

LAW OFFICES OF
STRATTON, HOGG & MADDOX, P.S.C.

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DAVID C. STRATTON
STEPHEN L. HOGG
DANIEL P. STRATTON

HENRY D. STRATTON (1925-1989)
F. BYRD HOGG (1922-1999)
H. EDWARD MADDOX(1946-2003)

April 9, 2009

RECEIVED
APR 10 2009
PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Kentucky Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602-0615

Re: Case No: 2008-00508

Dear Mr. Derouen:

Please find enclosed Mountain Water District's responses to your inquiries. Please accept Mountain Water District's apology for failing to respond by the March 27, 2009, deadline as we failed to notice the deadline listed in your correspondence. We respectfully request an extension to this deadline and your acceptance of the attached responses out of time.

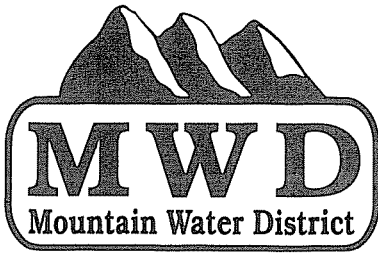
Should you have any questions, please feel free to contact me at the number listed above.

Sincerely,
Stratton, Hogg & Maddox, PSC



Daniel P. Stratton
email: dpstratton@setel.com

DPS/dsm
Enclosures



P. O. BOX 3157
PIKEVILLE, KY 41502
PHONE: (606) 631-9162
FAX: (606) 631-3087
TDD: (606) 631-3711

April 8, 2009

Jeff Derouen
Ky. Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Case No. 2008-00508

Dear Mr. Derouen,

Please find enclosed Mountain Water District's responses to your inquiries. I, Kevin Lowe, compiled all of the following responses. All responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry. Should you have any questions please contact me at 606-631-9162 extension 307.

Sincerely,

Kevin Lowe
Executive Assistant

Responses to Inquiries

1. State when Mountain Water District constructed its pressurized sewer system. If the sewer system was constructed in phases, describe each phase and state the date of construction of each phase.

The District's pressurized sewer system was constructed in phases as follows:

<u>Name</u>	<u>Description</u>	<u>Completion Date</u>
Phelps/Buskirk	912 Taps-238,836 FT Line	August 2006
Shelby Valley Phase I	192 Taps-61,000 FT Line	October 2006
Shelby Valley Phase II	240 Taps-99,000 FT Line	December 2006
Shelby Valley Phase III	62 Taps-22,000 FT Line	Still Under Construction
Virgie Sewer	160 Taps-45,000 FT Line	April 2005
Calloway Sewer	37 Taps-17,450 FT Line	January 2007
Forrest Hills Sewer Project	204 Taps-56,000 FT Line	August 2008
Smith Fork Sewer Project	155 Taps-48,180 FT Line	Still Under Construction

2. State the number of customers that Mountain Water District's pressurized sewer system currently serves.

The District currently has 1,998 customers on its pressurized sewer system.

3. State whether customers presently served through Mountain Water District's pressurized sewer system were assessed a tap-on fee when they originally connected. If yes, state the amount of this fee.

Present customers were assessed a tap-on fee of the actual cost for installation when they connected if they did not connect during the initial construction phase of a sewer project. Our current sewer tariff states that a 3/4" sewer tap is \$700.00 and all other size connections are at actual cost. None of our sewer customers have 3/4" taps. Therefore, all customers were charged what we have determined to be actual cost.

4. Describe how Mountain Water District determined the cost of a residential grinder station. Provide all invoices and cost estimates that Mountain Water District obtained in its efforts to determine the cost.

The cost of the residential grinder station itself was determined from the attached quote from Wascon Sales and Service. The price is \$1,600.00 per unit plus \$100.00 freight per unit for a total of \$1,700.00, which revises the originally submitted amount of \$1,800.00.

