

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC HENDERSON COUNTY WATER)	
DISTRICT UNACCOUNTED FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2023-00333
MONITORING)	

MOTION FOR AUTHORIZATION

Comes now Henderson County Water District. (“Henderson District”), by and through counsel, pursuant to 807 KAR 5:001, Section 4, and the Public Service Commission’s (“Commission”) Order of December 13, 2023, and other applicable law, and respectfully moves the Commission to authorize the expenditure of 1) \$40,000 to purchase and install gate valves to establish zones for leak detection; and 2) \$50,000 for a project to repair a large leak identified near the Highway 60 West pump station. In support of this motion, Henderson District respectfully states as follows:

1. By Order on December 13, 2023, the Commission approved an unaccounted-for water loss reduction surcharge for Henderson District and order Henderson District to file a Qualified Infrastructure Improvement Plan (QIIP) with the Commission.
2. Henderson District filed its QIIP in this matter on April 11, 2024, and filed a request for expenditure on June 20, 2024.
3. The Commission’s July 22, 2024 Order reviewed Henderson District’s requests for expenditure of surcharge funds for 1) the payment of leak detection services performed in May 2024, and 2) payment for the purchase of a portable valve exerciser.

4. The Commission ultimately approved the use of surcharge funds to pay for the two requests made by Henderson District, however ordered that the remaining projects listed in Henderson District's QIIP were continued for further discovery.

5. Henderson District respectfully requests the use of \$40,000 of the collected surcharge funds to purchase and install gate valves. The requested \$40,000 will not completely cover the cost of the valves, however, the amount will help Henderson District pay for the needed water loss detection equipment and further its goals in reducing water loss. Installing these valves will establish zones to divide the system into areas that are easily monitored. Henderson District has utilized resources from Kentucky Rural Water Association ("KRWA") and KRWA staff helped Henderson District design the zones, but the valves are needed to be installed in areas and replaced in some cases to effectuate the design and isolate leaks. By monitoring flow from zones and comparing monthly data with customer usage in the respective zones, Henderson District will be able to isolate leaks in the system.

6. Henderson District has contacted Jabo Supply Corp. to supply the materials and the best quote obtained for the cost of valves and materials needed is attached at Exhibit A-1. The estimate for the cost of replacement of 4 valves from SRT, LLC is attached as Exhibit A-2. The remainder of the estimate of the cost of the project includes variances for the quantity of materials required, labor and the potential use of contractors or leak detection equipment.

7. Henderson District respectfully requests the use of surcharge funds to reimburse the utility for the cost of supply valves for the leak detection plan. The project is in alignment with Henderson District's QIIP filed on June 20, 2024 and meets the standard set forth by the Commission for the use of surcharge funds to allow Henderson District to recover costs of its efforts in water leak detection and repair in order to reduce the increased expense and lost revenue

from unaccounted-for water loss.¹ Henderson District will file an accounting of the costs and reimbursements.

8. Additionally, a large leak has recently been discovered near the Highway 60 West pump station. Henderson District's practice and policy has been to utilize Kentucky 811 locates and dig to find and fix a leak of this type, however the location of the leak would require an unusually deep excavation of greater than 25 feet of a large area to locate the leak and the main line used in that area has been dated as installed in approximately 1967.² Therefore, Henderson District proposes to abandon the portion of the old 8 inch asbestos cement ("AC") main line that is buried and would require excavation. Henderson District's proposal is to run a new main line 4 feet deep and tie it on both sides of the pump station. A directional bore would tie in the 6-inch main across from this area following Jarboe Road. A map showing the location of the leak is attached as Exhibit B. The white X's show the location of the tie-ins on both sides of the pump station. A direct bury would tie in the customer's meter across the street. This project is estimated to cost \$25,000 in materials and additional \$25,000 to hire a contractor to help Henderson District with performing this work. The quotes obtained from Jabo Supply Corp. and SRT, LLC have been attached as Exhibit C-1 and C-2 respectively. Exhibit C-2 is an estimate for two-days of work on the repair.

