COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BATH COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND FINANCE IMPROVEMENT PROJECTS PURSUANT TO 278.020 AMD 278.300	)))))	**CASE NO. 2023-00097**

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

Bath County Water District submits its Response to the Commission Staff's First Request for Information.

Date: May 12, 2023

Respectfully submitted,

Earl Rogers
Attorney for Bath County Water District
Campbell & Rogers
154 Flemingsburg Road
Morehead KY 40351

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FILED: May 12, 2023

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF WOODFORD)

The undersigned, James C. Thompson, P.E., being duly sworn, deposes and states that he is the Consulting Engineer for the Bath 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 herein are true and correct to the best of her information, knowledge, and belief.

James C. Thompson

James C. Thompson, P.E.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of May 2023.

(SEAL)
Notary Public

MARK SCOTT STEPHENS
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
COMMISSION # KYNP64424
MY COMMISSION EXPIRES February 1, 2027

My Commission Expires 02/01/2027

Notary ID #KYNP64424

VERIFICATION

STATE OF KENTUCKY)
)
COUNTY OF WOODFORD)

The undersigned, Holly Nicholas, being duly sworn, deposes and states that she is the Consultant to the Bath County Water District and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained herein are true and correct to the best of her information, knowledge, and belief.

Holly Nicholas

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of May 2023.

(SEAL)
Notary Public

MARK SCOTT STEPHENS
NOTARY PUBLIC
STATE AT LARGE
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BATH COUNTY WATER DISTRICT

RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

QUESTIONS 1-7, AND 9-12

RESPONDING WITNESS: James C. Thompson, P.E.

1. Refer to the Application, Exhibit B, Bid Tabulation. Provide the criteria that Bath District will use to evaluate the bids, including but not limited to cost.

ANSWER:

CONTRACT DOCUMENTS SECTION 00100

EJCDC® C-200, SUGGESTED INSTRUCTIONS TO BIDDERS FOR CONSTRUCTION CONTRACTS.

ARTICLE-19 EVALUATION OF BIDS AND AWARD OF CONTRACT

19.01 Owner reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. Owner will reject the Bid of any Bidder that Owner finds, after reasonable inquiry and evaluation, to not be responsible. If Bidder purports to add terms or conditions to its Bid, takes exception to any provision of the Bidding Documents, or attempts to alter the contents of the Contract Documents for purposes of the Bid, then the Owner will reject the Bid as nonresponsive; provided that Owner also reserves the right to waive all minor informalities not involving price, time, or changes in the Work.

19.02 If Owner awards the contract for the Work, such award shall be to the responsible Bidder submitting the lowest responsive Bid.

19.03 In evaluating Bids, Owner will consider whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices, and other data, as may be requested in the Bid Form or prior to the Notice of Award.

19.04 In evaluating whether a Bidder is responsible, Owner will consider the qualifications of the Bidder and may consider the qualifications and experience of Subcontractors and Suppliers proposed for those portions of the Work for which the identity of Subcontractors and Suppliers must be submitted as provided in the Bidding Documents.

19.05 Owner may conduct such investigations as Owner deems necessary to establish the responsibility, qualifications, and financial ability of Bidders and any proposed Subcontractors or Suppliers.

2. Provide the bid expiration date.

ANSWER: WEDNESDAY, MAY 17, 2023

3. Explain whether the new pump stations will decrease the number of hours each day the pump stations must run, and if so, whether that will allow for reasonable time to conduct preventative maintenance on those stations. If not, explain how necessary preventative maintenance on the pump stations will be performed.

ANSWER:

The Ore Mines Pump Station will be upgraded from pumping 1,200 gallon per minute to 1,500 gallon per minute and the Midland Station will increase from 1,000 gallon per minute to 1,500 so this extra pump capacity will enable both stations to decrease run times in a 24-hour period.

The increase pumping capacity along with the design to have redundancy as answered for question 6 below; will provide adequate time for shutdowns and maintenance as needed.

4. Explain how the new pump stations will assist with increased customer demand in the areas served by the pump stations.

ANSWER:

Currently, each station may run 20-24 hours per day during peak times. By increasing pumping capacity at each station, the stations will operate less hours per day. This will allow for an increase in demand over time; as demand increases run time can increase.

5. Explain whether customer demand in the areas served by the pump stations is expected to increase further, and if so, explain whether the new pump stations will be able to meet the increased customer, including whether the new pump stations will add capacity.

ANSWER:

The Midland and Ore Mines pump stations are critical facilities to the district's operation. Approximately 4,000 customers within the district and three wholesale customers (City of Owingsville, Sharpsburg Water District and The City of Frenchburg) are directly served through these stations.

