

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF:**

**ELECTRONIC JOINT APPLICATION )  
OF HARDIN COUNTY WATER )  
DISTRICT No. 1 AND THE CITY OF )  
WEST POINT, KENTUCKY, FOR )  
APPROVAL OF ACQUISITION AND )  
TRANSFER OF CONTROL OF )  
WATER AND WASTEWATER )  
FACILITIES SERVING THE CITY OF )  
WEST POINT IN HARDIN COUNTY, )  
KENTUCKY )**

**Case No. 2023-00143**

**RESPONSE OF HARDIN COUNTY WATER DISTRICT, No. 1 AND THE  
CITY OF WEST POINT**

**TO**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

**DATED MAY 31, 2023**

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF:**

**ELECTRONIC JOINT APPLICATION )  
OF HARDIN COUNTY WATER )  
DISTRICT No. 1 AND THE CITY OF )  
WEST POINT, KENTUCKY, FOR )  
APPROVAL OF ACQUISITION AND )  
TRANSFER OF CONTROL OF )  
WATER AND WASTEWATER )  
FACILITIES SERVING THE CITY OF )  
WEST POINT IN HARDIN COUNTY, )  
KENTUCKY )**

**Case No. 2023-00143**

**RESPONSE OF JOINT APPLICANTS TO COMMISSION STAFF'S FIRST  
REQUEST FOR INFORMATION**

Come the Joint Applicants, Hardin County Water District No. 1 ("Hardin District") and the City of West Point ("City"), by and through counsel, for their Response to the Commission Staff's First Request for Information, and state as shown on the following pages.



---

Richard B. Shufelt, Attorney at Law  
SKEETERS, BENNETT, WILSON & HUMPHREY  
550 W. Lincoln Trail Blvd.  
Radcliff, KY 40160  
270-351-4404  
richard.shufelt@sbwhlaw  
*Attorney for Hardin County Water District No. 1*

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

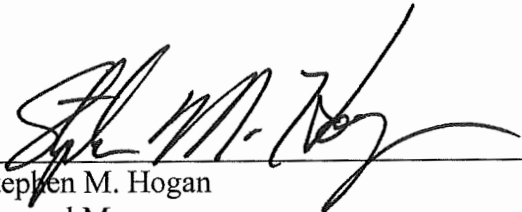
**IN THE MATTER OF:**

**ELECTRONIC JOINT APPLICATION )  
OF HARDIN COUNTY WATER )  
DISTRICT No. 1 AND THE CITY OF )  
WEST POINT, KENTUCKY, FOR )  
APPROVAL OF ACQUISITION AND )  
TRANSFER OF CONTROL OF )  
WATER AND WASTEWATER )  
FACILITIES SERVING THE CITY OF )  
WEST POINT IN HARDIN COUNTY, )  
KENTUCKY )**

**Case No. 2023-00143**

**CERTIFICATION OF RESPONSE OF JOINT APPLICANTS TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of the Joint Applicants' Response to the Commission Staff's First Request for Information. The responses submitted on behalf of the Joint Applicants are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

  
\_\_\_\_\_  
Stephen M. Hogan  
General Manager  
Hardin County Water District No. 1

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF:**

**ELECTRONIC JOINT APPLICATION )  
OF HARDIN COUNTY WATER )  
DISTRICT No. 1 AND THE CITY OF )  
WEST POINT, KENTUCKY, FOR )  
APPROVAL OF ACQUISITION AND )  
TRANSFER OF CONTROL OF )  
WATER AND WASTEWATER )  
FACILITIES SERVING THE CITY OF )  
WEST POINT IN HARDIN COUNTY, )  
KENTUCKY )**

**Case No. 2023-00143**

**CERTIFICATION OF RESPONSE OF JOINT APPLICANTS TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of the Joint Applicants' Response to the Commission Staff's First Request for Information. The responses submitted on behalf of the Joint Applicants are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



---

Richard Ciresi  
Mayor  
City of West Point

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 1

Responding Witness: Richard Ciresi, Mayor of the City of West Point

**Q-1. Provide minutes from the Westpoint City Council meeting during which the proposed merger was confirmed by the city council.**

A-1. See *Response 1 Exhibit* for the minutes dated June 2, 2023. Previous versions of the agreement had been approved as the process moved forward. The action on this date was to approve the final agreement.

