

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

**In the Matter of:**

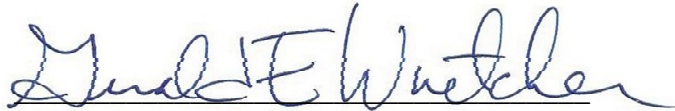
<b>ELECTRONIC MOUNTAIN WATER</b>	)	
<b>DISTRICT UNACCOUNTED-FOR</b>	)	
<b>WATER LOSS REDUCTION PLAN,</b>	)	<b>CASE NO. 2023-00351</b>
<b>SURCHARGE AND MONITORING</b>	)	

**RESPONSE OF MOUNTAIN WATER DISTRICT TO COMMISSION STAFF'S  
SECOND REQUEST FOR INFORMATION**

Mountain Water District submits its Response to Commission Staff's Second Request for Information.

Dated: April 11, 2025

Respectfully submitted,

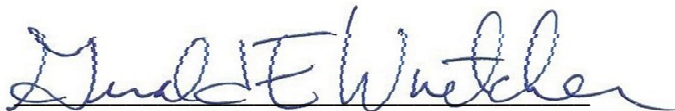


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**CERTIFICATE OF SERVICE**

In accordance with the Commission's Order of July 22, 2021, in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on April 11, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



*Counsel for Mountain Water District*



# MOUNTAIN WATER DISTRICT

## Response to Commission Staff's Second Request for Information Case No. 2023-00351

Question No. 2-1

Responding Witnesses: Tammy Olson

**Q2-1. Provide a list of the current leak detection equipment owned by Mountain [Water] District for which Mountain [Water] District is seeking to replace and provide the expected remaining useful life of each item.**

A2-1. The leak detection that Mountain Water District ("Mountain District" or "the District") currently owns and seeks to replace and the remaining useful life of such equipment is listed below.

- a. Mountain District does not own a valve exerciser.
- b. **Subsurface Ground Microphone.** Mountain Water District owns seven (7) sets. The useful life of each set is one to two years. Five (5) of the District's sets are five (5) or more years old. Two (2) of the seven (7) sets are between two (2) and three (3) years old.
- c. **LD-18 Digital Water Leak Detector.** The District owns one (1) LD-18 Detector. This type of detector has a useful service life of five (5) years. The District's unit is over eight (8) years old. It has an electric short and is in very poor working condition.
- d. **LD-12 Digital Water Leak Detector.** The District owns one (1) LD-12 Detector. This equipment has a useful life of five (5) years. The District's unit is more than eight (8) years old. It has a very limited battery life due to cracked screens and normal wear and tear.
- e. **Power Supply Unit & Cables.** Mountain District has four (4) power supply units for the Ultra Sonic flow Meter. Each has a useful service life of one year. Two (2) of the power supply unit are no longer functioning. The other two (2) units are more than one year old.
- f. **Subsurface Instruments Headphone for Leak Detector.** The District has seven (7) headphones. These headphones have a useful service life of one (1) to two (2) years. Each is five (5) years old. Several headphones have broken volume controls or have only one functioning speaker (instead of two).
- g. **Subsurface Digital Correlator.** The District owns only one (1) subsurface digital correlator. Its useful service life is five (5) years. The District's correlator is more than fifteen (15) years old, is unreliable, and frequently fails to properly function.
- h. **Ultrasonic Flow Meter.** The District has five (5) portable ultrasonic flow meters. The manufacturer of these devices warrants their operation for one (1) year. The

District, therefore, estimates these devices useful service life as one (1) year. Only one of these meters is working properly. Each meter is more than eight (8) years old.

# MOUNTAIN WATER DISTRICT

## Response to Commission Staff's Second Request for Information Case No. 2023-00351

Question No. 2-2

Responding Witness: Tammy Olson

**Q2-2. State whether there will be sufficient funds in the surcharge account to purchase the leak detection equipment after the other authorized expenditures.**

A2-2. The District will have sufficient funds in the surcharge account for the proposed purchase of the leak detection equipment in addition to the other authorized expenditures.

As of February 28, 2025, the District had \$326,841 in its Surcharge Account. (See Surcharge Deposit Summary filed March 25, 2025.) The District proposes to purchase \$100,676 for leak detection equipment and has received authorization to purchase \$194,000 for vehicles and related equipment. These proposed and authorized purchases total represent a total expenditure of \$294,676. If these expenditures occurred on February 28, 2025, approximately \$32,177 ( $\$326,841 - \$294,676$ ) would remain in the surcharge account for the wages and benefits of two additional leak detection employees.

In its Amended Qualified Water Infrastructure Improvement Plan, the District estimated the annual wage and benefit expense to employ two additional leak detection employees as \$90,480. On a monthly basis, this expense is \$7,540 ( $\$90,480 \div 12 \text{ months} = \$7,540$  per month). The remaining \$32,177 is equivalent to slightly more than four months of this expense ( $\$32,177 \div \$7,540 \text{ per month} = 4.27 \text{ months}$ ). Without any additional surcharge collections, the District currently has sufficient funds in the Surcharge Account to meet the additional employees' wage and benefit expense for **the first four months of their employment**. Based upon its monthly surcharge reports, the District is depositing approximately \$25,134.34 into the Surcharge Account monthly. At that rate, the District will have sufficient funds in the Surcharge Account to fund the wages for the two employees for the remainder of 2025 by April 30, 2025.

In short, the District has adequate cash flow from surcharge collections to finance the wages and benefits of the two additional leak detection employees and will not lack sufficient funds to meet its payment obligations to the employees even if the proposed and authorized purchases occur immediately.

# MOUNTAIN WATER DISTRICT

## Response to Commission Staff's Second Request for Information Case No. 2023-00351

Question No. 2-3

Responding Witness: Tammy Olson

### Q2-3. Explain the need for the requested quantity of each piece of leak detection equipment.

A2-3. See table below.

Item No.	Description	Quantity	Reason for Requested Quantity
1A	Valve Exerciser	1	The District does not own a valve exerciser. 807 KAR 5:006, Section 26(5)(b) requires the District to inspect its valves annually. Fast and efficient repairs of main and service line leaks require functioning isolation valves. Following a regular valve exercising program, documenting discovered issues, and making timely required repairs will ensure that isolation valves work when the District needs them to save time and effort in repairing water lines.
1B	Subsurface Ground Microphone	5	Replacement part for each newly purchased water leak detectors. The useful life for microphones is one year. The District currently lacks spare microphones as existing microphones are either not functioning or well beyond their useful service life.
1C	LD-18 Digital Water Leak Detector	6	The District's existing detectors are beyond their useful life. The proposed purchase will allow each 2-man crew to have a detector and enable the District's leak detection teams to cover a greater area in a shorter period.
1D	Power Supply Unit and Cables	5	Equipment will provide a power supply to each of the proposed four ultrasonic meters to be purchase and the District's existing working ultrasonic meter.
1E	Subsurface Instruments Headphone for Leak Detector	5	Each headphone set will be used with proposed LD-18 Detectors and will replace existing non-functioning headphone sets.

**MOUNTAIN WATER DISTRICT**

**Response to Commission Staff's Second Request for Information  
Case No. 2023-00351**

Question No. 2-3

Responding Witness: Tammy Olson

<b>Item No.</b>	<b>Description</b>	<b>Quantity</b>	<b>Reason for Requested Quantity</b>
1F	Subsurface Digital Correlator	1	The District's existing correlator is well beyond its existing useful service life, is unreliable, and frequently fails to function.
1G	Ultrasonic Flow Meter	4	Each meter will replace an existing meter that is at the end of its useful service life