The District met with the wholesale customers and each indicated they do not expect significant growth.

The pumps have been designed to maximize the capacity of the transmission main. Significant growth would require substantial upgrades to the distribution system. Without significant growth, these stations shall meet projected demands for many years by simply running more hours.

6. Explain whether the new pump station replacements will create redundancy for providing water to customers if the pump stations fail as compared to the current pump stations.

ANSWER:

Along with the increase pumping capacity each station is design to have redundancy which include pumps, controls, and valves that allows for pump maintenance on each pump without requiring system down time, since one pump can keep running while the other is serviced.

The pump stations redundancy also includes that each pump alternates between pumping cycle starts. This rotation between pump starts sustains an equal run-time between the pumps and their maintenance schedules. It also extends the life of each pump by preventing continuous operation.

7. Explain whether there will be interruption of water service to customers during the proposed projects, and if so, state what measures will be taken to provide adequate, efficient, and reasonable water service to customers during service interruptions.

ANSWER:

Provisions have been made so that no service interruption should occur.

The Midland Station will have a temporary pump to supply water during the modification. The piping inside the station needs to up sized, pumps and controls replace, this is achievable with the temporary pumping.

A new station will be built at the Ore Mine site. This will allow the old station to operate until the new station is completed with no service interruption.

The water customers are also served by water storage tanks that provide a buffer for any unforeseen disruption in service.

8. Explain whether Bath District will increase its rates to its customers as a result of the proposed project. ***See separate sheet.***

9. Describe the alternatives that were evaluated regarding the proposed water tank rehabilitation project, identify each alternative in detail, and explain why that alternative was not selected. If no alternatives were evaluated, explain in detail why no alternatives were evaluated.

ANSWER:

The three alternatives

- Leave as is (do nothing)
- Rehabilitations of tanks.
- Replace and rebuild new ground storages tanks.

Bath County Water District contracted with a tank inspection firm in April of 2021 to inspect each of their tanks, out of these reports the condition and any deficiency of each tank were documented. The Water District evaluate each tank to see if made economical sense to rehab or replace the tanks.

Bath Water does not have water storage capacity issues at the present time. With the condition of their existing storage tanks, rehabilitation was the most practical and cost-effective option.

10. Describe the alternatives that were evaluated regarding replacing the pump stations, identify each alternative in detail, and explain why that alternative was not selected. If no alternatives were evaluated, explain in detail why no alternatives were evaluated.

ANSWER:

Midland Water Pumping Station:

Alternative 1. Morehead Utility Plant Board:

The Morehead Utility Plant Board is in construction of a new regional water treatment plant. We contacted the Plant Board to see if the new plant's pumps could possibly replace the need for the Midland Station altogether. After hydraulically looking at that serrano, it was determined that it would not be possible to achieve the necessary flows and pressures.

Alternative 2. Replace Midland Station in new location:

This option is the most attractive and by far the most expensive. With property acquisition, construction of a new building, additional piping to serve the new station this option was not cost effective.

Alternative 3. Only upgrade pumps, controls, piping and minor upgrades to pump station building.

This was the preferred alternative. The Midland Pump Station building is in satisfactory condition with only minor repairs needed. Hydraulically the piping, pumps, and controls will need to be upgraded. With this alternative the station will require a temporary pump until the construction is completed. Rehabilitation and upgrade of existing pump stations will extend the service life and increase pumping capacity.

Ore Mines Pump Station:

Alternative 1. Do Nothing:

Doing nothing is not an option for the district. The internal piping is undersized for the current flow rate, this leads to frequent needed repairs to the piping and pumps. When piping repairs are necessary, the station can be inoperable during the repair. During peak times this station operates 24 hours per day so increasing the output is necessary.

Alternative 2. Replacing Station

Along with pumping water the Ore Mines Station serves as a chlorine booster point in the system. This station was installed in 2005 and the corrosive nature of the chlorine gas has taken a toll on the structure itself. This station is near the end of its useful life, the value of the structure may be little more than its salvage value.

The condition assessment was based upon hydraulics, visual inspection, age of the equipment/structure, known deficiencies, criticality, energy efficiency, and regulatory concerns. Updating and replacing the station with modern energy efficient equipment is the most economical and practical for the district.

11. Provide the current expected useful lives and remaining useful lives of the Ore Mines and Midland pump stations by plant account and provide the expected useful lives of the new pump stations.