¹ Case No. 2023-00101, *Electronic Application of Henderson County Water District for a Rate Adjustment Pursuant to 805 KAR 5:076* (Ky PSC Dec. 13, 2023) pp18-19.

² The property where the pump station is located was purchased with a deed restriction that the purchaser is required to use flowable fill to aid the water utility should it ever need to fix a leak. The purchaser used flowable fill and back filled the area but it was approximately 30 feet below the U.S. Highway 60 West roadway surface. Due to the size of the excavation required for the area, an engineer would be required for the project to merely locate the leak and then, once located, the main line is 57 years old. It is more economical to abandon the 8" AC main line that was installed in approximately 1967 and run a new main line that is 4 feet deep and tie it on both sides of the pump station. A directional bore would tie in the 6" main across from this area going down Jarboe road. A direct bury would also tie in the customers meter across the street.

9. Henderson District respectfully requests the Commission to approve the use of surcharge funds to reimburse Henderson District for the cost of materials, labor and contractors needed to accomplish fixing the leak identified near the Highway 60 West pump station. Henderson District will file an accounting of the costs and reimbursements. The Highway 60 West pump station leak repair is in alignment with the district's goals of identifying zones, performing leak detection and prioritizing fixing larger leaks. The leak is significant and repairing this leak in a timely manner is of the utmost importance.


10. Henderson District continues its efforts to address its water loss in a responsible and systematic approach using consultants to provide expertise in design and finance. Since January 2024, when the water district started collecting the water loss surcharge, the district has been cleaning out tanks and exercising valves. Those activities caused additional main breaks that the district has repaired. Henderson District's water loss amounts have continued to increase and is at 44% water loss for the year. Reducing water loss is the district's main objective.

11. Henderson District recently consulted with KRWA to review its finances and help determine the best options available to fund its water loss efforts and key to this effort is to use the surcharge funds available for projects like those described herein. Henderson District is also currently evaluating the amount of its surcharge in conjunction with efforts to seek grants and low interest loans available for larger scale projects.

WHEREFORE, on the basis of the foregoing, Henderson District respectfully requests that the Commission authorize the use of surcharge funds to reimburse Henderson District for 1) \$40,000 to purchase and install gate valves to establish zones for leak detection; and 2) \$50,000 to address a large leak identified near the Highway 60 West pump station.

Dated this 5th day of November, 2024.

Respectfully submitted,



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Counsel for Henderson County Water District

CERTIFICATE OF SERVICE

This is to certify that foregoing was submitted electronically to the Commission on November 5, 2024 and that there are no parties that have been excused from electronic filing. Pursuant to prior Commission orders, no paper copies of this filing will be submitted.



Counsel for Henderson County Water District

EXHIBIT A-1

JABO SUPPLY CORP.



Material Quotation for the Following Project.

Henderson County Water District
Valve Replacement

Bid Date:

Note:

Item	Qty.	Description	Unit Price	Total Price
4" gate valve				
	1	4" AVK series 45 gate valve MJ x MJ	\$ 760.48	\$ 760.48
	1	562s 2pc CI valve box, screw type	\$ 132.00	\$ 132.00
	2	4" Smith-Blair 421 top bolt coupling	\$ 226.87	\$ 453.73
	2	4" Megalug f/ IPS PVC	\$ 49.49	\$ 98.99
6" gate valve				
	1	6" AVK series 45 gate valve MJ x MJ	\$ 970.91	\$ 970.91
	1	562s 2pc CI valve box, screw type	\$ 132.00	\$ 132.00
	2	6" Smith-Blair 421 top bolt coupling	\$ 299.53	\$ 599.07
	2	6" Megalug f/ IPS PVC	\$ 61.96	\$ 123.93
8" gate valve				
	1	8" AVK series 45 gate valve MJ x MJ	\$ 1,544.99	\$ 1,544.99
	1	562s 2pc CI valve box, screw type	\$ 132.00	\$ 132.00
	2	8" Smith-Blair 421 top bolt coupling	\$ 339.21	\$ 678.43
	2	8" Megalug f/ IPS PVC	\$ 83.59	\$ 167.18
10" gate valve				
	1	10" AVK series 45 gate valve MJ x MJ	\$ 2,408.72	\$ 2,408.72
	1	562s 2pc CI valve box, screw type	\$ 132.00	\$ 132.00
	2	10" Smith-Blair 421 top bolt coupling	\$ 431.63	\$ 863.25
	2	10" Megalug f/ IPS PVC	\$ 145.54	\$ 291.08