## JOINT APPLICANTS

CASE NO. 2023-00143

### Response to Commission Staff's First Request for Information

#### Question No. 2

Responding Witness: Richard Ciresi, Mayor of the City of West Point

**Q-2. Explain the basis for Westpoint's decision to allow another utility to assume control of Westpoint's water and wastewater systems.**

A-2. *Public safety.* As exemplified by the agreed order attached as *Response 2 Exhibit* showing numerous NOV's, the city has not had the technical expertise, the funding, nor the proper facilities to maintain a safe, functioning sewer plant. Similarly, it became necessary to begin purchasing water from HCW1 several years ago to ensure safe drinking water.

*Shrinking Population.* The city's population has dropped considerably over the last sixteen years and currently has fewer than one thousand citizens and slightly less than four hundred utility served households. With such a small number of users the fees to support a water / sewer system would need to increase dramatically to achieve any level of success. HCW1 offers an economy of scale that will provide our citizens with a much higher quality service without a substantial increase in costs.

*Financial.* With the city's small tax base, particularly with the city's overall poverty rate of 33.09%, the city is unable to increase the fees required to operate a municipal water and sewer system successfully and safely. Additionally, the city does not have the personnel nor the

expertise to continuously pursue the grants necessary to maintain and provide the much-needed upgrades when necessary.

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 3

Responding Witness: Richard Ciresi, Mayor of the City of West Point

**Q-3. For the years 2020, 2021, 2022, and 2023 to the present day, list any notices of violation from the Kentucky Division of Water for Westpoint's water and wastewater systems.**

A-3. See *Response 3 Exhibit* as just one of the NOV's the city has received in the years requested as an example to reduce the volume of paperwork. All NOV's for the period are listed and highlighted on the Agreed Order previously cited as the *Response 2 Exhibit*.



**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 4

Responding Witness: Richard Ciresi, Mayor of the City of West Point

- Q-4. For the years 2020, 2021, 2022, and 2023 to the present day, list any agreed orders with the Kentucky Division of Water that Westpoint's water or wastewater systems are working under.**
- A-4. See the agreed order previously referenced Response 2 Exhibit with all the NOV's referenced therein as Exhibit A. Additionally the case closure notification is provided in *Response 4 Exhibit*.

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 5

Responding Witness: Justin Metz, Operations Manager

**Q-5. Explain whether Hardin District No. 1 will absorb Westpoint's current employees, or if Hardin District No. 1 will hire any new employees as a result of the proposed merger. If neither, provide an explanation and documentation to support that Hardin District No. 1 can absorb Westpoint's water and wastewater service without hiring any new employees.**

A-5. HCWD1 will not be hiring additional employees as a result of the proposed merger. The City of West Point does not have dedicated water or sewer system employees to consider for absorption as a result of the proposed merger.

HCWD1 has been supplying support for the City of West Point's water and sewer systems per a 2011 Agreement. See *Response 5 Exhibit - A*. The Agreement has been amended five times to date. See *Response 5 Exhibits - B through G*. As of December 20, 2022, at the request of the former Mayor, HCWD1 has been heavily involved in the daily operations of the West Point water and sewer systems. The new Mayor has chosen to continue to utilize HCWD1 for the daily operations of the West Point water and sewer system until completion of the transfer of both utilities to HCWD1. HCWD1 has provided the Certified Operators for the City of

West Point's water and sewer systems since 2018 when the City's one certified employee left for employment elsewhere.

HCWD1 has been providing the necessary staff, per the fees in our agreement, to operate the West Point water and sewer systems for the past five months. HCWD1 is confident we can continue to provide safe, reliable, quality and compliant operations going forward without additional staff.

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 6

Responding Witnesses: Scott Schmuck, CGFM, Finance and Accounting Manager;

Justin Metz, Operations Manager

**Q-6. KRS 278.020(6) requires the Commission to find that the person acquiring a utility that is subject to its jurisdiction possesses the financial, technical, and managerial abilities to provide reasonable service.**

**Q-6.a. Identity the employees who will manage and operate Westpoint's water and wastewater systems and describe each employee's qualifications to operate and manage a water distribution and wastewater systems.**

A-6.a. HCWD1 currently employees 39 certified operators through the KY Energy and Environment cabinet. 26 of those employees will be utilized on a regular basis to manage, operate and maintain the water and wastewater systems in the City of West Point. The certification details for each of the 26 employees is provided as *Response 6.a. Exhibit*.

