

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CANNONSBURG WATER )  
DISTRICT FOR RATE ADJUSTMENT FOR SMALL ) CASE NO. 2018-00376  
UTILITIES PURSUANT TO 807 KAR 5:076 )

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on April 25, 2019 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on April 25, 2019 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on April 25, 2019.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at [http://psc.ky.gov/av\\_broadcast/2014-00267-and-2018-00376/2014-00267-and-2018-00376\\_25Apr19\\_Inter.asx](http://psc.ky.gov/av_broadcast/2014-00267-and-2018-00376/2014-00267-and-2018-00376_25Apr19_Inter.asx).

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 31<sup>st</sup> day of October 2019.



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Public Service Commission of Kentucky

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1606 Cannonsburg Road  
Ashland, KY 41105

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CANNONSBURG	)	
WATER DISTRICT FOR RATE	)	CASE NO.
ADJUSTMENT FOR SMALL UTILITIES	)	2018-00376
PURSUANT TO 807 KAR 5:076	)	

CERTIFICATION

I, KaBrenda L. Warfield, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on April 25, 2019. The Formal Hearing Log, Exhibit List, Exhibits, and Witness List are included with the recording on April 25, 2019;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of April 25, 2019, and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of April 25, 2019 and the time at which each occurred.

Signed this 31<sup>st</sup> day of October, 2019.



*KaBrenda L. Warfield*  
KaBrenda L. Warfield, CKP  
Special Assistant

*Jacqueline J. Hartzell*  
Jacqueline Hartzell, Notary Public  
State at Large  
Commission Expires: July 25, 2022  
ID#: 605476





Date:	Type:	Location:	Department:
4/25/2019	Public Hearing\Public Comments	Hearing Room 2	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Talina Mathews; Michael Schmitt  
 Witness: Alan Bowman; Robert McGuire; Tim Webb  
 Clerk: KaBrenda Warfield

Event Time	Log Event	
8:29:58 AM	Session Started	
8:30:00 AM	Session Paused	
8:54:06 AM	Session Resumed	
8:54:07 AM	Chairman Schmitt Note: Fields, Angela	Chairman Schmitt stating preliminary remarks and intorduction of Vice Chairman Cicero and Commissioner Mathews.
8:56:29 AM	Chairman Schmitt Note: Fields, Angela	At this time I would ask Counsel to identify himself and his clients and the witnesses he has with him today?
8:57:08 AM	Chairman Schmitt Note: Fields, Angela	There are no interveners in the case. So at this time would Staff Counsel please identify herself and those with her today?
8:57:26 AM	Chairman Schmitt Note: Fields, Angela	Alright is there anything that we need to discuss before you call a witness Mr. Talley?
8:57:34 AM	PSC EXHIBIT 01 Note: Fields, Angela Note: Fields, Angela	Staff Atty Koenig PSC Cannonsburg Water District Map
8:57:44 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
8:57:47 AM	Chairman Schmitt Note: Fields, Angela	Let it be filed and marked.
8:58:03 AM	Staff Atty Koenig PSC Note: Fields, Angela	May I approach?
8:58:07 AM	Commissioner Mathews Note: Fields, Angela	We have two maps. Which map?
8:58:29 AM	Chairman Schmitt Note: Fields, Angela	Alright Mr. Talley are you ready to call a witness?
8:58:33 AM	Chairman Schmitt Note: Fields, Angela	Mr. Webb please take the stand.
8:58:37 AM	Chairman Schmitt - witness Webb Note: Fields, Angela	Swearing in of witness.
8:58:57 AM	Chairman Schmitt Note: Fields, Angela	Mr. Talley you may ask.
8:58:59 AM	Atty Talley Cannonsburg District - witness Webb Note: Fields, Angela	Direct Examination.
9:04:42 AM	Chairman Schmitt Note: Fields, Angela	I'm sorry how long has Pam been there?
9:04:51 AM	Chairman Schmitt Note: Warfield, Kabrenda	Thank you.

9:04:52 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Direct Continued.

9:06:37 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda May I approach your honor?

9:06:40 AM CANNONSBURG DISTRICT EXHIBIT 01  
Note: Fields, Angela Atty Talley Cannonsburg Cannonsburg District - witness Webb  
Note: Fields, Angela Cannonsbug Monthly Water Loss Graph

9:11:12 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda May I approach the witness again your honour?

9:11:17 AM CANNONSBURG DISTRICT EXHIBIT 02  
Note: Fields, Angela Atty Talley Cannonsburg Cannonsburg District - witness Webb  
Note: Fields, Angela CANNONSBURG DISTRICT'S FEBRUARY MONTHLY WATER LOSS REPORT

9:12:37 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Direct Continued.

