apr	3,783,882	4/10	336,659	2	79,294	46,738,000	4/16	1,895,000	10	611000
May	5,882,675	5/3	396,242	3	61,887	51,500,000	5/11	2,096,000	12	552000
Jun	7,660,919	6/30	1,118,477	1	15,301	49,081,000	6/16	2,172,000	10	460000
Jul	8,039,951	7/1	868,394	4	68,636	50,782,000	7/20	2,000,000	13	509000
Aug	6,152,308	8/9	597,731	4	82,220	50,160,000	8/1	1,887,000	11	545000
Sept	9,323,205	9/27	672,834	3	70,272	46,178,000	9/1	2,082,000	10	448000
Oct	7,666,338	10/22	1,264,151	3	90,441	48,806,000	10/1	2,055,000	12	637000
Nov	9,196,942	11/30	1,260,120	3	80,799	42,667,000	11/21	1,774,000	11	517000
Dec	38,620,854	12/3	1,276,441	17	480,474	14,351,000	12/2	790,000	3	127000
Totals	127,397,965			54	1,290,388	531,716,000			125	6145000
Total	127,397,965			54	1,290,388	531,716,000			125	6145000

Plant usage (chorinators) Plant A 1" pipe at 50 PSI to a length of 100' = 45gal/min

45gal/min x 1440 min/day = 64,800 gal-----64,800gal x 3 chorinators = 194400 gal

Plant usage (chorinators) Plant B 1" pipe at 50 PSI to a length of 100' = 45gal/min

45gal/min x 1440 min/day = 64,800 gal-----64,800gal x 5 chorinators = 324,000 gal

Surface wash was estimated at 2000gal per wash.

	Plant A			Surface		Plant B			Surface	
	chorinators useage	Days Oper	Days wash	No. BW	Basin Washout	chorinators useage	Days Oper	Days wash	No. BW	Basin Washout
Jan	5,054,400	26	8,000	4		10,044,000	31	30,000	15	
Feb	4,276,800	22	12,000	6		8,100,000	25	14,000	7	
Mar	3,499,200	18	8,000	4	2	10,044,000	31	22,000	11	4
Apr	2,527,200	13	4,000	2		9,720,000	30	20,000	10	
May	3,888,000	20	6,000	3		10,044,000	31	24,000	12	4
Jun	4,082,400	21	2,000	1		9,072,000	28	20,000	10	
Jul	5,054,400	26	8,000	4		10,044,000	31	26,000	13	4
Aug	4,082,400	21	8,000	4	2	10,044,000	31	22,000	11	
Sept	4,860,000	25	6,000	3		9,720,000	30	20,000	10	4
Oct	3,693,600	19	6,000	3		10,044,000	31	24,000	12	
Nov	3,888,000	20	6,000	3		9,396,000	29	22,000	11	
Dec	6,026,400	31	34,000	17		7,776,000	24	6,000	3	
Totals	50,932,800	262	108,000	54		114,048,000	12/17	250,000	125	

McCreary County Water District 2018 WATER ADJUSTMENTS

2018	GALLONS ADJUSTED
JAN	353,200
FEB	804,300
MAR	1,073,800
APR	196,000
MAY	256,100
JUN	176,400
JUL	174,100
AUG	348,600
SEPT	339,200
OCT	176,000
NOV	549,000
DEC	336,700
TOTAL	4,783,400

2018 WATER USAGE (IN GALLONS)

	Res.	Com.	Indust.	Other	Total
January	20,129,900	1,748,800	83,400	9,979,800	31,941,900
February	22,916,000	1,564,500	53,400	6,980,300	31,514,200
March	17,410,800	1,516,000	50,000	8,029,200	27,006,000
April	18,445,900	1,491,900	53,000	7,802,800	27,793,600
May	17,478,100	1,566,600	48,200	7,488,100	26,581,000
June	23,224,100	1,814,700	60,300	10,380,000	35,479,100
July	22,553,400	1,898,600	45,200	10,178,500	34,675,700
August	21,329,900	2,221,800	55,000	8,956,500	32,563,200
September	20,143,700	1,773,900	50,300	9,417,800	31,385,700
October	19,799,100	1,762,700	43,200	6,686,300	28,291,300
November	18,172,000	1,392,600	53,400	9,954,800	29,572,800
December	19,688,900	1,518,400	36,700	7,764,600	29,008,600
TOTAL	241,291,800	20,270,500	632,100	103,618,700	365,813,100

2018 WATER CUSTOMERS		Total
Res	Com	
January	5661	6154
February	5652	6147
March	5637	6129
April	5658	6149
May	5653	6145
June	5667	6160
July	5658	6153
August	5667	6160
September	5663	6161
October	5661	6156
November	5656	6149
December	5642	6133

	Plant A Production	Plant B Production	Res.	Com	Indust	Other Sales	Plant A water Used	Plant B Water Used	WWTP Water Used	System Flushing	Fire dept.	Other Adjusted	Line Breaks
Jan	11,538,594	48,742,520	20,129,900	1,748,800	83,400	9,979,800	5,155,954	10,796,000	100,000	1,337,000	56,000		640,500
Feb	10,737,821	34,083,480	22,916,000	1,564,500	53,400	6,980,300	4,377,123	8,532,000	100,000	201,000	46,000		287,000
Mar	5,801,770	45,517,820	17,410,800	1,516,000	50,000	8,029,200	3,586,387	10,665,000	100,000	1,267,000	9,000		688,000
Apr	3,758,015	45,345,250	18,445,900	1,491,900	53,000	7,802,800	2,610,494	10,351,000	100,000	1,180,000	44,000		276,000
May	5,655,568	49,764,710	17,478,100	1,566,600	48,200	7,488,100	3,955,887	10,620,000	100,000	898,500	38,500		511,500
Jun	7,849,955	46,803,350	23,224,100	1,814,700	60,300	10,380,000	4,099,701	9,552,000	100,000	1,665,000	70,000		869,000
Jul	7,954,084	48,470,920	22,553,400	1,898,600	45,200	10,178,500	5,131,036	10,579,000	100,000	492,000	18,000		554,500
Aug	6,082,478	48,121,865	21,329,900	2,221,800	55,000	8,956,500	4,172,620	10,611,000	100,000	2,380,000	39,000		600,000
Sept	8,927,995	44,252,630	20,143,700	1,773,900	50,300	9,417,800	4,936,272	10,188,000	100,000	1,293,000	17,000		440,000
Oct	7,678,275	46,735,450	19,799,100	1,762,700	43,200	6,686,300	3,790,041	10,705,000	100,000	1,353,000	63,000		420,500
Nov	12,416,372	41,400,930	18,172,000	1,392,600	53,400	9,954,800	3,974,799	9,935,000	100,000	1,447,000	27,000		1,294,000
Dec	38,362,253	13,990,440	19,688,900	1,518,400	36,700	7,764,600	6,540,874	7,909,000	100,000	1,337,000	34,500		70,000
										14,850,500			