Other Parts needed to install the tap have increased in price since our original submission and include:

1-6"x1 1/2" Saddle	\$36.56
1-1 1/2" Corp Stop	\$98.73
2-1 1/2" Pack Joint x Male Adaptor	\$64.70
1-1 1/2" Check Valve	\$25.56
1-1 1/2" Closed Nipple	\$7.00
1-1 1/2" Full Port Ball Valve	\$31.60
1-1 1/4" PVC PJ x Male IP	\$31.78
50'-1 1/4" PE Pipe	\$43.50
1-Pressure Connect Box	\$38.45
1-Lid	\$11.24
1-8' Treated 4 x 4 Post For Control Box	<u>\$6.97</u>
Total Other Materials	\$396.09

See Attached Invoices

Labor and Equipment are simply an average of the employee time and travel distance need to perform the tap. We had failed to list any time of administrative work in our original submittal and would like to do that at this time.

Administrative would be the time it takes our office personnel to obtain and process the customers information including issuing work orders and filing the appropriate paper work.

Backhoe - \$28.00/Hr @ 5 Hours	\$140.00
Equipment Operator - \$13.01/hr @ 6 Hours + 40% Fringe	\$109.28
Utility Worker - \$11.51/hr @ 6 Hours + 40% Fringe	\$96.68
Supervisor - \$19.01/hr @ 4 Hours + 40% Fringe	\$106.46
Administrative - \$13.01/hr @ 1 1/2 Hours + 40% Fringe	\$27.32
Utility Truck - 20 miles @ \$0.585/Mile	\$11.70
Supervisor Truck - 20 miles @ \$0.585/Mile	<u>\$11.70</u>
Total Equipment & Labor	\$503.14

Total Materials, Labor, & Equipment \$2599.23

5. Provide the specifications for the service lateral that will connect a structure to the pressure main. Describe how Mountain Water District determined the cost of the service lateral.

See attached technical specifications document.

6. State whether Mountain Water District currently owns a backhoe. If yes, explain why such equipment could not be used for sewer connections.

Mountain Water District leases the backhoes used for sewer connections.

7. a. For each of the three positions identified in "Pressure Sewer Connection Fee Residential," state whether a utility employee will perform the duties of that position.

A utility employee will perform the duties of each of the three positions identified.

7. b. If a utility employee performs the work, explain why a "40 percent fringe rate" should be included in the connection fee.

The forty (40) percent fringe rate is part of what it costs to employ someone in each position. This includes the cost of health insurance and all other benefits. If for example, an employee's rate of pay is \$15.00, the cost per hour to employ that person is actually \$21.00 per hour when benefits are included. The District is a non profit entity and is only attempting to cover its cost of providing the service of installing a sewer tap.

Quotes for Grinder Unit & Other Materials

WASCON INCORPORATED

910 EAST MAIN STREET / LIVINGSTON, TN. 38570
PH: (931)823-1388/ FAX: (931)823-4924

Date: 04/01/09

Mountain Water District
P.O. Box 3157
Pikeville, KY. 41502

RE: Environment One Grinder Pump Pricing

Kevin,

Wascon is pleased to offer the following equipment for your consideration;

- 1- 30 x 60 E/One Fiberglass Simplex Station which consists of the following;
 - 1-30x60 Basin
 - 1-E/One Extreme Amgp
 - 1-Simplex Control Panel
 - 1-Associated Equipment

PRICING INFORMATION BELOW;

1 to 5 Units at a time would be \$1,600.00 Each
(5) Units and above at a time would be \$1,400.00 Each

Freight not included (Freight Estimate would be \$100.00 per station)
No Taxes Added to price if applies.
Bid Good Till December 31, 2009

CONSOLIDATED PIPE AND SUPPLY CO., INC.
CUSTOMER QUOTE

77 INDUSTRIAL DRIVE
DEBORD KY 41240

Quote Nbr: 054754 000
Quote Date: 4/06/2009

Page 1

0063 - BRIAN HANSEL
Phone: 606-298-0333
Fax: 606-298-0299
Toll Free: 866-350-4582

Job: PRESSURE SEWER CONNECT QUOTE

Good Until: 12/31/2009

Qty	Size/Wall/Description	Price	Extended Price
1.0	6X1-1/2 DBL STRAP SADDLE	36.56 EA	36.56
1.0	1-1/2 CORP STOP	98.73 EA	98.73
1.0	1-1/2 MIPXCTS CPLG	32.35 EA	32.35
1.0	1-1/2 BRASS CHECK VALVE	25.56 EA	25.56
1.0	1-1/2 BRASS BALL VALVE	31.60 EA	31.60
1.0	1-1/2XCLOSE BRASS NIPPLE	7.00 EA	7.00
1.0	1-1/4 PJ F/PVCXMIP CPLG	31.78 EA	31.78
500.0	1-1/4 IPS PE 3408 TUBING	0.87 FT	435.00
1.0	RECTANGULAR PRESSURE CONNECT BOX	38.45 EA	38.45
1.0	GREEN RECTANGULAR LID	11.24 EA	11.24