9:17:55 AM Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda Mr. Chairman I would like to ask that Cannonsburg Exhibits 01 and 02 be admitted into evidence.

9:17:59 AM Chairman Schmitt  
Note: Fields, Angela Sustained. Let it be filed and marked into evidence as Cannonsburg District Exhibits one and two.

9:18:05 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda At this time with the Commissions indulgence I'd like Mr. Webb to demonstrate some of things that cause problems that he has discovered. .

9:18:29 AM Chairman Schmitt  
Note: Warfield, Kabrenda It should. And if it doesn't we'll move the microphone.

9:18:38 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Direct Continued.

9:18:53 AM Chairman Schmitt  
Note: Warfield, Kabrenda It should.

9:19:02 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Mr. Webb's demonstration of service line connections and other things that cause problems.

9:20:01 AM Camera Lock Intervenor Activated

9:21:21 AM Chairman Schmitt  
Note: Warfield, Kabrenda I would like to ask a question.

9:21:25 AM Chairman Schmitt - witness Webb  
Note: Fields, Angela Have you been able to establish or in reading any literature anything about class action lawsuits. Been able to know what causes the splits or the cracks in the pipe?;

9:21:28 AM Camera Lock Deactivated

9:22:24 AM Chairman Schmitt  
Note: Warfield, Kabrenda Thank you. You may go a head.

9:22:27 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Direct Continued.

9:22:50 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela So were there any results of the class action suit or is it ongoing?

9:23:26 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Okay thank you.

9:23:27 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Mr. Webb's demonstration of service line connections and other things that cause problems. Continued.

9:23:39 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Endopoly.

9:25:27 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Municipex.

9:27:32 AM CANNONSBURG DISTRICT FOR IDENTIFICATION ONLY EXHIBIT 03  
Note: Fields, Angela Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela LITERATURE PROVIDED BY MR. WEBB.

9:28:26 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela So does Ashland use copper because copper is considered better or they just can't get away to using a flex pipe?

9:28:36 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela They pay more?

9:28:39 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela And that's considered a commercial grade or it's just outdoor use?

9:28:45 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Okay.

9:28:46 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda LITERATURE PROVIDED BY MR. WEBB.  
Note: Fields, Angela CANNONSBURG DISTRICT FOR IDENTIFICATION ONLY EXHIBIT 03.

9:29:02 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Mr. Webb's demonstration of service line connections and other things that cause problems. Continued.

9:30:11 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela So the stainless steel bolts are how much more than the standard?

9:30:20 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela It's not that much more and the life you get out of them is fairly extended?

9:30:29 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Mr. Webb's demonstration of service line connections and other things that cause problems. Continued.

9:30:56 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Mr. Chairman I would like to mark the photographs that I just distributed as Cannonsburg composite exhibit number four.

9:31:04 AM CANNONSBURG DISTRICT EXHIBIT 04  
Note: Fields, Angela Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela PHOTOGRAPHS COMPOSITE EXHIBIT.

9:33:20 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Any of the Commissioners have any more questions of him about his show and tell right over here at this point?

9:33:31 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela PSC EXHIBIT 01 Direct.

9:36:22 AM Camera Lock PTZ Activated

9:41:43 AM Staff Atty Koenig PSC - witness Webb  
Note: Fields, Angela Excuse me there is also two number sixes as well if you will look right there?

9:41:50 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda PSC EXHIBIT 01 Direct Continued.

9:42:48 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela There is another nine on there as well. There's three nines and three sixes. Or maybe the other nine is proposed?

9:43:03 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Now tell us what the bypass meters do?

9:43:23 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Has that been useful for you?

9:43:53 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda PSC EXHIBIT 01 Direct Continued.

9:45:00 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Anything else before we move to our system map? About this map that you want to point out?

9:45:21 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Brittany do you want to make a comment about this now?

9:45:23 AM Staff Atty Koenig PSC - witness Webb  
Note: Warfield, Kabrenda The two number sixes and the two number nines are those actual meters or is that a mistake? Because you did refer to both.

9:45:37 AM Chairman Schmitt - witness Webb  
Note: Fields, Angela Is the problem that sometime in 2014 whoever was responsible for operating the water district Cannonsburg furnished a map but the map isn't accurate? Is that what you are saying?

9:45:37 AM Camera Lock Deactivated

9:45:54 AM Chairman Schmitt - witness Webb  
Note: Fields, Angela Okay.

9:45:55 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Take that down and get the system map that has been enlarged.