Operations Manager – Justin Metz (Dist-IV, WWT-IV, Coll-IV) – Has been working with the City of West Point's leadership and wastewater system since 2015. He began working with the West Point water distribution system in 2018 when the City shut down its water plant and became a distribution only system, purchasing water from HCWD1. Justin will manage the

operations, maintenance and regulatory compliance for the City of West Point water and wastewater systems.

Engineering Manager – Daniel Clifford (Dist-IV, Coll-III) – Has been working with the City of West Point’s water system since 2017. He oversaw the design and construction of the wholesale meter connection for the City of West Point. Daniel will manage all future capital improvement projects for the water and wastewater systems that will take place in the City of West Point.

Wastewater System Supervisor – Kenny Horn (Dist-IV, WWT-IV, Coll-IV) – Has been collecting data and submitting the Discharge Monitoring Report (DMR) for the City of West Point’s KPDES permit KY0022152 since 2021. He has been overseeing the daily operations of the City of West Point wastewater treatment plant and lift stations since December 2022, via the District’s agreement with the City of West Point. Kenny will Supervise the daily operations at the West Point wastewater treatment plant to include process control testing and adjustments, sample collection, chemical feed adjustments, data recording, preventative maintenance, monthly DMR submittal, and utility locates. He will also Supervise the inspection, testing, and maintenance of the seven collection system lift stations.

Wastewater Treatment Plant Operators – Patrick Dant (WWT-IV), Jon Philip (WWT-IV-OIT), Curtis Board (WWT-III, Dist-I) – Have been conducting process control testing, changing sludge wasting rates, changing sludge return rates, adjusting dissolved oxygen levels, cleaning the bar screen, maintaining a daily log book, adjusting chemical feed set points, cleaning, collecting compliance samples and conducting all other duties as necessary to achieve permit compliance since December 2022 at the City of West Point wastewater

treatment plant. They conduct this same type of work at one of HCWD1's wastewater treatment plants. Their duties will continue in similar fashion for the foreseeable future.

Wastewater Collection System Operators – Bryan Flaughner (Coll-IV), Jason Johnson (Coll-III), Mike Shanahan (Coll-IV), Daniel Young (Coll-IV), Bill Bishop (Coll-IV, WWT-IV), Andy Alvarez (Coll-III), Stacy Miller (WWT-IV, Coll-III) –Have been inspecting, testing and assisting with maintenance and repair at the City of West Point's seven lift stations since December 2022. They conduct this same type of work for HCWD1's collection system lift stations. Their duties will continue in similar fashion for the foreseeable future.

Distribution System Supervisor – Jay Davis (Dist-IV) – Has conducted water main repairs, service line repairs, flushing and valve installation in the City of West Point as requested by their Mayor. He supervises all facets of water distribution system operations and maintenance for the District's water system from, metering reading, meter replacement, water main repair, service line repair, hydrant replacement, valve replacement, flushing, sampling, line locating, turn-ons & turn-offs, new tap installations, etc. Jay will supervise the meter reading, meter testing, leak repair, flushing, distribution system sample collection and all other duties as necessary for reliable and quality water utility operation in the City of West Point.

Distribution System Operators – Jerry McCoy (Dist-IV), Patrick Arnold (Dist-IV), Rick Barnes (Dist-IV), Mike Moseley (Dist-IV, WTP-IVA, WWT-I), Chris Probus (Dist-III), Jason Atcher (Coll-I), Adam Mattingly (Dist-IV), Justin Taylor (Dist-IV) – Have conducted leak repairs in the City of West Point's distribution system. They will conduct metering reading, meter replacement, water main repair, service line repair, hydrant replacement, valve replacement, flushing, sampling, line locating, turn-ons & turn-offs, new tap installations, and

all other duties as necessary for reliable and quality water utility operation in the City of West Point.

