

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

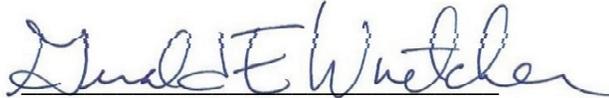
**ELECTRONIC HYDEN-LESLIE WATER)
DISTRICT'S UNACCOUNTED-FOR WATER) CASE NO. 2020-00340
LOSS REDUCTION PLAN, SURCHARGE AND)
MONITORING)**

**RESPONSE OF HYDEN-LESLIE COUNTY WATER DISTRICT
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Hyden-Leslie County Water District submits its Response to Commission Staff's First Request for Information.

Dated: May 29, 2024

Respectfully submitted,

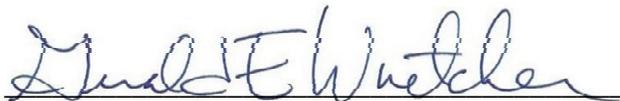


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CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on May 29, 2024; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



Counsel for Hyden-Leslie County Water District

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RESPONSE OF
HYDEN-LESLIE COUNTY WATER DISTRICT
TO
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FILED: May 29, 2024

HYDEN-LESLIE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Request for Information
Case No. 2020-00340**

Question No. 1

Responding Witness: L.J. Turner

- Q-1. Refer to the November 6, 2020 Order, which authorized Hyden-Leslie District to assess a monthly surcharge of \$1.53 per customer for 48 months, or until \$263,124 has been assessed, whichever occurs first, to fund its unaccounted-for water loss reduction efforts as set forth in Case No. 2020-00141 [Footnote omitted]. Provide the total amount of the surcharge that has been collected through the most recent billing cycle.**
- A-1. As of April 30, 2024, total amount billed is \$224,417.34 and the total amount collected is \$226,112.01.

HYDEN-LESLIE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Request for Information
Case No. 2020-00340**

Question No. 2

Responding Witness: L.J. Turner

Q-2. Provide the date or expected date on which Hyden-Leslie District will stop collecting the monthly surcharge.

A-2. Hyden-Leslie County Water District estimates that collection of the surcharge will cease as of the month of October 2024. It does not expect to have assessed \$263,124 in total surcharge fees by that date but will have assessed the unaccounted-for water loss reduction surcharge for forty-eight (48) months.

HYDEN-LESLIE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Request for Information
Case No. 2020-00340**

Question No. 3

Responding Witness: L.J. Turner

- Q-3. In a numbered list, provide all water loss reduction projects that have been started or completed since the collection of the surcharge began. Explain whether the water loss reduction projects are included in the Qualified Infrastructure Improvement Plan (QIIP) filed on March 20, 2021. Include any projects that have not been funded by the surcharge collections and explain how those projects were funded.**
- A-3. For purposes of responding to this question, Hyden-Leslie County Water District (“the District”) assumes that the question is referring to projects for which construction has commenced or equipment or facilities acquired or installed.

As of the date of this order, the District has not commenced nor completed construction of any project or made any major acquisition or installation of facilities or equipment designed to reduce unaccounted-for water. **Notwithstanding the lack of construction, the District had an unaccounted-for water loss of only 18.7 percent for calendar year 2023.**

The projects listed below are under development and are expected to produce reductions in the District’s unaccounted-for water.

Phase III Water System Improvements (WX21131011). This project includes the following installation of variable frequency drives (“VFD”) high service pumps at the District’s water treatment plant; replacement of pump stations at Muncy Creek, Hurts Creek (also known as Hurricane Creek), Essie, Owls Nest, and Wolfe Creek; rehabilitation of the 200,000-gallon Essie Tank; installation of water lines at Ash Lane and Leeco Road; and construction of new water pump stations at Leeco Road, at Middlefork Road, and at Ash Lane. Components of this project are included in the QIIP.

