

RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION

TO MCKINNEY WATER DISTRICT

Case No 2023-00194

The response is being prepared by Luther Galloway, AGE Engineering Service, Inc on behalf of the McKinney Water District for the response to the request for information on the unaccounted-for water loss reduction plan, and related surcharge expenditures and monitoring.

1. Refer to page 14 of the "Water Loss Investigation and Response" document filed in the proceeding on December 26, 2023. For the Mueller Meters listed under Year One-2024 on the Capital Opinion of Cost Water Loss Surcharge:

a. State where in the system the meters will be placed and whether McKinney District currently uses this meter model in its system;

ANSWER: Yes, Mueller 5/8x3/4 Model 420B is the current model and brand that McKinney Water District is using in its system. The meter cost is currently \$170 plus the electronics to make it auto-read is another \$110. Prices may change over time. The plan is to install the meters at the following locations by street name. The meter not already Mueller meters will be change in these areas regardless of age. Target areas in this phase will be the high water main pressure areas of Neal's Creek, Maywood and KY Hwy 698 South of Geneva.

Road Name	Approximated
	Number of meters
Neals Creek Meter Area	Total Meters in this area 475 Meters
Neal Creek Rd	78
US Hwy 27	91
Fairgrounds Rd	22
Sun Valley Rd	24
KY Hwy 1247	26
Maywood Rd	71
Others Roads in the area	<u>50</u>
Total	362
Petrey Check Meter Area	Total Meters in this area 336 Meters
KY Hwy 698	83
Elixer Springs Rd	9
Mocasin Rd	15
KY Hwy 1778	53
Sims Rd	17
Happy Hollow Rd	11
Brown Hollow Rd	19
Rube Brown Rd	18
Other Roads in area	<u>40</u>
Total	246

Change out of meters in these areas will go into Year 2 of the project. The above list is not inclusive all roads and meters in the areas. All meters in these areas will be upgraded as time and funds permit to the new automated reading system.

b. State whether the meters will be installed by McKinney Water District

employees or outside contractors:

ANSWER: The meters will be stalled by McKinney Water District employees.

c. State whether the \$57,500 cost includes the cost to install the meters;

ANSWER: The cost DOES NOT include installation cost.

d. *If the Cost to install was not included in the cost estimate, provide an estimated cost to install the meters.*

ANSWER: The cost to install the meters is \$ 170.00 per meter for a total cost in this line of \$39,100.00 the first year.

2. *Refer to page 14 of the "Water Loss Investigation and Response" document filed in the proceeding on December 26, 2023. For the "Pits for ultrasonic meter" listed under Year One-2024 on the Capital Opinion of Cost Water Loss Surcharge:*

a. *State whether the \$25,000 provided is an estimate of labor cost to install the pits or whether it include other items or labor;*

ANSWER: The cost includes the cost of the meter vault, meter lid, gravel fill required for foundation, and equipment for excavation and installation of vault.

b. *State whether labor will be provided by McKinney Water District employees or outside contractors:*

ANSWER: The installation will require both McKinney Water District employees and outside contractors and equipment to complete this installation.

c. *State where the meter pits will be located in the McKinney District's system.*

ANSWER: Following is a list of proposed locations. However this may not be a complete list since additional location may be required during analysis of system leak profile and isolation testing. Locations will be installed as funds permit.

#	Pit Location	Lat	Long
1	KY Hwy 698 @ Neals Cr School Rd	37.490612 ⁰	-84.667234 ⁰
2	Berry Hollow Rd At Neals Cr Rd	37.489507 ⁰	-84.659669 ⁰
3	US Hwy 27 at Pine Oak Hill Rd	37.476075 ⁰	-84.640821 ⁰
4	Maywood Rd at Ky Hwy 1247	37.484392 ⁰	-84.630399 ⁰
5	Norris Rd at Mt Salem Rd	37.422465 ⁰	-84.808265 ⁰
6	KY Hwy 198 at Ky Hwy 698	37.391546 ⁰	-84.807997 ⁰

3. Refer to page 14 of the "Water Loss Investigation and Response" document filed in the proceeding on December 26, 2023. For the meter maps listed under Year One-2024 on the Capital Opinion of Cost Water Loss Surcharge:

a. Provide an explanation for the \$3,500 cost estimate, including what labor or materials are included in the estimate;

ANSWER: The McKinney Water System has a wide area of service with sparsely scattered meters that are difficult to access and monitor. When the system goes to automated reading systems the meters pit will not be accessed by a person each month. It will be easy to lose the location of these meters thereby contributing to the water loss issues. The plan is to have the meter readers obtain a GPS location on each meter when taking meter readings. This will be done over time (as employee time permits). An outside contractor will reduce these coordinates to a mapping system or GIS for a permanent record and future reference.

b. State whether any labor will be provided by outside contractors or McKinney Water District employees;

ANSWER: The cost associated with this is to pay to an outside consultant for the cost of mapping or a GIS of the coordinate data collected.