ANSWER:

Years of Service Based on National Association of Regulatory Utility Commissioners (NARUC)

Uniform System of Account:
Plant Account Number 304 -Structures and Improvements
Plant Account Number 310- Power Generation Equipment (ORE MINES)
Plant Account Number 311-Pumping Equipment

	Expected useful lives Yrs.	Remaining useful lives Yrs.	Expected useful lives new station Yrs.
ORE MINES: Built 2005			
PUMPS, VALVES, PIPING	20	2	20
BUILDING	37	0	37
GENERATOR Installed 2017	25	19	19
MIDLAND: Built 1998			
BUILDING	37	12	
PUMPS, VALVES, PIPING	20	-5	20

12. Provide the current expected useful lives and remaining useful lives of the tanks Bath District proposes to rehabilitate and provide and explain the extent to which the rehabilitation projects are expected to extend the useful lives of each tank.

ANSWER:

Years of Service Based on National Association of Regulatory Utility Commissioners (NARUC)

Uniform System of Account: Plant Account Number 330

	YR. Built	Expected useful lives Yrs.	Remaining useful lives Yrs.	Expected useful life Extension Yrs.
SALT LICK TANK	**2005**	**30-60**	**27**	**20**
ORE MINES TANK	**1989**	**30-60**	**11**	**20**
OWINGSVILLE ELEVATED TANK	**1989**	**30-60**	**11**	**20**
PERRY ROAD TANK	**1989**	**30-60**	**11**	**20**
MEANS TANK	**2007**	**30-60**	**31**	**20**
OLYMPIA	**2008**	**30-60**	**30**	**20**

BATH COUNTY WATER DISTRICT TANK REHABILITATION SCHEDULE

SALT LICK GROUND STORAGE TANK (500,000 GALLON)	An interior SSPC SP 10 commercial blast, caulk all seams above water level, and paint shall be a 3 coat zinc/epoxy system. Exterior power wash at 3000 psi to remove loose debris, spot repair cleaning SP 3 power tool cleaning on all corrosion areas. Spot prime all cleaned areas with epoxy primer, paint with 3 coat zinc/epoxy system. Applying flexible sealant around base.
OWINGSVILLE ELEVATED MULTI-COLUMN TANK (100,000 GALLON)	AN interior SSPC SP 10 commercial blast, caulk all seams above water level, and paint shall be a 3 coat zinc/epoxy system. Exterior power wash at 3000 psi to remove loose debris, spot repair cleaning SP 3 power tool cleaning on all corrosion areas. Spot prime all cleaned areas with epoxy primer, paint with 3 coat zinc/epoxy system.

ORE MINES GROUND STORAGE TANK (250,000 GALLON)	An interior power wash at 3000 psi to remove all sediment and stains, spot repair cleaning SP 3 power tool cleaning on all corrosion areas and apply three (3) coat immersion grade epoxy system 15-20 mil DFT to all spots. Exterior power wash at 3000 psi to remove loose debris, spot repair cleaning SP 3 power tool cleaning on all corrosion areas. Spot prime all cleaned areas with epoxy primer, apply full coat of Urethane Mastic.
PERRY ROAD GROUND STORAGE TANK (100,000 GALLON)	An interior power wash at 3000 psi to remove all sediment and stains, spot repair cleaning SP 3 power tool cleaning on all corrosion areas and apply three (3) coat immersion grade epoxy system 15-20 mil DFT to all spots. Exterior power wash at 3000 psi to remove loose debris, spot repair cleaning SP 3 power tool cleaning on all corrosion areas. Spot prime all cleaned areas with epoxy primer, apply full coat of Urethane Mastic.
MEANS (GLASS LINED) GROUND STORAGE TANK (156,000 GALLON)	An interior power wash at 3000 psi to remove all sediment and stains as well as installing new sacrificial anodes per manufacturer recommendations.
OLYMPIA (GLASS LINED) GROUND STORAGE TANK (234,000 GALLON)	an interior power wash at 3000 psi to remove all sediment and stains as well as installing new sacrificial anodes per manufacturer recommendations. Exterior power wash at 3000 psi to remove mildew staining.

BATH COUNTY WATER DISTRICT

RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

QUESTIONS 8

RESPONDING WITNESS: Holly Nicholas

8. Explain whether Bath District will increase its rates to its customers as a result of the proposed project.

Answer:

The debt associated with the Kentucky Infrastructure Authority Fund B loan was included in the Alternative Rate Filing submitted to the Commission in December 2022 – Case No. 2022-00404. The District, in the Alternative Rate Filing has requested a rate increase in part because of the Fund B loan but also because of other increased costs.