

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF)
LYON COUNTY WATER DISTRICT)
FOR CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)
TO REHABILITATE AND IMPROVE)
TWO LYON COUNTY WATER)
DISTRICT ELEVATED AND)
STANDPIPE WATER STORAGE)
TANKS TO IMPROVE A CREEK)
WATERLINE CROSSING ON)
KENTUCKY HIGHWAY 274)
AND TO UPGRADE AND) **CASE NO. 2023-00096**
REPLACE CERTAIN WATER)
SYSTEM LINES AND,)
AUTHORIZATION TO)
EXECUTE AN ASSISTANCE)
AGREEMENT WITH THE)
KENTUCKY INFRASTRUCTURE)
AUTHORITY, AND AUTHORIZATION)
TO DISBURSE SURCHARGE)
PROCEEDS)**

**RESPONSE OF LYON COUNTY WATER DISTRICT TO COMMISSION
STAFF'S FIRST REQUEST FOR INFORMATION**

Lyon County Water District submits its Response to the Commission's June 26, 2023 First Request for Information. These responses are the statements and observations of Mathew Blane, Superintendent of the Lyon County Water District, and Scott Brown, PE, Senior Civil Engineer, HDR, Inc., the Project Engineer.

1. State whether Lyons District considered any alternatives to the Jack Thomason Tank Rehabilitation project, and if so, identify each alternative and describe it in detail and explain why the proposed rehabilitation project was chosen over each alternative considered.

RESPONSE: After the project engineer completed its due diligence, the project engineer's conclusion and recommendation was that repair was significantly more cost effective than replacement.

The District and project engineer reviewed area cost information and Kentucky PSC case 2022-316 in analyzing the costs and benefits of repair compared to replacement of an elevated tank.

No alternatives were considered because the cost benefit analysis indicated it would be better to rehab/repair than to replace.

2. For each alternative to the Jack Thomason Tank Rehabilitation project considered, provide an itemized breakdown of the estimated capital costs of the alternative, an itemized breakdown of any incremental change (increase or decrease) in annual operating and maintenance expenses expected to arise from the alternative as compared to rehabilitation, and the expected useful life of the alternative project e.g. the expected useful life of the new tank if replacement was considered.

RESPONSE: The project engineer's analysis was not analyzed in such detail as to itemize the costs for each alternative. A general analysis clearly indicated replacement would not be as cost effective and would not benefit the District's customers as repairing the existing tank.

3. If no alternatives to the Jack Thomason Tank Rehabilitation project were evaluated, explain in detail why no alternatives were evaluated.

RESPONSE: See response to #2 above.

4. If replacement of the tank with a new tank was not considered as an alternative to the Jack Thomason Tank Rehabilitation project, explain in detail why that alternative was not considered.

RESPONSE: Replacement was considered. There is too much service life remaining in the tank to tear it down and replace it.

5. Identify when the Jack Thomason Tank was placed in service.

RESPONSE: It was completed February, 1997 and placed in service in March, 1997.

6. Provide the current expected useful life and remaining useful life of the Jack Thomason Tank, and what they will be after rehabilitation.

RESPONSE: If not rehabbed and repaired in the manner planned the estimated remaining useful life is three - five years.

With the anticipated rehab and repair contract project it is anticipated there will be a thirty year remaining useful life.

7. State whether Lyons District considered any alternatives to the Lamasco Tank Rehabilitation project, and if so, identify each alternative and describe it in detail and explain why the proposed rehabilitation project was chosen over each alternative considered.

RESPONSE: After the project engineer completed its due diligence, the project engineer's conclusion and recommendation was that repair was significantly more cost effective than replacement.

The District and project engineer reviewed area cost information and Kentucky PSC case 2022-316 in analyzing the costs and benefits of repair compared to replacement of an elevated tank.

No alternatives were considered because the cost benefit analysis indicated it would be better to rehab/repair than to replace.

8. For each alternative to the Lamasco Tank Rehabilitation project considered, provide an itemized breakdown of the estimated capital costs of the alternative, an itemized breakdown of any incremental change (increase or decrease) in annual operating and maintenance expenses expected to arise from the alternative as compared to rehabilitation, the expected useful life of the alternative project e.g. the expected useful life of the a new tank if replacement was considered, and explain how each of those items were estimated or determined.

RESPONSE: The project engineer's analysis was not analyzed in such detail as to itemize the costs for each alternative. A general analysis clearly indicated replacement would not be as cost effective and would not benefit the District's customers as repairing the existing tank.

9. If no alternatives to the Lamasco Tank Rehabilitation project were evaluated, explain in detail why no alternatives were evaluated.

RESPONSE: Replacement was considered. There is too much service life remaining in the tank to tear it down and replace it.

10. If replacement of the tank with a new tank was not considered as an alternative to the Lamasco Tank Rehabilitation project, explain in detail why that alternative was not considered.

