Case No. 2025-00158
Commission Staff's First Request for Information to Lake Village Water Association, Inc.

Question 1. State the approximate age of the existing Ison Lane Standpipe, and its expected useful life.

Respondent: Mike D. Sanford

Response: The Ison Lane Standpipe was constructed in 1994 and is currently 31 years old. Upon completion of the proposed maintenance, the Lake Village Water Association expects that the standpipe can remain in service for 20 years before needing additional maintenance or replacement.

Question 2. Regarding the Ison Lane Standpipe Rehabilitation Project (Ison Standpipe Project), state why the paint chosen to be applied to the standpipe was selected, if any alternatives were considered, and why the alternatives were not selected.

Respondent: Mike D. Sanford

Response: The paint chosen for the interior coating was recommended by Currens Construction Service, LLC and is commonly used in glass lined tank applications. The proposed epoxy paint type was used on the original interior surface and has performed well for 31 years. Furthermore, the proposed epoxy type paint is the most economical option and eliminates the need for sandblasting the interior of the standpipe, eliminating the risk of fracturing the glass lining of the standpipe. No other alternative paint type was considered due to the seams of the entire interior being coated with an epoxy type paint.

Question 3. Regarding the Ison Standpipe Project, state why the bolts selected to replace the existing bolts in the standpipe were selected, if any alternatives were considered, and why the alternatives were not selected.

Respondent: Mike D. Sanford

Response: The galvanized steel bolts that were selected are the same type of bolts that were used in the original construction and are currently found throughout the entire standpipe structure. The proposed maintenance will consist of removing the bolts exhibiting corrosion and replacing them with new bolts and washers of the same size and material. No other bolt alternatives were considered.

Question 4. Refer to Lake Village Water Association's 2023 Annual Report on file with the Commission, page 57, which reports annual water loss of 20.7024 percent. State what percentage of reduction in annual water loss Lake Village Water expects by completing the Ison Standpipe Project.

Respondent: Mike D. Sanford

Response: The Ison Lane Standpipe does not contribute to the annual water loss percentage. The Ison Lane Standpipe does not leak.

Question 5. State whether Lake Village Water issued a request for proposals (RFP) for the Ison Lane Standpipe Project. If so, provide a copy of the RFP, the responses as well as the evaluation criteria, and results of the evaluation of the RFPs.

Respondent: Mike D. Sanford

Response: The Lake Village Water Association did not issue a Request for Proposals because the scope of work was routine maintenance and clearly evident by the CCTV footage provided from the recent tank inspection. The areas in need of maintenance to address the corrosion could be documented and provided to contractors for pricing.

Question 6. Explain why Currens Construction Services, LLC's bid was selected to perform the maintenance on the Ison Lane Standpipe and confirm whether any alternative bids were considered. If confirmed, provide a summary of the alternate bids.

Respondent: Mike D. Sanford

Response: The Advertisement to Bid was released to the public on February 6, 2025 with a deadline to submit bids of February 26, 2025. Three companies contacted the Lake Village Water Association for information about the project. CCTV footage and details about the standpipe design were shared. Currens Construction Services, LLC was the only respondent to the Advertisement to Bid. Currens Construction Services, LLC was selected because they have the expertise to perform the required maintenance on the standpipe and the bid that was prepared and submitted was less than the cost estimate.

Question 7. Provide a breakdown of the revenue requirement impact of the project including the following items:

a. Net operating expense increase or decrease by expense component;

b. If applicable, annual depreciation, including calculations, for each component for which there are different depreciation lives; and

c. Total of all items above.

Respondent: Mike D. Sanford

Response:

a. The project will not have an impact on the revenue requirement due to no impact on the Lake Village Water Association's operating expenses. There will be no increase or decrease in expenses to operate and maintain the standpipe as a result of completion of the project.

b. The project will have no impact on annual depreciation as the value of the tank will not be impacted by the maintenance being performed.

Question 8. Include a breakdown of the costs, by each component that reflects a different depreciation life, and provide the National Association of Regulatory Utility Commissioners (NARUC) depreciable life for each component.

Respondent: Mike D. Sanford

Response: The project scope does not consist of material modifications that would add or remove components to the standpipe. The proposed project is routine maintenance and there is no impact to depreciation.

Question 9. Refer to "Ison Lane Standpipe Currens Construction, LLC Bid," Item 3.05(B). State if the proposed drainage and cleaning of the tanks would result in any interruption of service to customers. If so, explain the extent, including number and duration of any service interruptions, as well as how Lake Village Water plans to minimize any interruption of water service related to the project.

Respondent: Mike D. Sanford

Response: The Ison Lane Standpipe project will require the standpipe to be empty. The water for the hydraulic zone in which the standpipe is located is supplied by the City of Harrodsburg and is isolated from the City of Danville purchase sources. During the period when the standpipe is empty, the distribution system will be valved to allow for water to be supplied to the hydraulic zone from the City of Harrodsburg and the City of Danville to ensure that pressure is maintained and the volume of water is available to meet the system demand. The Lake Village Water

Association does not anticipate an interruption of service for any customers while the maintenance is performed.

Question 10. Refer to the Application at 2, Paragraph 5.

a. Explain whether any of the funding components could be affected by federal funding freezes, Executive Orders, or other actions by other sources capable of affecting or rescinding the funding.
b. Explain how Lake Village Water would address any funding shortfalls or loss of funding.

Respondent: Mike D. Sanford

Response:

a. The Ison Lane Standpipe project is not federally funded therefore federal funding freezes, Executive Orders or other actions by other sources is not applicable. The project is funded by a Kentucky Infrastructure Authority Cleaner Water Program grant in the amount of $72,589. The only risk to funding being rescinded would be to not expend the funds by the Cleaner Water Program deadline of December 31, 2026.

b. The Lake Village Water Association does not anticipate a funding shortfall or loss of funding. The proposed maintenance on the standpipe will take 10-14 days and upon completion one draw will be made to the Kentucky Infrastructure Authority to compensate Currens Construction Services, LLC and to close out the grant. In the event that the project was not completed by the Cleaner Water Program deadline, the project would not be completed until another funding source was secured or plan was in place to utilize reserve funds to complete the project.

Question 11. Refer to Application at 3, Item 10. Confirm "the Association" providing a local contribution in the amount of $6,231 is Lake Village Water Association. If not confirmed provide a description of the "Association".

Respondent: Mike D. Sanford

Response: The "Association", referred to on Page 3, Item 10 is the Lake Village Water Association.

Question 12. Refer to the Application, Exhibit A, page 2 which states the total project cost as $100,000. Refer to the Application, Exhibit C which states the total project cost as $78,820. Reconcile the discrepancy.

Respondent: Mike D. Sanford

Response: Exhibit A is the Project Profile as found in the WRIS database and includes the cost estimate when the profile was generated. The Lake Village Water Association did not know the exact cost at the time that the Project Profile was generated and only had an estimated cost. Once the bid was received and the total cost was known, the Kentucky Infrastructure Authority Cleaner Water Program Budget Form was amended to reflect the exact cost of the project, based on the bid amount.

Question 13. Confirm that no material modifications are being made to the Ison Lane Standpipe. If not confirmed, explain the response.

Respondent: Mike D. Sanford

Response: No material modifications are needed to the Ison Lane Standpipe. The scope of work consists only of the recoating and bolt replacement to address corrosion along certain seams of the glass lining within the interior of the tank. The corrosion was discovered in a recent routine tank inspection.