9:46:12 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda I would like to pass out a smaller version of this.

9:46:16 AM CANNONSBURG DISTRICT EXHIBIT 05 FOR IDENTIFICATION PURPOSES  
Note: Fields, Angela CANNONSBURG DISTRICT SYSTEM MAP  
Note: Fields, Angela Atty Talley Cannonsburg District - witness Webb

9:46:58 AM Atty Talley Cannonsburg District - witness Webb  
Note: Warfield, Kabrenda Cannonsburg District Exhibit 05 Questioning.

9:54:35 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Do you have a contract with Ashland?

9:54:38 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela That contract doesn't specify that you should receive those reports?

9:54:43 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela But they are not giving them to you?

9:54:45 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Okay.

9:54:48 AM Chairman Schmitt - witness Webb  
Note: Fields, Angela What's their excuse for not doing that?

9:55:18 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela They are in violation of the contract?

9:55:21 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela You pointed that out to them?

9:55:29 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela And they responded with?

9:55:39 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Okay.

9:55:40 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Direct Continued.

9:56:36 AM Vice Chairman Cicero  
Note: Warfield, Kabrenda Can I interject for just one second?

9:56:37 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Of the meters that you're going to install at the Ashland points of entry, will those be in addition too, or replacement of?

9:56:55 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela What happens in the case over a dispute over which meter reading is correct?

9:57:25 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda You meters will be new if you put them in, and at that point they will be validated from the install point to some point in the future. So they should be valid from the point of turn on. And then if there was a dispute you are immediately going to have a disagreement with your supplier?

9:57:25 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela And then if there was a dispute you are immediately going to have a disagreement with your suppliers?

9:57:46 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Direct Continued.

10:01:17 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela Who ? the first meters in?

10:01:29 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela A Cannonsburg contracted engineer?

10:01:34 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela So Cannonsburg hired an engineer who ? in the wrong meters?

10:01:41 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela The supplier didn't know where they were going to go [click on link for Vice Chairman Cicero's remarks.]

10:02:11 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela While we are on that [click on link for questions.]

10:02:47 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Direct Continued.

10:06:44 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela We move that this be admitted into evidence.

10:06:46 AM Chairman Schmitt  
Note: Fields, Angela Let it be admitted as Cannonsburg District Exhibit number five. And Let's just go ahead and intorduce into evidence Cannonsburg District Exhibits three and four as well.

10:06:57 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Anything else about the map that you want to point out before I let you take your seat?

10:08:20 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela I think you can take your seat now.

10:08:23 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela Direct Continued.

10:12:05 AM CANNONSBURG DISTRICT EXHIBIT 06  
Note: Fields, Angela Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela BELL ENGINEERING REPORT

10:18:03 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela You haven't established a capital priority budget yet?

10:18:15 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela How did you decide that phase two was a priority?

10:18:52 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela How did you determine that the water service lines were the primary cause of leakage versus mains?

10:19:15 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela So based on that sample population you [click on the link for Vice Chairman Cicero's remarks.]

10:19:40 AM Vice Chairman Cicero - witness Webb  
Note: Fields, Angela What's the date for completion on that?

10:20:01 AM Atty Talley Cannonsburg District - witness Webb  
Note: Fields, Angela You mean like year 1, 2, 3?

10:20:05 AM	Vice Chairman Cicero - witness Webb Note: Fields, Angela	And your in for additional money for your surcharge [click on link for Vice Chairman Cicero's remarks.]
10:20:31 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	So you really don't know how long forward you are going to go because you don't have a finalized plan yet?
10:20:51 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	In our motion if I could follow up on that [click on the link for remarks.]
10:21:30 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	Direct Continued.
10:22:21 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	If I could, I would like to pass out Cannonsburg Exhibit number seven for identification.
10:22:28 AM	CANNONSBURG EXHIBIT 07 Note: Warfield, Kabrenda Note: Warfield, Kabrenda	Atty Talley Cannonsburg District - witness Webb Resolution of Cannonsburg Water District approving the request for authority to implement a new monthly surcharge to fund its unaccounted-for water loss reduction efforts.
10:24:15 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	I would like to ask this be admitted into evidence.
10:24:18 AM	Chairman Schmitt Note: Warfield, Kabrenda	Sustained let it be admitted as Cannonsburg Exhibit 07.
10:24:21 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	Direct Continued.
10:24:39 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	Chairman I have a chart that I would like to distribute. I'm not going to offer it into evidence because I generated this and prepared this.
10:25:20 AM	Chairman Schmitt Note: Warfield, Kabrenda	We are going to mark this one as Cannonsburg District Exhibit 08 Identification Only.
10:25:27 AM	CANNONSBURG EXHIBIT 08 IDENTIFICATION ONLY Note: Warfield, Kabrenda Note: Warfield, Kabrenda	KIA Loan Debt Service Schedule (Proposed) Atty Talley Cannonsburg District - witness Webb
10:25:28 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	Direct Continued.
10:35:03 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	That's all the questions I have.
10:35:06 AM	Chairman Schmitt Note: Warfield, Kabrenda	Why don't we take a break until five until eleven and then come back okay?
10:35:09 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	That's all the questions I have.
10:35:13 AM	Chairman Schmitt Note: Warfield, Kabrenda	We'll be in recess until ten fifty five.
10:35:20 AM	Session Paused	
10:55:32 AM	Session Resumed	
10:55:33 AM	Chairman Schmitt Note: Warfield, Kabrenda	We are now back on the record. As I understand it Mr. Talley you may have a couple of more questions for your witness?
10:55:41 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	Direct Continued.
10:56:12 AM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	Thank you.