RESPONSE: Replacement was considered. There is too much service life remaining in the tank to tear it down and replace it.

11. Identify when the Lamasco Tank was placed in service.

RESPONSE: It was completed in October 1984 and placed in service a few weeks thereafter.

12. Provide the current expected useful life and remaining useful life of the Lamasco Tank, and what they will be after rehabilitation.

RESPONSE: If not rehabbed and repaired in the manner planned the estimated remaining useful life is five - seven years.

With the anticipated rehab and repair contract project it is anticipated there will be a thirty year remaining useful life

13. State whether Lyons District considered any alternatives to the replacement of the waterline creek crossing at state Highway 272, and if so, identify each alternative and describe it in detail, and explain why the proposed project was chosen over each alternative considered. If no alternatives were considered, explain in detail why no alternatives were evaluated.

RESPONSE: No viable options as this is an exposed water main.

14. State whether Lyons District considered any alternatives to replacing the Indian Hills water line section, and if so, identify each alternative and describe it in detail, and explain why the proposed project was chosen over each alternative considered. If no alternatives were considered, explain in detail why no alternatives were evaluated.

RESPONSE: Due to the EPA's revised lead and copper rules (Lead and Copper Rule, 56 FR 26460 – 26564, June 7, 1991) the Lyon County District will be replacing all lead contaminated service lines in its service area.

No viable alternatives

15. State whether Lyons District considered any alternatives to replacing the Tinsley Creek Subdivision water line, and if so, identify each alternative and describe it in detail, and explain why the proposed project was chosen over each alternative considered. If no alternatives were considered, explain in detail why no alternatives were evaluated

RESPONSE: Tinsley Creek subdivision lines were installed using pipe of an inferior quality in a low grade area. This has resulted in numerous line breaks to be repaired at the cost of the District. The District has installed a pressure control device, but the inferior, aging, and structurally compromised pipe should be replaced with quality material pipe by a reputable contractor. Another factor the District considered in making the decision to replace this section of line is that it is presently two inch pipe.

16. State what criteria Lyons District will use in selecting a bid for each project.

RESPONSE: The project engineer considered and utilized: KRS 45A (Kentucky model procurement code). As required by KDW KRS 45A specifications were included in the bid documents.

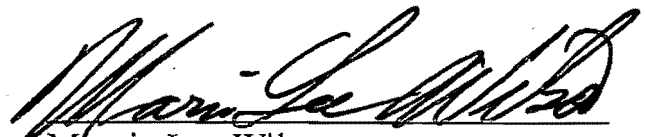
and

EJCDC C-200 Article 18 – specifications were also included in the bid documents.

DATED: July 5, 2023

RESPECTFULLY SUBMITTED,

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STATE OF KENTUCKY
COUNTY OF LYON

The undersigned, Charles D. Robertson, being duly sworn, deposes and states that he is the Chairman of the Lyon County Water District; that he has read these responses; that he was present at the time the responses were given by Mathew Blane, Superintendent of the Lyon County Water District, and Scott Brown, PE, the project engineer; that the responses are true to the best of his own knowledge and observation.

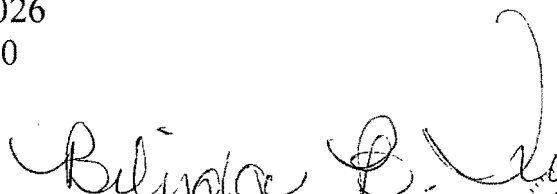
IN WITNESS WHEREOF, witness the signature of the undersigned on this the 5th day of July, 2023.



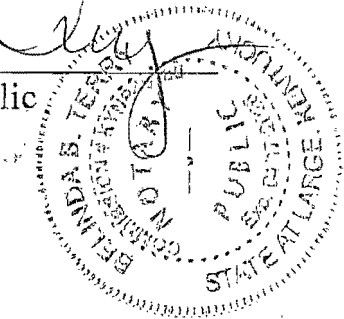
Charles D. Robertson
Chairman, Board of Commissioners
Lyon County Water District

Subscribed and sworn to before me by Charles D. Robertson in his capacity as Chairman of the Lyon County Water District this the 5th day of July, 2023.

My Commission expires: April 17, 2026
Commission ID number: KYNP48180



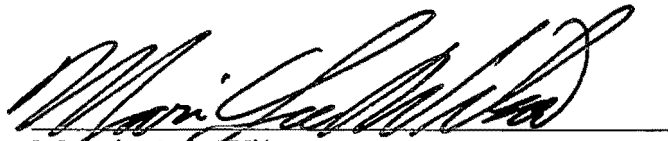
Belinda B. Terry, Notary Public



CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Lyon County District's electronic filing of this Response is a true and accurate copy of each paper filed in paper medium, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that the Response in paper medium will be delivered to the Public Service Commission by overnight delivery.

DATED this the 5th day of July, 2023.



Marvin Lee Wilson
Counsel for Lyon County Water District