*****ALL PRICES INCLUDE SHIPPING COSTS TO CUSTOMER*****

*****ALL PRICES ARE GOOD FOR THE REMAINDER OF 2009*****

SINCERELY,

CUSTOMER QUOTE

Quote Nbr: 054754 000

Quote Date: 4/06/2009

Page 2

Qty	Size/Wall/Description	Price	Extended Price
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CONSOLIDATED PIPE & SUPPLY CO. INC.
1-866-350-4582

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Home Treated Lumber Area 1

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Pikeville, KY.

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Sort by: **Featured Items** | Price Low - High | Brand A - Z | Name A - Z

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By Category

Departments

Rooms

Brand

Various

4x4x8 TOP CHOICE TREATED

Item # 201596

\$6.97

4x4x7 #2 SOUTHERN YELLOW PINE TREATED

Item # 5268

4x4x10 #2 SOUTHERN YELLOW PINE TREATED

Item # 1467

\$9.97

4x4x12 #2 SOUTHERN YELLOW PINE TREATED

Item # 1763

\$12.97

Not Sold at Lowe's Of Pikeville, KY. Check nearby stores?

Explore Spring

By Theme

Outdoor Entertaining

Refresh Your Home

Spruce up Your Yard

Clean and Organize

Enhance Your Outdoor Space

Create a Backyard Play Area

4x4x14 #2 SOUTHERN YELLOW PINE TREATED

Item # 2605

4x4x16 #2 SOUTHERN YELLOW PINE TREATED

Item # 2690

\$16.97

4x6x8 #2 SOUTHERN YELLOW PINE TREATED

Item # 6118

4x6x10 #2 SOUTHERN YELLOW PINE TREATED

Item # 7561

\$14.97

Not Sold at Lowe's Of Pikeville, KY. Check nearby stores?

Not Sold at Lowe's Of Pikeville, KY. Check nearby stores?

4x6x12 #2 SOUTHERN YELLOW PINE TREATED

Item # 9438

\$19.97

4x6x14 #2 SOUTHERN YELLOW PINE TREATED

Item # 9627

Not Sold at Lowe's Of Pikeville, KY. Check nearby stores?

4x6x16 #2 SOUTHERN YELLOW PINE TREATED

Item # 12581

Limited Availability at Lowe's Of Pikeville, KY. Check nearby stores?

6x6x8 #2 SOUTHERN YELLOW PINE TREATED

Item # 2827

\$19.97

Sort by: **Featured Items** | Price Low - High | Brand A - Z | Name A - Z

Compare Selected Items

Viewing 37-48 of 67

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Pikeville, KY.

Product List | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67

Specifications for Service Lateral

13.3 GENERAL

13.3.1 Building Sewer
NONE

13.3.2 Pressurized Sewer Line

All polyethylene pipe and tubing furnished under these specifications shall conform to all applicable requirements of the latest revision of the following standards, unless otherwise specified herein;

- AWWA C-901: Specification for Polyethylene Pressure Pipe, Tubing, and Fittings, 1/2" through 3" for Water.
- ASTM D2239: Specification for Polyethylene (PE) Plastic Pipe (SIDR-PR) (Iron Pipe Size, Inside Diameter)
- ASTM D2737: Specification for Polyethylene (PE) Plastic Tubing (Copper Tube Size, Outside Diameter)
- ASTM D3350: Specification for Polyethylene Plastics Pipe and Fittings Materials.

NSF #13 and #61

13.4 MATERIALS

13.4.1 Building Sewer

PVC pipe and fittings shall be used for all gravity sanitary sewer laterals. The pipe shall be extruded from Type I, Grade 1, polyvinyl chloride material, designated as PVC 1120, meeting ASTM specifications D3034, Type PSM, with a standard dimension ratio of SDR 35.