10:56:14 AM	Chairman Schmitt Note: Warfield, Kabrenda	Mrs. Koenig Cross Examination?
10:56:17 AM	Staff Atty Koenig PSC - witness Webb Note: Warfield, Kabrenda	Cross Examination.
10:59:36 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	When was that filed or approved?
11:00:00 AM	PSC Staff Atty Koenig Note: Warfield, Kabrenda	Could I move that, that exhibit be admitted at this time?
11:00:08 AM	Chairman Schmitt Note: Warfield, Kabrenda	Yes, let it be admitted.
11:00:10 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:00:30 AM	POST HEARING DATA REQUEST Note: Warfield, Kabrenda Note: Warfield, Kabrenda	PSC Staff Atty Koenig - witness Webb File the plan that they are working from that's zoned and has the correct meters.
11:00:41 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	Are you talking about like a map that shows the...
11:00:45 AM	PSC Staff Atty Koenig Note: Warfield, Kabrenda	Well, so you refered to the map that Mr. Webb brought to all of the informal conferences [click on link for remarks.]
11:01:26 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:08:04 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	Has there ever been a reduction plan filed?
11:08:07 AM	PSC Staff Atty Koenig Note: Warfield, Kabrenda	No. [Click on link for remarks.]
11:08:36 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:11:09 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	Sixteen?
11:11:11 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:18:49 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	And so part of your question is that software is still compatible with whatever the new meters you are going to buy?
11:18:59 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:21:36 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Now wait a minute. So who's responsible for that, for ordering the wrong meter? [Click on the link for Chairman Schmitt's remarks.] Do you know how that worked out?
11:22:11 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:23:08 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	So you came up with the new map?
11:23:13 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	From your personal experience?
11:23:15 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	And you have run it by Bell Engineering or you have not?
11:23:24 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	And they looked at it and said that this is a good plan?

11:23:40 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda They're going to put their stamp of professional engineer on this plan or what is considered to be project one?

11:24:01 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda And one other question you got thirty six meters that are on this [click on the link for Vice Chairman Cicero's remarks.]

11:24:30 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda Are you going to include the seven meters now or are you going to wait until a different time?

11:24:46 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda So the thirty six that are shown on here and the money that you are showing is really understated by whatever the additional seven meters are?

11:24:54 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda I'm sorry.

11:24:56 AM PSC Staff Atty Koenig - witness Webb  
Note: Warfield, Kabrenda Cross Continued.

11:26:06 AM Chairman Schmitt  
Note: Warfield, Kabrenda What was the answer I didn't hear?

11:26:10 AM PSC Staff Atty Koenig - witness Webb  
Note: Warfield, Kabrenda Cross Continued.

11:26:25 AM Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda But. legally we have to bid it out and it would be up to the engineer to [click on link for remarks.]

11:26:40 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda Isn't McGuckin down there?

11:26:59 AM Vice Chairman Cicero  
Note: Warfield, Kabrenda I don't know, McGuckin came back from thirty something years ago when I worked in Ohio.

11:27:08 AM PSC Staff Atty Koenig - witness Webb  
Note: Warfield, Kabrenda Cross Continued.

11:32:52 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda For their failure to provide meter readings.

11:32:57 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda And do you plan to?

11:33:04 AM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda We can fix that for you because we'll Order it. And you can blame us. Okay.

11:33:10 AM PSC Staff Atty Koenig - witness Webb  
Note: Warfield, Kabrenda Cross Continued.