Maintenance Staff – David Burkhead (WTP-IVA, Dist-IV), Jeff Bush (Coll-I), Cole Davis –  
Have conducted electrical and mechanical repairs at the City of West Point’s WWTP and lift stations since 2015 as requested by the Mayor(s). They conduct this same type of work and a vast array of other maintenance and repair work for HCWD1’s water and wastewater systems. Their duties will continue in similar fashion for the foreseeable future.

Water Quality – Chris Gohman (WTP-IVA, Dist-IV, WWT-I), Daniel Linder (WTP-IVA, Dist-IV) – They have been recording data and submitting the City of West Point’s PWSID MOR since 2015. They have assisted the City of West Point with distribution system compliance sampling since 2015 to include daily chlorine residuals, monthly bacteriological samples, quarterly DBP samples, lead and copper sampling, etc. They have assisted with water quality complaints. They conduct this same type of work for HCWD1’s distribution systems and at one of HCWD1’s water treatment plants. Their duties will continue in similar fashion for the foreseeable future.

**Q-6.b. Describe Hardin District No. 1's financial ability and resources to manage and operate Westpoint's water distribution and wastewater systems, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.**

A-6.b. As of May 31, 2023, Hardin County Water District No. 1 has \$2,543,492 in unrestricted funds for the County Water System and \$9,111,411 of unrestricted funds on the Radcliff Sewer System per *Response 6.b Exhibit*. The District intends to use these funds and/or our Line of Credit to finance the West Point Acquisition. Further, there is the potential for the District to receive KIA Grant funding to finance the acquisition as well.

Currently, the District has Case No 2023-00144 pending before the PSC to increase its current Line of Credit from \$5,000,000 to \$10,000,000 to help finance this acquisition along with other Grant related projects.



**Q-6.c. Describe in detail Hardin District No. 1's management ability and resources to manage and operate Westpoint's water distribution and wastewater systems.**

A-6.c. HCWD1 was created in 1952. It was the first water district created in Kentucky. The District has grown and expanded its operations multiple times since its inception. In 2005 the District acquired the Fort Knox Wastewater and Stormwater utilities at Fort Knox through a Utility Privatization Agreement with the Army. This acquisition was approved by the PSC in an Order under Case No. 2004-00422. In 2008 the District acquired the Radcliff Wastewater Utility from the City of Radcliff. This acquisition was approved by the PSC in an Order under Case No. 2008-00074. In 2012 the District acquired the Fort Knox Water Utility through a Utility Privatization Agreement with the Army. This acquisition was approved by the PSC in an Order under Case No. 2011-00416.

Three of the District's Board of Commissioners have been on the Board prior to 2005 and have seen the District through each one of the aforementioned acquisitions. The other two Board members have been on the Board since 2013. The District's General Manager, Stephen Hogan P.E., has 19 years of experience in the water and wastewater utility industry spanning work in three states. The District's Finance and Accounting Manager, Scott Schmuck, is a Certified Governmental Financial Manager. He joined the District in 2009 and he has seen the District through much of its growth. The District's Engineering Manager, Daniel Clifford, has been with the District for 31 years and he has conducted a large number of capital improvement projects in each of the District's utilities. His work will flow over seamlessly to future utility improvements in West Point. The District's Operations Manager,

Justin Metz, is a Certified Safety Professional with 19 years of experience in the water and wastewater utility industry. He has worked alongside the West Point Mayor(s) since 2017, providing assistance and support as requested regarding the operations of the water and wastewater systems in the City of West Point, KY. Also, HCWD1 has a wealth of resources in its own certified water and wastewater professional staff discussed in the response to section 6. a. to allow it to manage and operate the City of West Point's water distribution and wastewater systems.