4. Refer to page 10 of the "Water Loss Investigation and Response" document filed in the proceeding on December 26, 2023. For the Phase 1B Water Improvements Project:

a. State whether McKinney Water District anticipates applying to the Commission for a Certificate of Public Convenience and Necessity (CPCN) or financing approval for this project;

ANSWER: Yes, the District anticipates applying for a CPCN for the Phase 1B (WX 21137017) Project. It is our understanding that the Commission wants construction bids to review when considering CPCN requests.

b. If so, state when McKinney Water District anticipates filing its application:

ANSWER: We anticipate bidding the project in April 2024. The application will be filed as soon as the bids are received and appropriate filings can be prepared.

c. If no CPCN or financing application is anticipated, explain why not.

ANSWER; NOT APPLICABLE

5. Refer to page 4 of the "Water Loss Investigation and Response" document filed in the proceeding on December 26, 2023. For the planned construction project to purchase water from the City of Danville, Kentucky:

a. Explain whether this construction project is the same project referred to as Phase 1B on page 10 of the "Water Loss Investigation and Response" document;

ANSWER: No, This project is the Phase 1A (WX 21137053) construction project.

This project connects to the City of Danville to acquire additional water resources at a reduced price.

a. *State whether McKinney Water District anticipates applying to the Commission for a Certificate of Public Convenience and Necessity (CPCN) or financing approval for this project;*

ANSWER: Yes, the District anticipates applying for a CPCN. It is our understanding that the Commission wants construction bids to review when considering CPCN requests.

b. *If so, state when McKinney Water District anticipates filing its application:*

ANSWER: We anticipate bidding the project in April 2024. The application will be filed as soon as the bids are received and appropriate fillings can be prepared.

c. *If this project is not the same as Phase 1B and no CPCN or financing application is anticipated, explain why not.*

ANSWER; NOT APPLICABLE

6. *Refer to page 13 and Pages 17-19 of the "Water Loss Investigation and Response" document filed in the proceeding on December 26, 2023.*

a. *State whether McKinney Water District intends to use surcharge funds for Phase 2 and Phase 3 of this Water System Improvement Project.*

ANSWER: The Phase 2 Water Project NO LONGER EXISTS and has been rolled into the Phase 1B project at the request of KIA for financing purposes. No surcharge funds will be used in the Phase 1B project. The Phase 3 project is a project planned to meet the needs to the water system above and beyond the Surcharge Funds. It is anticipated the Surcharge funds will be insufficient to meet the targeted requirements of 15% water loss or less. The Phase 3 project is being planned to target the problem areas of the system that have been identified and will be identified. These include the addition of the new meters and reading system to an auto-read system, and the replacement of defective water tapping saddles in the Maywood area which will require outside contractors.

b. If McKinney Water District intends to use Surcharge funding for Phase 2 or Phase 3 describe the projects and associated costs.

ANSWER: Phase 2 no longer exists and is now Phase 1B. Surcharge funds will not be used for the Phase 1B project. The Phase 3 project is similar to the Proposed Surcharge Fund Project but in addition too.

For the items listed on Page 13 of the Opinion of Cost following is the expected funding breakdown:

Year One	Item Total	Phase 1B	Phase 3	Surcharge Funds
Check Meters	10,000	10,000		
Inline Flow Meters	70,000	70,000		
Pits for Ultrasonic Meter	25,000			25,000
Mueller Meters	125,000		67,500	57,500
Meter mapping	3,500			3,500
Flush Hydrant Meter	6,000			6,000

Year Two	Item Total	Phase 1B	Phase 3	Surcharge Funds
Check Meters	5,000			5,000
Automated Meter Reading	25,500			25,500
Mueller Meters	345,000		220,000	125,000
Service Line Replacement	400,000		400,000	
Year Three	Item Total	Phase 1B	Phase 3	Surcharge Funds
Mueller Meters	50,000			50,000
Automated Meter Reading	5,500			5,500
Valve Replacement	10,000			10,000
Year Four	Item Total	Phase 1B	Phase 3	Surcharge Funds
Mueller Meters	50,000			50,000
Totals				

7. Refer to page 13 and 14 of the “Water Loss Investigation and Response” document filed in the proceeding on December 26, 2023. For any expenses that will not be paid for using water loss surcharge funds, state the anticipated source and the amount of any known or anticipated funding.

ANSWER: Phase 1B (WX 21137017) funding:

KIA	\$ 2,078,317	Loan
ARC	\$ 500,000	
Local	\$ 62,436	
Lincoln County CWF	\$287,280	
CDBG	\$1,000,000	
TOTAL	\$3,928,033	

Phase 3 (WX 21137065) funding:

KIA	\$ 660,000	Anticipated
ARC	\$ 500,000	Anticipated
Local	\$ 300,000	Surcharge funding
TOTAL	\$1,460,000	

Certification:

I/we hereby certify that the information and estimates included in this document are, to the best of our knowledge based on information and belief formed after a reasonable inquiry, true and accurate, and that the plan as presented represents the intention of the Board of the McKinney Water District.



Preparer, Luther Galloway
AGE Engineering Services, Inc.



Chairman, Matt Rankin
McKinney Water District