



OHIO COUNTY WATER DISTRICT

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July 12, 2024

Ms. Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: Case No. 2024-00127
Ohio County Water District
Request to Modify Expenses in ARF Application

Dear Ms. Bridwell:

Ohio County Water District has several organizational changes underway and requests to modify the expenses in the Alternative Rate Filing Application currently under consideration by Kentucky Public Service Commission in this case.

1. Create a new stand-alone Maintenance Department to bring these responsibilities in-house:

- Utility right-of-way and easement clearing
- Grounds maintenance at 19 District owned properties (mowing, spraying, string-trimming, tree removal, etc.)
- Sludge removal from lagoon ponds
- Pump rebuilds and repairs
- Emergency generator PMs
- Vibration analysis
- Improve reliability issues
- Run our preventive maintenance program software

The new Maintenance Department will be staffed with three positions as follows:

- A. Promote existing Maintenance Technician from Treatment Department to new role of Maintenance Manager in Maintenance Department, abolish Maintenance Technician in Treatment Department that was promoted to Maintenance Manager in Maintenance Department, and transfer previous responsibilities to Maintenance Department***

- Leads Maintenance Department performing jobs necessary to assist and care in the operational equipment of the Water Treatment Plant and the Distribution System along with all other District owned facilities
- Performs a variety of tasks regarding equipment reliability within the predictive, preventive, and corrective maintenance of the water treatment plant and related facilities equipment
- Will contribute to the success of the District with efficient reliability, focused maintenance and effective solutions to challenges that may arise
- Provide experience with troubleshooting pumps, motors, hydraulics, compressed air, high-speed rotational equipment, electronics (VFDs, PLCs, soft starts, etc.) and conveying equipment
- As the hands-on leader of a team of maintenance technician(s) and contractors, this position will plan and coordinate work schedules, projects, and equipment downtime per OCWD guidelines and policies.

| | | |
|------------------------------|-----------------------|------------------|
| Salaries and Wages | \$74,000 - \$55,000 = | \$ 19,000 |
| Pension | \$16,041 - \$15,000 = | \$ 1,041 |
| Non-Pension Benefits | \$32,000 - \$32,000 = | <u>\$ 0</u> |
| Total Additional Cost | | \$ 20,041 |

B. Hire two Maintenance Technicians for Maintenance Department

- Maintains, monitors, and repairs all District facilities and equipment
- Performs building, ground and lawn maintenance
- Performs maintenance, repair and operations of pumps, electric motors, automated control systems, and equipment at all District facilities
- Assists and monitors treatment plant and equipment, daily readings, sampling, testing and reporting
- Performs flushing and valve operation

| | | |
|------------------------------|----------------|-------------------|
| Salaries and Wages | \$55,000 X 2 = | \$ 110,000 |
| Pension | \$15,000 X 2 = | \$ 30,000 |
| Non-Pension Benefits | \$32,000 X 2 = | <u>\$ 64,000</u> |
| Total Additional Cost | | \$ 204,000 |

2. Increase capabilities of Distribution Department:

- Expedite new meter set time frame from 8-12 weeks
- Improve meter changeout frequencies
- Expedite work orders
- Have an additional person on-call rotation and who can respond to emergency repairs
- Perform remediation work currently completed by part time staff which would be eliminated

- Enable us to run two (2) three (3) man crews (crew 1 new meter sets, crew 2 leak repairs)

A. Promote existing Distribution Operator to Assistant Distribution Manager

- Performs general labor and maintenance duties related to the operations of the water distribution system; repairs line breaks
- Installs related to new water lines, meters, and appurtenances related to the water distribution systems
- Provides locate services; prepares and distributes customer notifications
- Performs water sampling, flushing, meter testing and monitors equipment as needed
- Supervises field staff in the absence of the Distribution Manager; provides oversight for on-site safety and safety equipment.

| | | |
|------------------------------|-----------------------|-----------------|
| Salaries and Wages | \$63,000 - \$55,000 = | \$ 8,000 |
| Pension | \$15,000 - \$15,000 = | \$ 0 |
| Non-Pension Benefits | \$32,000 - \$32,000 = | <u>\$ 0</u> |
| Total Additional Cost | | \$ 8,000 |

B. Hire one Distribution Operator for Distribution Department

- Performs general labor and maintenance duties related to the operations of the water distribution system
- Repair line breaks
- Installs related to new water lines, meters, and appurtenances related to the water distribution systems
- Provides locate services
- Prepares and distributes customer notifications
- Performs water sampling, flushing, meter testing and monitor equipment as needed

| | | |
|------------------------------|----------------|------------------|
| Salaries and Wages | \$55,000 X 1 = | \$ 55,000 |
| Pension | \$15,000 X 1 = | \$ 15,000 |
| Non-Pension Benefits | \$32,000 X 1 = | <u>\$ 32,000</u> |
| Total Additional Cost | | \$102,000 |

C. Eliminate Part Time Position

- Completes remediation work to be performed by new staff

| | | |
|---------------------------|----------------|-------------------|
| Salaries and Wages | \$30,000 X 1 = | (\$30,000) |
| Pension | \$ 0 X 1 = | (\$0) |
| Non-Pension Benefits | \$ 0 X 2 = | <u>(\$0)</u> |
| Total Reduced Cost | | (\$30,000) |

3. Participate in Call-Before-You-Dig Facilities Locating System

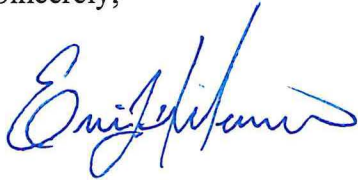
- District is joining the Kentucky 811 System
- Based upon previous year activity, they would have received 2,459 tickets at a \$1.50 each for an annual cost of \$3,688.50

| | |
|------------------------------|-----------------|
| Contractual Services | \$ 3,700 |
| Total Additional Cost | \$ 3,700 |

In summary, Ohio County Water District requests to modify the expenses in the Alternative Rate Filing Application currently under consideration by Kentucky Public Service Commission in this case as follows:

| | Salaries and Wages | Pension Benefits | Non-Pension Benefits | Contractual Services | Net Total Additional |
|--------------|--------------------|------------------|----------------------|----------------------|----------------------|
| 1.A. | \$ 19,000 | \$ 1,041 | \$ - | \$ - | \$ 20,041 |
| 1.B. | \$ 110,000 | \$ 30,000 | \$ 64,000 | \$ - | \$ 204,000 |
| 2.A. | \$ 8,000 | \$ - | \$ - | \$ - | \$ 8,000 |
| 2.B. | \$ 55,000 | \$ 15,000 | \$ 32,000 | \$ - | \$ 102,000 |
| 2.C. | \$ (30,000) | \$ - | \$ - | \$ - | \$ (30,000) |
| 3. | \$ 3,700 | \$ - | \$ - | \$ - | \$ 3,700 |
| Total | \$ 165,700 | \$ 46,041 | \$ 96,000 | \$ - | \$ 307,741 |

Sincerely,



Eric Hickman, P.E.
General Manager