11:34:26 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda But in reality it could be the source of a long term problem because [click on link for Vice Chairman Cicero's remarks.]

11:34:47 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda So it's not necessarily a long term lover cost [click on link for Vice Chairman Cicero's remarks.]

11:35:23 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda When Bell Engineering puts their stamp of approval on it. I think those are the kind of things that they are going to have to help you with because in your mind [click on the link for Vice Chairman Cicero's remarks.]

11:36:03 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda But you're going to find out, when you go through the process right?

11:36:44 AM Vice Chairman Cicero - witness Webb  
Note: Warfield, Kabrenda I'm just saying it is an unknown at this point.



11:36:51 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	When you worked at the City of Ashland was Sonny Martin still the City Attorney?
11:37:00 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	And at one time he was interim City Manager? Is that correct?
11:37:08 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Do you know if he is still the City Attorney?
11:37:20 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	His partner his law partner?
11:37:23 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Who have you spoken to at the City of Ashland about getting the meter readings?
11:37:31 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	And who is that?
11:37:35 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	And so what is his response?
11:38:11 AM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	And no date for resolution?
11:38:16 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Well maybe somebody can contact Mr. Vincent? Mr. Vincent is also the State Representative or the State Senator for the district?
11:38:37 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Well Mr. Vincent at one point and time was a State Representative I believe.
11:38:49 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Well I suggest that you contact Mr. Vincent and if that is an issue I will contact him [click on link for Chairman Schmitt's remarks.]
11:39:07 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	I'm not sure Mr. Vincent is the right name [click on the link for remarks.]
11:39:30 AM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Do you know Jim Moore?
11:39:32 AM	Atty Talley Cannonsburg District - Note: Warfield, Kabrenda	Chairman Schmitt I'll meet with him and address this issue pronto.
11:39:36 AM	Chairman Schmitt Note: Warfield, Kabrenda	Okay. Thank you.
11:39:38 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:40:30 AM	POST HEARING DATA REQUEST Note: Warfield, Kabrenda Note: Warfield, Kabrenda	PSC Staff Atty Koenig - witness Webb Clarify the useful life of the zone meters.
11:40:39 AM	POST HEARING DATA REQUEST Note: Warfield, Kabrenda Note: Warfield, Kabrenda	Update Bell Engineering's estimate and include the forty three. PSC Staff Atty Koenig - witness Webb
11:40:58 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:42:02 AM	Atty Talley Cannonsburg District - Note: Warfield, Kabrenda	Chairman Schmitt We feel the need is urgent on the rates and the surcharge we gotta do some more homework to support our motion is what it appears like to me.
11:42:17 AM	PSC Staff Atty Koenig - witness Webb Note: Warfield, Kabrenda	Cross Continued.
11:43:33 AM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	Let me address that [click on the link for remarks.]

11:44:16 AM PSC Staff Atty Koenig - witness Webb  
Note: Warfield, Kabrenda Cross Continued.

11:51:42 AM PSC Staff Atty Koenig - witness Webb  
Note: Warfield, Kabrenda Thank you. No further questions.

11:51:44 AM Chairman Schmitt  
Note: Warfield, Kabrenda Commissioner Cicero questions.

11:51:46 AM Vice Chairman Cicero  
Note: Warfield, Kabrenda Just a quick question.

11:51:49 AM Vice Chairman Cicero - Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda How did you determine that four years was the loan period you wanted to go with? What is magical about four years?

11:52:30 AM Vice Chairman Cicero - Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda So there is nothing magical about anything? You just gave us an example?

11:52:39 AM Vice Chairman Cicero  
Note: Warfield, Kabrenda Thank you I don't have anything else.

11:52:42 AM Chairman Schmitt  
Note: Warfield, Kabrenda Any questions?

11:52:43 AM Commissioner Mathews - witness Webb  
Note: Warfield, Kabrenda You have a process right for leak detection?

11:52:52 AM Commissioner Mathews - witness Webb  
Note: Warfield, Kabrenda It seems to be working you have made some dramatic reductions if you subtract out the winter of eighteen [click on the link for Commissioner Mathews remarks.]

11:53:49 AM Commissioner Mathews - witness Webb  
Note: Warfield, Kabrenda That's it.

11:53:50 AM Chairman Schmitt  
Note: Warfield, Kabrenda Well I am going to have a few questions so I think we better break for lunch [Click on link for Chairman's remarks.

11:54:11 AM Chairman Schmitt  
Note: Warfield, Kabrenda So we'll be in recess until one thirty and at which time we'll come back and I'll ask a few questions of Mr. Webb [click on link for Chairman Schmitt's remarks.]