Project Name

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* Contractor to Determine Quantities

This takeoff is for estimation purposes only. We do not guarantee this is all the material required for the job. This material is subject to code approval and any materials not approved are subject to requote.



EXHIBIT A-2

Estimate



6891 Wathen Lane
 Henderson, KY 42420
 2709521223
 srt digs@gmail.com

Date	Estimate #
11/4/2024	51

Name / Address
Henderson County Water District 655 S Main Street Henderson, KY 42420

Ship To
Henderson County Water District 655 S Main Street Henderson, KY 42420

Project

Description	Qty	Rate	Total
Replace 4 valves in HCWD system for isolation.		4,800.00	4,800.00
Sales Tax		6.00%	0.00
Total			\$4,800.00

EXHIBIT B

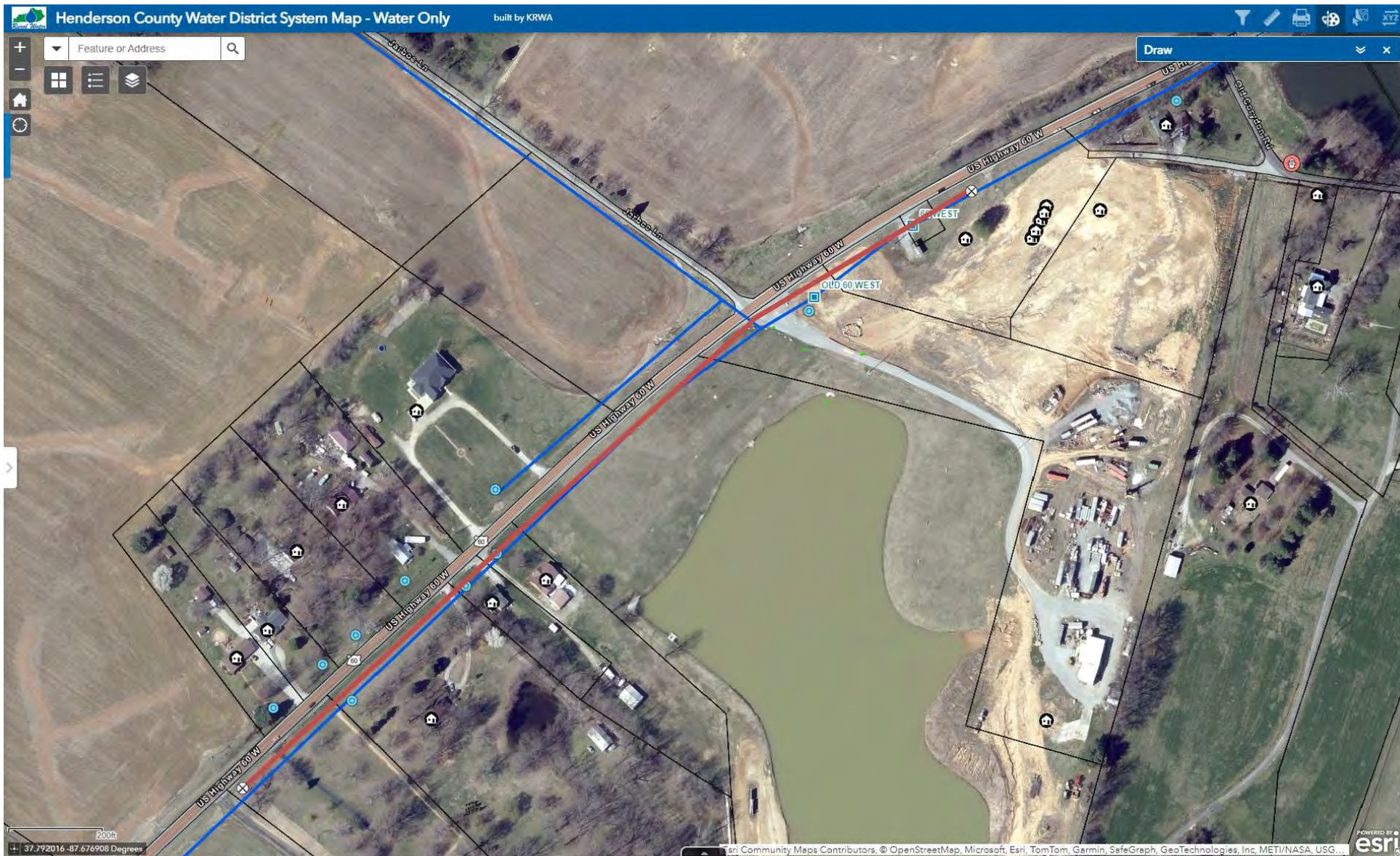


EXHIBIT C-1



JABO SUPPLY CORP.

Material Quotation for the Following Project.

Henderson County
60 West waterline extension

Bid Date:

Note: Import material quoted

Item	Qty.	Description	Unit Price	Total Price
	1,200	lf. 8" SDR21 IPS PVC pipe	\$ 14.08	\$ 16,897.96
	180	lf. 6" SDR21 IPS PVC pipe	\$ 8.37	\$ 1,506.12
	1	8" MJ solid sleeve long C153	\$ 164.66	\$ 164.66
	1	8x6 MJ tee C153	\$ 200.73	\$ 200.73
	1	8" AVK series 45 gate valve MJ x MJ	\$ 1,544.99	\$ 1,544.99
	1	6" AVK series 45 gate valve MJ x MJ	\$ 970.91	\$ 970.91
	1	8" Foster adapter	\$ 179.94	\$ 179.94
