

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC GARRISON-QUINCY-KY-O-)	
HEIGHTS WATER DISTRICT'S UNACCOUNTED-)	CASE NO.
FOR WATER LOSS REDUCTION PLAN,)	2021-00419
SURCHARGE AND MONITORING)	

ORDER

This matter arises upon Garrison-Quincy-Ky-O-Heights Water District's (Garrison District) filing of its Updated Annual Progress Report/Water Loss Detection and Repair Program and two requests to disburse funds from its water loss reduction plan surcharge.

LEGAL STANDARD

On November 24, 2021, the Commission established this proceeding to monitor the collection and expenditure of an unaccounted-for water loss reduction plan surcharge.¹ The November 24, 2021 Order set forth the requirement that Garrison District file with the Commission a qualified infrastructure improvement plan (QIIP), including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.²

The November 24, 2021 Order also prohibited the use of the surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior

¹ Order (Ky. PSC Nov. 24, 2021).

² Nov. 24, 2021 Order, ordering paragraph 1.

Commission authorization.³ The Commission also ordered Garrison District to file a description of the purpose of each payment from the account and invoices supporting each payment in a monthly report.⁴

BACKGROUND

Garrison District has a history of significant water loss, which can both reflect and cause financial distress to a utility. In Case No. 2021-00094, the Commission approved a monthly surcharge of \$1.73 per active meter for 48 months, or until \$88,468 had been assessed, whichever occurs first to fund Garrison District's unaccounted-for water loss reduction efforts.⁵ This proceeding was subsequently opened to monitor Garrison District's collection and expenditures of the water loss prevention surcharge to ensure that the surcharge was used solely to improve Garrison District's efforts to reduce water loss.

DISCUSSION

Qualified Infrastructure Improvement Plan

Garrison District filed an initial QIIP on March 23, 2022. During an Informal Conference with Commission Staff on December 8, 2022, Commission Staff requested that Garrison District file an updated QIIP with further detail regarding its plan of action for water loss prevention and specific expenditures it expected in connection with its plan. On February 1, 2023 Garrison District filed an updated QIIP,⁶ which includes a

³ Nov. 24, 2021 Order, ordering paragraph 5.

⁴ Nov. 24, 2021 Order, ordering paragraph 3.

⁵ Case No. 2021-00094, *Electronic Application of Garrison-Quincy-Ky-O-Heights Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Nov. 24, 2021), final Order at 28.

⁶ Revised 2022 Annual Report (filed Feb. 1, 2023). While titled "Revised 2022 Annual Report," the report filed is an updated QIIP.

comprehensive review of Garrison District's system and lists important information regarding its distribution system, bypass meters and customer meters, and surcharge revenue. The updated QIIP sets forward Garrison District's plans for reducing water loss.

Specifically, Garrison District plans to purchase additional leak detection equipment to assist in locating water leaks. Garrison District currently has only one listening device to use in detecting leaks. Garrison District stated that adding an additional listening device will enable it to continue looking for leaks if its current device needs repair and will allow Garrison District to search for leaks in two separate areas of its system at the same time.⁷

Garrison District also plans to purchase a portable flow meter to narrow the search area for the leak detection equipment, and to install six 36-inch access points with cast iron covers to gain accessibility to pipes when a leak is detected.⁸ , Garrison District plans the installation of one zone meter below its tank site. Garrison District estimated that this meter will register the usage for 30 percent of its customers on this section of the system.⁹ Garrison District stated that this will allow Garrison District to read the meter daily to identify large usage and focus on reducing water loss in this area.

Finally, Garrison District stated that it plans to rent the necessary equipment to exercise or test the valves in its system that may no longer be operational. Following the

⁷ Revised 2022 Annual Report at 2.

⁸ Revised 2022 Annual Report at 2.