11:54:26 AM Session Paused

1:55:58 PM Session Resumed

1:56:03 PM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda Mr. Webb, how do you get information from the fire department on flushing?

1:56:51 PM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda So they have some method of calculating how much water they use?

1:57:03 PM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda Do you have any idea how those discrepancies came about?

1:57:44 PM Commissioner Mathews witness - Webb  
Note: Warfield, Kabrenda Did you even know there was a map here?

1:57:50 PM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda You have whole sale water contracts with the City of Ashland which supplies water to you, and then you sell water to Big Sandy Water District and to the City of Greenup is that correct?

1:58:07 PM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda How much water do you generally supply on a monthly basis to Big Sandy? Is that regular or just when they are in need of water?

1:58:25 PM Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda I'm sorry you said three or four gallons.

1:58:35 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	We did find that there were some water districts that were buying water from whole sale at one price and selling it to another water district at less money than they paid for it. Have you experienced any of that in Cannonsburg?
2:00:15 PM	Vice Chairman Cicero - witness Webb Note: Warfield, Kabrenda	That you'd be willing to admit to?
2:00:18 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	You've had problems but not that kind?
2:00:23 PM	Chairman Schmitt - Atty Talley Cannonsburg District Note: Warfield, Kabrenda	So Mr. Talley you think their contracts are on our website?
2:00:45 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	When Cannonsburg was initially trying to solve the water loss problem apparently only about twenty percent of the district was actually metered in an attempt to find the leaks is that correct?
2:01:19 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	You don't know why the entire district was not subjected to some type of master metering?
2:01:41 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	There's nothing in the records or no explanation?
2:01:45 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	The people who were on the Water Comission in 2012, none of the present Commissioners were on the water district then? Or Maybe one?
2:01:58 PM	Chairman Schmitt Note: Warfield, Kabrenda	We'll ask him, he may know and he may not.
2:02:05 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Without being able to zone off the entire system you could never really find all of the leaks is that fair to say?
2:02:24 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Unless you zoned off part and then moved the meters or something?
2:02:30 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Has Kentucky Rual Water Association done anything to help you in terms of water loss?
2:03:03 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	In your proposal to improve your system the phase one project and phase two as I heard it and I am subject to be corrected you intend to basically do most of the work yourseld on phase one?
2:03:45 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Well I agree with you there. I think that, that is the best move that you could probably make.
2:03:52 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	If you bid it out will you have someone or will someone be paid to be present when the lines are laid and when things are done to see that they are done in accordance with the plans?
2:04:29 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	I don't have near the experience you do with the water systems, but [click on link for Chairman Schmitt's remarks.]
2:04:56 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	What do you invision Bell Engineering doing with respect to phase one?
2:05:18 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Will they be the engineers that you are going to use on this project?

2:05:31 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	And then so far as your plan is concerned, you've submitted that to Bell and they have looked at it, correct?
2:05:51 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Do you expect them to advise you in the event that they have a difference of opinion on where the meters ought to be or how this project ought to be undertaken?
2:06:05 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	In fact you want them to do that right?
2:06:09 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	And payment to Bell will be also included in this surcharge?
2:06:19 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Sometimes here we see rural water districts and they say well [click on link for Chairman Schmitt's remarks.]
2:06:42 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Because our interest and I can speak for myself but I think I am speaking for the others. Our interest is not in making friends with the Water District, Commissioners, or the General Manager. Our interest is on good quality service for a fair price to the customer. And what we believe is [click on the link for Chairman Schmitt's remarks.]
2:07:48 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	And I will say this, I saw the article about you in the paper and [click on the link for Chairman Schmitt's remarks.]
2:10:30 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	Do you have a written employee contract or are you an employee at will of the water district?
2:10:55 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	During the three years that you have been General Manager at Cannonsburg what has the water district's relationship been with the Boyd County Judge Executive and the Boyd County Fiscal Court?
2:11:49 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	A lot of people believe that the county government really operates the water district and your just a commission that just reports to them but that's not true [click on link for Chairman Schmitt's remarks.]
2:13:45 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	In fact we are inviting people in water district commissioners and others to write a letter or tell us things that you think might be better done in the future in order to help you provide better service without political interference. [Click on link for Chairman Schmitt's remarks.]
2:14:30 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	I think yall need to know that your people in your district rely on you for good reliable service and sometimes you got to pay a fair price [click on link for Chairman Schmitt's remarks.]
2:14:54 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	I don't think I have anything else other than [click on Chairman Schmitt's remarks.]
2:15:47 PM	Chairman Schmitt - witness Webb Note: Warfield, Kabrenda	So thank you I have nothing else to say or no comment.
2:15:51 PM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	Questions? Okay.
2:15:53 PM	Atty Talley Cannonsburg District - witness Webb Note: Warfield, Kabrenda	May the witness be excused then?