## JOINT APPLICANTS

CASE NO. 2023-00143

### Response to Commission Staff's First Request for Information

#### Question No. 7

Responding Witnesses: Richard Shufelt, Attorney for Hardin County Water District No. 1;

Scott Schmuck, CGFM, Finance and Accounting Manager;

Richard Ciresi, Mayor of the City of West Point (by reference to previous response)

**Q-7. KRS 278.020(7) states that, in order to approve the transfer, the Commission must find that the proposed transaction “is to be made in accordance with law, for a proper purpose and is consistent with the public interest.” Explain in detail how the proposed transaction to transfer Westpoint’s water distribution and wastewater systems to Hardin District No. 1 is in accordance with the law, for a proper purpose, and benefits the public.**

A-7. KRS 278.020 provides the statutory authority for a Commission regulated utility to request Commission approval to acquire the assets of a utility “furnishing utility service in this state.” KRS 278.020(7). Further, a Commission regulated utility is permitted to request Commission approval for acquisition of a utility under the jurisdiction of the Commission, per KRS 278.020(6), or a utility not under the jurisdiction of the Commission, per KRS 278.020(1)(a). By the terms set forth in the Joint Application filed on May 5, 2023, and the Amended Joint Application Filed on May 31, 2023, the Joint Applicants seek approval of this transfer through either KRS 278.020(1)(a) or KRS 278.020(6). While Commission approval has

historically been deemed proper through a certificate of public convenience and necessity (CPCN), the Joint Applicants seek Commission approval, alternatively and/or additionally, if the City were deemed “under the jurisdiction of the Commission.”

The Joint Applicants have had a long-standing Consulting Services Agreement and various Amendments as previously referenced in *Response 5 Exhibits A – E*. Transferring ownership as opposed to continued use of Consulting Services Agreements would be both proper and benefit the public, as best stated by Mayor Ciresi in Response 2 and restated, *verbatim*, below:

***Public safety.*** As exemplified by the agreed order attached as *Response 2 Exhibit* showing numerous NOV’s, the city has not had the technical expertise, the funding, nor the proper facilities to maintain a safe, functioning sewer plant. Similarly, it became necessary to begin purchasing water from HCW1 several years ago to ensure safe drinking water.

***Shrinking Population.*** The city’s population has dropped considerably over the last sixteen years and currently has fewer than one thousand citizens and slightly less than four hundred utility served households. With such a small number of users the fees to support a water / sewer system would need to increase dramatically to achieve any level of success. HCW1 offers an economy of scale that will provide our citizens with a much higher quality service without a substantial increase in costs.

***Financial.*** With the city’s small tax base, particularly with the city’s overall poverty rate of 33.09%, the city is unable to increase the fees required to operate a municipal water and sewer system successfully and safely.

Additionally, the city does not have the personnel nor the expertise to continuously pursue the grants necessary to maintain and provide the much-needed upgrades when necessary.

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 8

Responding Witness: Scott Schmuck, CGFM, Finance and Accounting Manager

**Q-8. Provide the proposed journal entry that Hardin District No. 1 will use to record the transfer.**

A-8. See *Response 8 Exhibit* for the Hardin County Water District No. 1 purchase of the City of West Point's Water and Sewer Systems. The District hired Cannon & Cannon Engineers to value the West Point's water and sewer system. Cannon & Cannon's valuation came back at \$937,627. After negotiations were completed, a sale price of \$950,000 was agreed upon. The signed agreement between the District and the City was submitted in the original filing of Case No 2023-00143. The recording of the purchase and subsequent transactions are described in the following paragraphs.

After the payoff of the City's existing debt of approximately \$435,000 (amount subject to be different at closing date) to Rural Development and KIA at the day of closing, the estimated amount to finance is \$515,000. The Present Value of this note is calculated to be \$452,121.19. Therefore, total assets between the County Water Fund and Radcliff Sewer Fund is calculated to be \$887,121.19 (\$435,000 + \$452,121.19) per GASB 69. The corresponding journal entry to record the Purchase, Note Payable and Discount on Note Payable is as follows:

Dr County Water Mains	\$ 176,343.37		To Be Depreciated Over Life of Assets		
Dr Radcliff Sewer Mains	\$ 663,471.09		To Be Depreciated Over Life of Assets		
Dr Radcliff Sewer Lift Stations	\$ 47,306.72		To Be Depreciated Over Life of Assets		
Cr Note Payable - County Water		\$ 102,372.53	Pay Back Qtrly		
Cr Note Payable - Radcliff Sewer		\$ 412,627.47	Pay Back Qtrly		
Dr Discount on Note Payable - County Water	\$ 12,499.15		Amortized Over 3-Years/Qtrly		
Dr Discount on Note Payable - County Water	\$ 50,379.66		Amortized Over 3-Years/Qtrly		
Cr Cash - County Water		\$ 86,470.00	Pay Off West Point RD & KIA Loans - Estimated		
Cr Cash - Radcliff Sewer		\$ 348,530.00	Pay Off West Point RD & KIA Loans - Estimated		
	\$ 950,000.00	\$ 950,000.00			
<b>To Record Purchase of West Point Water/Sewer Systems</b>					