13.4.2 Pressure Sewer Laterals

The pipe shall be Chevron Phillips Performance Pipe Series 5100 or approved equal. The laterals shall be of Iron Pipe Size (IPS) ID ASTM D2239.

Nominal Size	Outside Dimension	Approximate ID
1.25"	1.774	1.380

The pipe and fitting material shall have a classification number of 355434C in accordance with ASTM D3350. The pipe shall also have a pressure rating of 160 PSI. In addition, the material must exceed 1000 hours when tested in accordance with the Ring Environmental Stress Crack Resistance Test (Radar Ring Test) with fewer than 20% failures. Also, the extruded pipe shall have impact strengths greater than 15 ft# / in. at 32° Fahrenheit when tested in accordance with the (ASTM D256 Sharpie Impact Test). The material shall be of virgin quality. The pipe supplier shall provide a

virgin quality. The pipe supplier shall provide a representative to instruct the CONTRACTOR's crew on Butt Fusion and installation and witness the first twenty joints.

The pipe shall be homogeneous throughout and free of visible cracks, holes, foreign inclusions or other injurious defects. It shall be uniform in color, opacity, density and other physical properties.

Butt fusion of the pipe fittings shall be performed in accordance with the pipe manufacturer's recommendations as to equipment and technique. The fusion operation shall be performed by an individual who has demonstrated the ability to fuse polyethylene pipe in the manner recommended by the pipe supplier.

13.5 INSTALLATION

13.5.1 Building Sewer Lateral

Couplings or sleeves for connecting pipes of different sizes or materials shall be made of ductile iron such as those manufactured by Muller Co., Dresser or Clow. Rubber couplings, such as those made by Fernco, will not be allowed. The OWNER and CONTRACTOR shall meet with the landowner to determine a mutually agreeable location for each lateral prior installation. The CONTRACTOR shall lay a four-inch building connection line from the existing building sewer to the new grinder unit, IF, and only IF, the landowner signs up for sewer service and pays the Water District's tap fee. This four inch sewer is referred to herein as the 'building sewer'.

If the CONTRACTOR completes a 'building sewer' connection, he shall smoke test the landowner's system to verify that roof leaders or other storm drainage sources have not been connected to the new sewer. The abandoned, or disconnected, service connection shall be suitably plugged or reconnected to a storm drainage system as applicable.

All house laterals, unless otherwise specified or directed, shall be standard PVC pipe as specified hereinbefore and as indicated on the Drawings. Trenching, pipe laying, joints and backfilling shall conform to the requirements set forth herein for pipe laying.

The pipe shall be laid on a uniform grade from the grinder pump to the existing sewer.

The installation of house connections shall not occur until the pressure sewer is ready for service.

13.5.2 Pressure Sewer Lateral

Refer to the Sanitary Sewer Force Main Specification for Installation of Pressurized Sewer Pipe.

13.6 MEASUREMENT AND PAYMENT

13.6.2 House Sewer Laterals

House Sewer Laterals shall be measured as four inch lateral lines (house connection to Grinder Basin) in place, complete, successfully pressure tested, shall be measured in linear feet along the pipe centerline. Pipe fittings in the collector sewer (wyes, tees) will be measured "each." The length of fittings measured for payment will be deducted from the lineal feet of pipe laid to avoid double payment. Pipe bends will not be measured for separate payment. Pipe bends shall be included in the linear feet of pipe. No allowance shall be made for laps or drops at connections.

There shall be no separate measurement or special payment for disconnecting / reconnecting existing building sewers, for smoke testing existing building sewer systems, for four inch to six inch PVC adaptors, or for other work associated with installing building sewer systems as same shall be considered incidental to cost for four inch gravity sewer. CONTRACTOR should prepare his unit price bid accordingly.

CONTRACTOR SHOULD NOTE THAT HOUSE LATERAL FOOTAGE IS AN ESTIMATE AND COULD VARY SIGNIFICANTLY. ESTIMATE WAS ASSUMED TO BE 30 FEET PER HOME.

13.6.3 Pressure Sewer Laterals

Pressure Sewer Lateral shall be measured as 1.25" lateral lines (Grinder Basin to Collector Force Main) in place, complete, successfully pressure tested, shall be measured in linear feet along the pipe centerline.