2:15:54 PM Chairman Schmitt - witness Webb  
Note: Warfield, Kabrenda You may step down sir, and unless we need another bit of information from you, you are excused.

2:16:00 PM Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda Then we call Alan Bowman.

2:16:30 PM Chairman Schmitt - witness Bowman  
Note: Warfield, Kabrenda Swearing the witness in.

2:16:38 PM Chairman Schmitt  
Note: Warfield, Kabrenda Please be seated. Mr. Talley.

2:16:40 PM Atty Talley Cannonsburg District - witness Bowman  
Note: Warfield, Kabrenda Direct Examination.

2:27:11 PM Atty Talley Cannonsburg District - witness Bowman  
Note: Warfield, Kabrenda That's all the questions I have at this time.

2:27:13 PM Chairman Schmitt  
Note: Warfield, Kabrenda Mrs. Koenig questions?

2:27:17 PM Staff Atty Koenig PSC - witness Bowman  
Note: Warfield, Kabrenda Cross Examination.

2:32:30 PM Staff Atty Koenig PSC - witness Bowman  
Note: Warfield, Kabrenda No further questions.

2:32:31 PM Chairman Schmitt  
Note: Warfield, Kabrenda Commissioner Cicero?

2:32:33 PM Vice Chairman Cicero - witness Bowman  
Note: Warfield, Kabrenda Just one question regarding the letter that supplied the \$987,000.00 for the cost. You broke it phase one 1,2,3 but there was no dollars associated with each piece of those three phases. Can you supply that? In other words [click on link for Vice Chairman Cicero's remarks.]

2:33:10 PM Vice Chairman Cicero - witness Bowman  
Note: Warfield, Kabrenda Just the estimate for each of the three pieces that added up to the \$987,000.00. I presume that those are the basis for the \$987,000.00, right?

2:33:22 PM Vice Chairman Cicero - witness Bowman  
Note: Warfield, Kabrenda So I am just interested in what the three pieces were individually. Is it on there?

2:33:40 PM Vice Chairman Cicero - witness Bowman  
Note: Warfield, Kabrenda I was really interested in what the cost per meter was.

2:33:54 PM Vice Chairman Cicero - witness Bowman  
Note: Warfield, Kabrenda You got them on here.

2:33:57 PM Vice Chairman - Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda Yeah I saw it before and forgot about it.

2:34:03 PM Vice Chairman Cicero - witness Bowman  
Note: Warfield, Kabrenda Alright I don't have anything else.

2:34:05 PM Chairman Schmitt  
Note: Warfield, Kabrenda Commissioner Mathews

2:34:09 PM Chairman Schmitt - witness Bowman  
Note: Warfield, Kabrenda Once you met with Mr. Webb and became more familiar with the system and you would do what basically prepare a plan moving forward including whatever updates might be done to this map and you would provide I guess a more accurate cost of the project to the water district commissioners and Mr. Webb correct?

2:34:44 PM Chairman Schmitt - witness Bowman  
Note: Warfield, Kabrenda And then what happens? Then the project would be let out for bid, right?

2:34:51 PM Chairman Schmitt - witness Bowman  
Note: Warfield, Kabrenda You would prepare the bid specs?