Per GASB 62, we have calculated the amount of Imputed Interest/Discount on Note Payable to be \$62,878.81 (\$515,000 estimated amount to finance less PV of \$452,121.19) at the incremental borrowing rate of 8.25% per HCWD1's The Cecilian Bank Line of Credit. This interest rate is actual as of May 4, 2023. Since this is the estimated annual interest rate, we have divided by four to calculate a quarterly imputed interest rate of 2.063%. The imputed interest will be recorded as a Debit to Interest Expense and a Credit to Discount on Notes Payable per Exhibit 8 as follows:

Dr Interest Expense - County Water	\$ 1,853.64		Will Divide by 3 to Record Mthly		
Dr Interest Expense - Radcliff Sewer	\$ 7,471.36		Will Divide by 3 to Record Mthly		
Cr Discount on Note Payable - County Water		\$ 1,853.64	Will Divide by 3 to Record Mthly		
Cr Discount on Note Payable - Radcliff Sewer		\$ 7,471.36	Will Divide by 3 to Record Mthly		
	\$ 9,325.00	\$ 9,325.00			
<b>To Record 1st Qtr Discount Amortization</b>					

Finally, the quarterly note payment of \$42,916.67 to West Point will be recorded as follows:

Dr Note Payable - County Water	\$ 8,531.04							
Dr Note Payable - Radcliff Sewer	\$ 34,385.62							
Cr Cash - Co Water		\$ 8,531.04	Cash Via Reserves/Line of Credit Draw or KIA Funded					
Cr Cash - Radcliff Sewer		\$ 34,385.62	Cash Via Reserves/Line of Credit Draw or KIA Funded					
	\$ 42,916.67	\$ 42,916.67						
<b>To Record Qtrly Note Payment</b>								

Our CPA firm, RFH, LLC has reviewed our entries and are in agreement.



**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 9

Responding Witness: Scott Schmuck, CGFM, Finance and Accounting Manager

**Q-9. Provide a copy of Hardin District No. 1's balance sheet, income statement, and statement of retained earnings for the fiscal year ending June 30, 2022.**

A-9. See attached *Response 9 Exhibits – A through F* for Hardin County Water District No. 1 Balance Sheet, Income Statement and Cash Flow Statements for the County Water Fund and Radcliff Sewer Fund as of December 31, 2022. The District is on a Calendar year, not a June 30<sup>th</sup> fiscal year. Since the Fort Knox Sewer Fund, Fort Knox Stormwater Fund nor the Fort Knox Water Fund will be affected by the West Point acquisition, they are not included.

## **JOINT APPLICANTS**

**CASE NO. 2023-00143**

### **Response to Commission Staff's First Request for Information**

Question No. 10

Responding Witness: Justin Metz, Operation Manager

**Q-10. Describe the internal standards and policies of Hardin District No. 1 regarding service reliability and quality of its water utility operations.**

A-10. HCWD1 has multiple water sources to ensure service reliability for our customers. HCWD1 can purchase water from the Louisville Water Company. The District's LWIC pump station has three pumps for redundancy. The pump station is designed to pump up to 3.0 MGD. This pump station also has a generator on site. In the event of a power outage the pump station is fully capable of providing water to our customers even during utility power outages.

The District also has two separate interconnects with Hardin County Water District No.2. One of these interconnects is specific to supplying the Whispering Hills pressure zone at approximately 0.38 MGD. The other interconnect can supply the rest of the system at approximately 2.8 MGD. Both of these interconnects are gravity fed.

The District also has the capability of purchasing water from the Fort Knox Water System at approximately 2.3 MGD. With the three completely separate utilities to purchase from, the District has a strong, redundant ability to make sure our customers always have reliable water service available.