⁹ Revised 2022 Annual Report at 2.

valve exercise, Garrison District plans to evaluate whether any non-functioning valve can be repaired or if replacement is required.¹⁰

Garrison District also plans to install ten bypass meters and replace customer meters. However, these items will not be funded with surcharge proceeds, but with Cleaner Water Grant funds.¹¹

Reimbursement Requests

Garrison District made two requests to pay vendors for water loss prevention-related expenditures. For its first request, Garrison District submitted invoices from Process Controls Corporation in the amount of \$7,910; Citco Water in the amount of \$1,728; and Ginn Hardware & Auto Parts in the amount of \$935 for purchases of a Dynasonics Portable Transit Time/Doppler Ultrasonic Flow Meter and six vaults and lids to be used as access points to its lines.¹² Garrison District stated these vaults will be left in the system to be used periodically when leaks are suspected on a particular sections of line, and the flow meter is portable and useful throughout the system to help determine high usage on sections of pipe.¹³

For its second request, Garrison District submitted an invoice from HDSFM d/b/a USABluebook in the amount of \$3,040.29 for the purchase of a Fisher XLT-30 Leak Detector with Big Foot Microphone,¹⁴ which Garrison District states will give its crew two

¹⁰ Revised 2022 Annual Report at 2.

¹¹ Revised 2022 Annual Report at 2–3.

¹² Disbursement Request #1 Invoices (filed Mar. 15, 2023).

¹³ Water Loss Surcharge Disbursement Request #1 (filed Feb. 1, 2023).

¹⁴ Disbursement Request #2 Invoices (filed Mar. 15, 2023).

separate units to isolate leaks at a much quicker rate and provide for an operating listening device in the event of a breakdown of one of the units.¹⁵

FINDINGS

The Commission finds that the updated QIIP filed by Garrison District on February 1, 2023, should be approved. The QIIP includes a discussion of Garrison District's plan to initiate water loss prevention projects, and specifically addresses goals, priorities, and specific expected expenditures and purchases necessary for those projects. The Commission finds that by developing a QIIP, Garrison District has made an important and positive step toward addressing the challenges it faces. Garrison District should adhere to the projects and plans as set forth its QIIP, provide the Commission with updates in its annual report as to the status of the plans and projects provided in the QIIP, and file any updates as necessary to inform the Commission of changes or additions to the plans and projects provided in the QIIP.

The Commission also finds that Garrison District's requests for reimbursement from the surcharge proceeds should be granted. This is because for each request, Garrison District submitted invoices for the expenses and provided written explanations of how each purchase is specifically related to Garrison District's efforts to reduce water loss. The purchase of the portable flow meter will be useful throughout the system to help determine leaks on particular sections of its line, and the purchase of a second leak detector will provide its crew with two units to assist in identifying leaks and providing backup in the event one until breaks down. Further, Garrison District sought the

¹⁵ Water Loss Surcharge Disbursement Request #2 (filed Feb. 1, 2023).

permission of the Commission to expend the funds from the surcharge account to pay the various expenses in advance of making any disbursements from the surcharge account.

The Commission directs Garrison District that, in future invoice filings, Garrison District should continue to include a detailed, written explanation with each invoice that it submits for payment from the surcharge account, stating in detail what the invoice is for and how it relates to Garrison District's efforts to reduce unaccounted-for water loss.


IT IS THEREFORE ORDERED that:

1. Garrison District's updated QIIP, filed on February 1, 2023, is approved.
2. Garrison District shall follow the plans and projects as set forth its QIIP, provide the Commission with updates in its annual reports as to the status of the plans and projects provided in the QIIP, and file any updates as necessary in the future to inform the Commission of any changes or additions to the plans and projects provided in the QIIP.
3. Garrison District's request to disburse \$7,910 to Process Controls Corporation, \$1,728 to Citco Water, \$935 to Ginn Hardware & Auto Parts, and \$3,040.29 to HDSFM d/b/a USABluebook from the water loss prevention surcharge is granted.
4. In all future requests for reimbursement, Garrison District shall include a copy of the invoice and detailed description what has been purchased and how the purchase relates to Garrison District's efforts to reduce unaccounted-for water loss.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner



ATTEST:


Executive Director

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