13.6.4 Payment: Payment for pipe will be made at the contract unit price per linear foot for each pipe diameter as set forth in the Bid Schedule. Payment for fittings shall be made at the contract price "each" as set forth in the Bid Schedule. Such payment shall constitute full compensation for all materials, labor, equipment, and incidentals necessary for the completion of the work. Plug and rebar for marking the ends of laterals shall be considered incidental to the linear foot price of pipe.

-- THE END --

SECTION XIV

TECHNICAL SPECIFICATIONS

PRESSURE SEWER LATERAL ASSEMBLY

14.1 SCOPE

Furnish all labor, material, equipment and incidentals required to install, complete and ready for operation, a connection of a 1.25" force main from a residential grinder station to a force main or gravity sewer main as shown on the Drawings and as specified herein.

14.2 QUALITY ASSURANCE/SUBMITTALS

14.2.1 Submit five copies of itemized summary of source of manufacture of each item in pressure connection. Provide manufacturer's certification of compliance with specification for each item.

14.3 MATERIALS

14.3.1 Pressure Pipe: The HDPE 1.25" force main is covered under the force main section of these specifications.

14.3.2 High Density Polyethylene Lateral Assembly. The high density polyethylene grinder pump assembly shall be equal to a Philmac Curb Stop / Flo-Control Swing check assembly (1.25" SDR 11 HDPE) as manufactured by American Pipeline Accessories, Inc. of Sparks, NV (702-331-3555). The curb stop valve shall be a thermo plastic ball valve manufactured from glass reinforced nylon materials. All valves shall be rated for 200 psi service. Valves shall have the appropriate compression end fittings for the specified service tubing. Each valve shall have an operating handle with a built in safety feature that disengages and ratchets in either direction when operating torque exceeds 20 ft. lbs. The swing check valve shall be rated for 125 psi service. Check valves shall have the appropriate compression end fittings for the specified service tubing. The entire assembly shall be shipped as a single unit suitable for housing in an 18" meter box.

14.3.3 Meter Box and Lid: The polyethylene grinder pump

assembly shall be housed in an 18" internal diameter high density polyethylene pipe meter box. The meter box shall be equipped with a cast iron lid equal to the Russco LC218 FB-18.

14.3.4 HDPE Tee: If the 1.25" HDPE force main is to be connected to another polyethylene force main, the CONTRACTOR shall butt fuse an HDPE tee with an 1.25" branch into the main. The branch length shall be suitable for connection to the compression couple of the polyethylene grinder pump assembly.

14.3.5 Tapping Saddle: If the 1.25" HDPE force main is to be connected to a PVC gravity main, a tapping saddle will be required. Tapping saddles shall be Smith Blair 313-872-10 suitable for connection to PVC pipe with OD between 7.69 and 8.72 inches. Each saddle shall be furnished with a C8655 "compression couple by male" fitting to allow an 1.25" compression connection to the 1.25" HDPE force main.

14.4 INSTALLATION

14.4.1. Taps: Taps (where required) shall be made in accordance with the manufacturer's directions. The tap shall be protected by 6" of fine sand or gravel as indicated in the detail drawings.

14.4.2. Meter Box Setting: The meter boxes shall be set in a neat and workmanlike manner. The lid of the meter box shall be set:

- 1) flush with paved surfaces.
- 2) 0.5" above grade in improved lawns, and
- 3) 2" above grade in unimproved areas.

14.5 MEASUREMENT AND PAYMENT

14.5.1 Measurement: "Pressure Sewer Lateral Assembly" shall be measured 'Each.' For purposes of measurement and payment, no distinction shall be made between connections to HDPE force mains or connections to gravity sewer mains. The "Pressure Sewer Lateral Assembly" is defined to include the high density polyethylene grinder pump assembly,

polyethylene meter box, cast iron lid, and HDPE tee (or brass tapping saddle, as applicable).

14.5.2. Payment: Payment for "Pressure Sewer Lateral Assembly" will be made at the Contract Unit Price 'each' as set forth in the Bid Schedule for the actual quantity measured. Payment 'each' shall be considered full compensation for all materials, labor, equipment and incidentals necessary for the completion of the work.

- THE END -

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