

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF ALLEN COUNTY)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
CONSTRUCT A SYSTEM IMPROVEMENTS PROJECT)Case No. 2024-00118
AND AN ORDER AUTHORIZING THE ISSUANCE)
OF SECURITIES PURSUANT TO KRS 278.300)**

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RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

The Applicant, Allen County Water District ("Allen District"), by Counsel, files this Response to the July 3, 2024 Commission Staff's First Request for Information set forth below.

Request No. 1. Refer to Case No. 2020-00296, Application, Attachment 8, Asset Depreciation Short Report, page 2 of 8, Asset A/C#330 - Distribution Reservoirs & Stand. Identify which tank on the list is the Walkers Chapel Standpipe that is proposed to be replaced.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 1. The Walkers Chapel Tank identified in the above referenced document is the third tank described as 100W with Date Acquired of 06/30/1995.

Request No. 2. Provide the current book value for the Walkers Chapel Standpipe that is proposed to be replaced.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 2. Based upon the referenced Depreciation Short Report and utilizing the straight-line depreciation methodology, the current book value is \$187,935.68 at the end of the fiscal year 2023.

Request No. 3. Refer to the Application, Exhibit A, Project Necessity and Project Description. The Project description states that the existing glass lined standpipe has significant corrosion and is cycling excessively.

(a) Describe any previous planned or unplanned preventative maintenance, parts replacement, and repairs performed on the standpipe. Include dates and expenditures. In addition, identify and describe any instances of deferred maintenance on the standpipe and provide a discussion of the basis underlying the decisions to defer maintenance.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 3(a). Allen District conducted planned repairs on the Walkers Chapel Standpipe based upon tank inspections. Said tank repairs are listed in the Asset Depreciation Short Report, refer to Case No. 2020-00296, Application, Attachment 8, Asset Depreciation Short Report, page 2 Of 8, Asset A/C#330 - Distribution Reservoirs & Stand as Walkers Chapel Rehab Date Acquired 12/02/2014. The above referenced Asset Depreciation Short Report lists the rehab project costs to be \$70,189.35 The has been no deferred maintenance. Based upon past tank inspections, it was noted that the rehabilitation coating system was showing signs of premature failure. Subsequent tank inspections have shown signs of future failures.

(b) Describe in detail what "cycling excessively per KDOW requirements" means and how the replacement tank will address the issue. Explain whether the tank's current operation is out of compliance with any applicable regulations or statutes.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 3(b). The existing Walkers Chapel Standpipe tank is cycling between 5 to 10 times in a 72 hour period. Kentucky Division of Water Standards require cycling of a storage tank once per 72 hours, at a minimum. This significant variance is an indication that the tank is undersized for the current service area. The standpipe storage tank by design only utilizes approximately the top third of the storage volume with the additional two thirds being "structural water". "Structural Water" is a volume of water that must be maintained to provide adequate minimum pressures for the service area in a standpipe. The proposed new tank is an elevated tank that will provide adequate pressure once the fill pipe is full at the bottom of the storage bowl. The tank's current operation is not out of compliance with any regulations or statutes, but the tank is undersized based upon the tank cycling for the current customer base with the tank's service area. The proposed tank's volume has been increased to serve the current consumption and conservative consumption growth projections for the Walkers Chapel Pressure Zone.

Request No. 4. Refers to the Application, Project Necessity and Project Description. In the description, Allen District states that it intends to perform the site work itself.

(a) Provide an explanation of what tasks the site works will entail.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 4(a). The site work will include installing the water main from the existing water main along the existing access road to the new tank valve vault and connect to the tank fill water main. Site work will also include the placement of crushed stone and final grading of the site.

(b) Provide a breakdown of the projected cost of performing the site work with the inside labor, including projected overtime hours and cost of additional equipment rentals, supplemental insurance coverage, or other items.

Witness: Adam Nunn, Allen District General Manager

Response No. 4(b). Allen District owns all of the equipment necessary for the site work portion of the Project. No overtime hours are necessary. Allen District does not need additional insurance coverage, as the site work activities are consistent with current covered activities. Exhibit K of the Application lists the cost of the site work material at \$50,000.

(c) Explain whether Allen District's current employees are qualified to perform the site work required.

Witness: Adam Nunn, Allen District General Manager

Response No. 4(c). Allen District's employees are qualified to perform the site work required as it is the same tasks that such employees complete within the normal day-to-day activities.

Request No. 5. Refer to the Application, Exhibit K, Final Project Budget. State whether the scope of the telemetry work is the same between the Original Project as Bid and the Revised Project Scope. If not, explain the difference in the work being performed.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 5. The scope of the telemetry work is the same of the Original Project.

Request No. 6. Refer to the Application, Exhibit K, Final Project Budget. State whether the scope of the electric work is the same between the Original Project as Bid and the Revised Project Scope. If not, explain the difference in the work being performed.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 6. The scope of the electric work is the same as the Original Project.

Request No. 7. Refer to the Application, Exhibit K, Revised Project Scope. Explain what Allen District's plans are for the demolition of the existing Walkers Chapel Standpipe given the demolition costs were removed from the Project. Provide any projected costs.

Witness: Adam Nunn, Allen District General Manager

Response No. 7. Allen District is currently planning on demolition of the existing Walkers Chapel Standpipe once the Revised Project Scope has been completed. Allen District will solicit bids from contractors for the demolition once the tank has been removed from service. The estimated costs for the demolition are \$30,000. Allen District will utilize local funds for the demolition project expenses.

Verification of Response to Commission Staff's First Request for Information

The undersigned, Adam Nunn, states that he is the General Manager of the Allen 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 in said Responses are true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry.

A handwritten signature in black ink, appearing to read "Adam Nunn", is written over a horizontal line.

Adam Nunn, General Manager
Allen County Water District

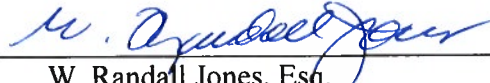
Verification of Response to Commission Staff's First Request for Information

The undersigned, Matthew R. Curtis, P.E., states that he is a registered professional engineer with the firm of Bluegrass Engineering, PLLC, 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 in said Responses are true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry.




Matthew R. Curtis, P.E.
Bluegrass Engineering, PLLC
Registered Professional
Engineer, State of Kentucky
No. 25,716

Respectfully Submitted,
Rubin & Hays

By 
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CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that the Allen County Water District's electronic filing of the foregoing Response is a true and accurate copy of the same document being electronically transmitted to the Kentucky Public Service Commission on July 12, 2024; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.


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