

**Senate Utilities Committee
January 18th, 2007**

**Testimony presented on behalf of:
Water District No.1 of Johnson County, Kansas
Opponent of Senate Bill 20**

On behalf of Water District No. 1 of Johnson County, Kansas, (“WaterOne”), I would like to thank you for consideration of our opposition to Senate Bill 20, an amendment to the Kansas Underground Utility Damage Prevention Act (KUUDPA) that would require water utilities membership in the Kansas One Call Center. The current exclusion of water supply facilities from the provisions of KUUDPA exists, in part, because underground water facilities do not present the same health and safety issues posed by other underground utilities. A mandate requiring water utilities to participate in the One Call Center will result in a substantial unnecessary expense to the utility’s ratepayers, without providing any benefit or enhanced service.

WaterOne successfully operates its own in-house locate department consisting of one administrative employee and four field employees. The locate department performed about 7500 locates in 2006. Excavators in Johnson County contact WaterOne directly to request locates of our facilities and our own field employees are then dispatched to the area to perform the locate. WaterOne follows KUUDPA with regards to the timing of field locates under normal and emergency circumstances. We do require a wider tolerance zone for our facilities than required by KUUDPA—36 inches for ductile iron or cast iron mains that are 12-inches or smaller and 60-inches for ductile or cast iron, pvc, ac, or concrete mains larger than 12-inches. The wider tolerance zone is required due to the fact that materials used in the water industry are not nearly as traceable as electric, gas, phone or cable.

It has been our experience that excavators in the Johnson County area are well informed of the fact that they are required to contact not only the KUUDPA call center, but also WaterOne directly. Our mains are damaged from time to time. Most interference with WaterOne facilities that occurs is the result of professional excavation. Our water lines are generally located within the public right of way or adjacent thereto and are buried at a depth of at least 42-inches, minimizing the chances of a resident coming in contact with a main during routine lawn maintenance. The damage that we experience is usually due to excavator error or a discrepancy in the location of the water main. These human error causes of damage would not be eliminated if water utilities were required to become members of the One Call Center, in fact, we believe that it may be likely utilities would incur more damage to facilities if forced to participate because of the necessity of outsourcing the locating work.

Over the summer an interim legislative committee was formed to examine the impact of requiring water and sewer utilities to join the Kansas One Call Center. The Kansas Corporation Commission (KCC) presented testimony that in 2005 municipal utility operators participating in the One Call Center received an average of 200 requests for each 1000 residents and in high growth areas there were as many as 2000 requests for each 1000 residents. The KCC estimates the cost to a utility to perform a locate is around \$15.00 in addition to the One Call Center charge \$1.14 per locate request. Assuming WaterOne's service area in Johnson County is among the highest growth areas in the State, based on the KCC figures, if we were required to participate in the One Call Center we would be looking at, on the low end, 80,000 locate requests per year, and on the high end, about 800,000 requests a year. This equates to an unbudgeted expenditure of 1 million to 12 million dollars for our utility which would have to be covered by an increase in water rates.

In the early 90's WaterOne did voluntarily join the Kansas One Call Center on a trial basis but was forced to withdraw after a short period of time due to the high volume of calls—an increase from about 25 a day to 500 a day after joining the One Call Center. Our experience during the period of voluntary participation was that only about 10% of the locate request we received actually required a field locate. The remainder involved locations such as the side or back yards of residences where there was no chance of interference with the water main. We believe the rate of locate requests we now receive, last year about 7500, is a more realistic reflection of the real need for water main locates. The professional excavators that truly require locates of water mains are contacting our locate center and their requests are being appropriately screened because we are not bogged down with irrelevant requests. When a field locate is required, our locate staff responds promptly and according to the time frames set forth in KUUDPA without posing undue delay to excavators. During our voluntary participation, the Kansas One Call Center did not have the necessary information about our system to perform the same screening function as our in house employees, the result being, an inundation of irrelevant locate requests, forcing us to abandon the pilot program.

Prior to the 2001 Legislative Session, a task force was formed to study the impact of adding water utilities to the One Call Center. One of the recommendations of the task force was the One Call Center would inform excavators of the need to contact their local water utility directly for facility locates. It was our understanding the Call Center was going to deliver this message, which would alleviate the problem of excavators not knowing who or how to contact water utilities. However, to our knowledge excavators are not receiving this information today.

Based on our experience in the early 90's with the pilot program and the numbers provided by the KCC, it is clear the current WaterOne locate department staffing would not be adequate for even the low end estimate of 80,000 locate requests per year. We would likely have to outsource the locating work which poses several disadvantages. An outside contractor will not have the same level of knowledge and experience regarding the location of water mains as possessed by the utility's own in-house field employees. Security issues are a concern because the utility would be required to provide an outside contractor with maps detailing the location of water mains, which is contradictory to the

fact that since 9/11 most water utilities have been mandated to protect the water supply system from potential risks, including contamination of the water supply through the distribution system.

Senate Bill 20 does not present a new issue to the Legislature. Requiring water and sewer utilities to become members of One Call was thoroughly considered in the years 2000 and 2001. In both instances the decision was ultimately made not to bring water utilities into the provisions of the Act. The KCC reported that it received 438 complaints from excavators in 2005 about not receiving locates or being charged for damages. None of the 438 complaints were about water or sewer utilities failing to locate facilities. It appears that Senate Bill 20 is a solution where there is no problem. It would be very difficult to justify to a customer an increase in water rates to cover mandated membership in the Kansas One Call Center, when the current system in place has proven sufficient, at a lower cost to the public.

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