The District currently has a project under construction to improve the reliability of the Pirtle Spring Water Treatment Plant. A 4<sup>th</sup> filter is being installed to allow the WTP to fully capitalize on the 3.1 MGD. This portion of the project should be completed by June 7, 2023. The District is also upgrading the Head of Rough raw water intake to allow us to maximize that raw water source when necessary. The upgraded intake at the Head of Rough will not increase the capacity of the Pirtle Spring Water Treatment Plant, but it gives the District more options on treatment- i.e. if water quality (WQ) is better at the Head of Rough than at the Pirtle Spring, operators will utilize the Head of Rough for better, easier, and cheaper treatment.

At the Pirtle Spring Water Treatment Plant, which is staffed and operated 24/7/365, there are specific goals and standards of WQ the operators follow and strive to achieve. See *Response 10 Exhibit – A*. With the plant being staffed 24/7, there is constant monitoring of the plant operations and distribution operations through our SCADA. Through our procedures, operators are required to input data at certain intervals- hourly, every 2 hours, every 4 hours, every 8 hours to ensure the operation of the plant and distribution system is satisfactory. Operators input this data on the operations daily log. Attached as *Response 10 Exhibit – B* is the daily log from 6/1/2023. The proper data is then automatically input into the Monthly Operating Report required by the Kentucky Division of Water (KY DOW). The instruments used by the staff at Pirtle Spring, are calibrated monthly in house and annually by professional services, for reliability of our sampling and WQ test results. These records of calibrations are kept on file at the facility. The District has not received a Notice of Violation from the KY DOW since 2007. This confirms the District's standard of ensuring all WQ sampling is performed, that all of the WQ is up to the KY DOW standard, and policies within the District

are performed by the District's staff which meet, and exceed, the requirements by the KY DOW. Attached as *Response 10 Exhibit – C* are the results of the last KY DOW Sanitary Survey. The last KY Microbiological Laboratory Audit Report showed no violations or deviations observed. See *Response 10 Exhibit – D*. The KY DOW has conducted on-site sanitary survey inspections in 2023, but the final reports were not available as of the date of this data request response.

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 11

Responding Witness: Justin Metz, Operation Manager

**Q-11. Provide all of Hardin District No. 1's written standards or policies related to service quality and reliability of water utility operations.**

A-11. See *Response 11 Exhibits – A - D* for the daily, weekly, and monthly operating procedures for the Pirtle Spring Water Treatment Plant operators to ensure WQ standards are met.

See *Response 11 Exhibit – E* for the goals for the Pirtle Spring Water Treatment Plant which is hanging in the operator's control room.

See *Response 11 Exhibit – F* for the 2023 compliance monitoring sampling schedule for the Hardin County Water District No.1. This ensures all required compliance sampling is performed.

See *Response 11 Exhibit – G* for the Pirtle Spring Water Treatment Plant "Ops Regulatory Concerns" SOP.

See *Response 11 Exhibit – H* for the instructional booklet for the operator's lab tests that are performed daily.

See *Response 11 Exhibit – I* for the Best Management Practices for the Pirtle Spring Water Treatment Plant.

See *Response 11 Exhibit – J* for the county distribution system’s Nitrification Plan SOP.

See *Response 11 Exhibit – K* for question 10 was an example of the operator’s daily log that is filled out every day by the operators. Attached is the information requirements for the daily log “Data entry in log”.

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's First Request for Information**

Question No. 12

Responding Witnesses: Scott Schmuck, CGFM, Finance and Accounting Manager

Stephanie Strange, Customer Service Supervisor

**Q-12. Provide in table format an analysis of the number and type of consumer complaints that Hardin District No. 1 received during the period from 2017 to 2022 and how such complaints were resolved.**

A-12. An analysis of the number, type and resolution for consumer complaints during the period of 2017 to 2022 is attached as *Response 12 Exhibit*.

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021, in Case No. 2020-00085, I certify that the Joint Applicants' electronic filing was electronically submitted to the Public Service Commission on June 9, 2023, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

SKEETERS, BENNETT, WILSON & HUMPHREY

By

RICHARD B. SHUFELT, Esq., ATTORNEY