Total estimated project cost is \$3,220,000. Surcharge proceeds will not be used for this project. Funding for the project will be through grants from the following sources:

- Abandoned Mine Lands Grant: \$1,750,000
- Appalachian Regional Commission Grant: \$723,000
- Community Development Block Grant: \$1,000,000
- State Budget Appropriation (HB 303): \$2,500
- Local Government Economic Development Grant (Coal Severance): \$15,700

A full system hydraulic model of the District's system with the proposed improvements has been completed. The final design of the proposed improvements is in progress. The estimated completion date of this project is Fall 2025.

Water Line Replacement Phase 1 (WX21131012). This project involves (1) the replacement of twelve (12) miles of water main that has experienced recurring failures; (2) the replacement of two (2) booster pumping stations; (3) the retrofitting of five (5) booster pump stations with variable frequency drive pumps; and (4) the installation of ten (10) zone meters. Components of this project are included in the QIIP.

Total estimated project cost is \$3,892,380. No proceeds from the surcharge will be used for this project. It will be funded solely with grant funds from the following sources:

Cleaner Water Grant 21CWW231: \$181,372

Cleaner Water Grant 22CWW180: \$319,305

Kentucky Infrastructure Authority Loan F23-001: \$2,001,013 (100% forgiveness)

Federal Government Line-Item Appropriation: \$ 1,390,000

A full system hydraulic model of the District's system with the proposed improvements has been completed. The final design of the proposed improvements is in progress. The estimated completion date of this project is Fall 2025.

Meter Replacement Phases 1 and 2 (WX21131014 and WX21131015). These projects involve the purchase and installation of approximately 3,650 radio read meters to replace all the District's existing meters. Additionally, various master meters will be purchased and installed. Components of this project are included in the QIIP. Total estimated project cost is \$3,745,000. The District has yet to obtain a funding source for these projects. It is considering the use of surcharge proceeds to finance a portion of the project cost. The completion date for this project has not been determined.

Cutshin Water Line Replacement Phase 1 (WX21131019). This project is the first phase of a multi-phase project. It involves (1) the replacement of approximately 9,700 linear feet of exiting six-inch water main along Kentucky Highway 699; (2) the installation of approximately 14,300 linear feet of three-inch water main along Yeaddiss Road, Pigeonroost Road, and Right Fork Road; and (3) the installation of a small booster pump station along Pigeonroost Road and the installation of two pressure release valves along Kentucky Highway 699 to reduce pressure on the Kentucky Highway 699 water main. This project is expected to reduce existing high pressures in the Cutshin area and to increase the longevity of the water lines serving that area. It will improve service for approximately thirty-three (33) existing households and extend service to thirty-seven (37) households. This project was not included in the QIIP.

A full system hydraulic model of the District's system with the proposed project's improvements has been completed. The Division of Abandoned Mine Lands has approved the finalized scope of work. The final design of the proposed improvements is in progress. Total estimated project cost is \$2,500,000. An Abandoned Mine Lands Grant will fund the

total estimated project cost. The District has not expended any surcharge proceeds on this project and does not expect to do so. The completion date for this project has not been determined.

City Tank Replacement (WX21131004). This project involves the construction of a one-million-gallon water storage tank, the replacement of a valve vault, the installation of fencing and gates, and the addition and enhancement of system telemetry. Total estimated project cost is \$2,648,000. Funding has not been secured for this project. The District is considering the use of surcharge proceeds to finance a portion of the project cost. The completion date for this project has not been determined.

HYDEN-LESLIE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Request for Information
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Question No. 4

Responding Witness: L.J. Turner

- Q-4. For the projects listed in the response to Item 3, provide the following:**
- a. A detailed description of each project;**
 - b. The current status of each project;**
 - c. The total of any surcharge funds already spent on each project;**
 - d. The estimated amount of funds from the surcharge account needed to complete each project; and**
 - e. The estimated date of completion or the actual date of completion.**
- A-4. See response to Question No. 3.**