



Garrard County Fiscal Court

Comparative Study of Water Supply Options for Garrard County

April 2013

The Garrard County Fiscal Court contracted with Salt River Engineering to perform an in-depth study of the various water supply alternatives for the Lancaster municipal utility and Garrard County Water Association. The impetus of the study was the progress made by the City of Lancaster in their plans to build a new water treatment plant and the GCFC's concern for the rate impact to the residents of Garrard County.

The goal of the study was to determine the best water supply alternative for all of Garrard County. Eight alternatives were studied, centering on variations of two solutions, a new WTP and new transmission mains (lines). Another key consideration was the continuation of separate water utilities or an alternate merged utility. To add to the complexity of the study, two vastly different business plans were involved, one of a corporation with a simple economic goal and one of a municipal utility challenged with providing quality utility service amidst the political considerations of city government.

The crux of the study was the current situation where Lancaster's key customer, one without whose business the utility could not cash flow, was free to purchase water from another supplier. Lancaster sells approximately 70 percent of its product to GCWA. GCWA historically purchased water on somewhat of a free market with Lancaster as the principal supplier but with access to potable water from Danville and Berea as well. No restrictive covenants between GCWA and Lancaster were in place.

The study included conceptual level cost estimates and predictions of rate impacts resulting from each of the eight alternatives, as well as SWOT analyses and an extensive decision matrix. The study concluded with a recommended course of action and suggestions for alternate measures to increase the viability of the WTP project and the GCWA market options should the recommended course not be taken.

For more information, contact Judge-Executive John Wilson.

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