	1	6" Foster adapter	\$ 137.59	\$ 137.59
	6	8" Stargrip 4000P IPS	\$ 81.62	\$ 489.74
	1	6" MJ solid sleeve long C153	\$ 102.45	\$ 102.45
	3	6" Stargrip 4000P IPS	\$ 60.51	\$ 181.52
	2	8" Hymax2 flip coupling	\$ 416.75	\$ 833.49
	2	6" Hymax2 flip coupling	\$ 369.12	\$ 738.24
	2	8" Smith-Blair 421 top bolt coupling	\$ 363.44	\$ 726.89
	2	6" Smith-Blair 421 top bolt coupling	\$ 320.93	\$ 641.86
	40	lf. 12" x .250w CS casing pipe	\$ 36.25	\$ 1,450.00
	7	12 x 6 poly casing spacer, C&R	\$ 35.29	\$ 247.00
	2	12 x 6 wrap around end seal	\$ 80.80	\$ 161.60
	* Contractor to Determine Quantities			

This takeoff is for estimation purposes only. We do not guarantee this is all the material required for the job. This material is subject to code approval and any materials not approved are subject to requote.



EXHIBIT C-2

Estimate



6891 Wathen Lane
 Henderson, KY 42420
 2709521223
 srt digs@gmail.com

Date	Estimate #
10/30/2024	50

Name / Address
Henderson County Water District 655 S Main Street Henderson, KY 42420

Ship To
Henderson County Water District 655 S Main Street Henderson, KY 42420

Project

Description	Qty	Rate	Total
US Hwy 60 Leak in front of Frields Lake includes labor and boring, and welding of casing pipe (No Materials included, based on two 8hr day completion)		13,000.00	13,000.00
Sales Tax		6.00%	0.00
Total			\$13,000.00