2:35:00 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	And when the bids came in you would ultimately be in a position to evaluate each of the respective bidders to make a judgement as to whether they could do the work in a satisfactory manner? And whether the bid price accurately reflected the work that needed to be done? Right?
2:35:33 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	What is your ball park estimate of how long it will take to complete phase one?
2:36:25 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	If this were done, some of this work would end up in the winter of 2020, probably?
2:36:36 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	Phase two is the logical second step after phase one is complete, correct?
2:36:52 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	But that is a separate and distinct project that might be started a year, two years, or five years after phase one. Is that correct?
2:37:05 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	Has anybody at Cannonsburg discussed with you any timeline for phase two at all?
2:37:15 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	But phase one is a project that you understand is going to be started sometime this year probably?
2:37:26 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	I don't have any further questions. Anything else Mr. Talley?
2:37:41 PM	Atty Talley Cannonsburg District - witness Bowman Note: Warfield, Kabrenda	Redirect.
2:38:10 PM	Atty Talley Cannonsburg District - witness Bowman Note: Warfield, Kabrenda	That's all.
2:38:11 PM	Chairman Schmitt - witness Bowman Note: Warfield, Kabrenda	The reason I think that we really insist on a resident inspector [click on the link for Chairman Schmitt's remarks.]
2:39:00 PM	Chairman Schmitt Note: Warfield, Kabrenda	I have nothing further.
2:39:03 PM	Atty Talley Cannonsburg District - witness Bowman Note: Warfield, Kabrenda	May Mr. Bowman be excused and go back to work?
2:39:10 PM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	That's all the witness we plan to call. We have the other Commissioners here.
2:39:17 PM	Chairman Schmitt Note: Warfield, Kabrenda	Why don't we just ask the Chairman a few questions it won't be five minutes probably.
2:39:30 PM	Chairman Schmitt - witness McGuire Note: Warfield, Kabrenda	Swearing in of witness.
2:39:44 PM	Chairman Schmitt - Staff Atty Koenig PSC Note: Warfield, Kabrenda	Do you have anything at all for the Chairman?
2:39:51 PM	Atty Talley Cannonsburg District Note: Warfield, Kabrenda	I'm sorry do you want me to ask the preliminary questions?
2:40:03 PM	Atty Talley Cannonsburg District - witness McGuire Note: Warfield, Kabrenda	Direct Examination.
2:41:18 PM	Atty Talley Cannonsburg District - witness McGuire Note: Warfield, Kabrenda	That's all the questions I have.
2:41:20 PM	Witness McGuire Note: Warfield, Kabrenda	May I make a statement about that?

2:41:22 PM Witness McGuire  
Note: Warfield, Kabrenda Very thankful to have Tim [click on the link for witness McGuire's statement.]

2:41:42 PM Atty Talley Cannonsburg District - witness McGuire  
Note: Warfield, Kabrenda And about how long have you been the Chairman?

2:41:54 PM Atty Talley Cannonsburg District - witness McGuire  
Note: Warfield, Kabrenda That's all the questions I have. I tender the witness.

2:41:55 PM Chairman Schmitt  
Note: Warfield, Kabrenda Before Mrs. Koenig asks questions I will tell you that our water inspector and that the head of our division of inspections share the same opinion of Mr. Webb.

2:42:11 PM Chairman Schmitt  
Note: Warfield, Kabrenda Mrs. Koenig.

2:42:13 PM Staff Atty Koenig PSC - witness McGuire  
Note: Warfield, Kabrenda Cross Examination.

2:46:31 PM Chairman Schmitt  
Note: Warfield, Kabrenda I didn't think that lawyers could keep their mouths closed.

2:47:11 PM Staff Atty Koenig PSC - witness McGuire  
Note: Warfield, Kabrenda Cross Continued.

2:49:25 PM Staff Atty Koenig PSC - witness McGuire  
Note: Warfield, Kabrenda Okay. Thank you very much. I don't have any other questions.

2:49:31 PM Chairman Schmitt  
Note: Warfield, Kabrenda Commissioner Cicero.

2:49:49 PM Vice Chairman Cicero - witness McGuire  
Note: Warfield, Kabrenda Have all of the Commissioners received their training?

2:50:10 PM Vice Chairman Cicero - witness McGuire  
Note: Warfield, Kabrenda I don't have anything else.

2:50:12 PM Chairman Schmitt  
Note: Warfield, Kabrenda Commissioner Mathews?

2:50:18 PM Chairman Schmitt - witness McGuire  
Note: Warfield, Kabrenda Mr. McGuire during the time that you have been on the Commission how many County Judge Executives have you been appointed or reappointed by?

2:50:50 PM Chairman Schmitt - witness McGuire  
Note: Warfield, Kabrenda Have you every been approached by a County Judge Executive, Fiscal Court member, or a local politician and asked to not raise rates?

2:51:47 PM Chairman Schmitt - witness McGuire  
Note: Warfield, Kabrenda Well we started I guess I don't know if it was 2016 or 2017 we started doing two things one [click on the link for Chairman Schmitt's remarks.]

2:53:48 PM Chairman Schmitt - witness McGuire  
Note: Warfield, Kabrenda Having said that and preached this sermon I have nothing else other than just [click on the link for Chairman Schmitt's remarks.]

2:54:30 PM Chairman Schmitt - witness McGuire  
Note: Warfield, Kabrenda Thank you, that's all.

2:54:34 PM Atty Talley Cannonsburg District - witness McGuire  
Note: Warfield, Kabrenda You may be excused.

2:54:36 PM Atty Talley Cannonsburg District  
Note: Warfield, Kabrenda That's our case your honour.

2:54:41 PM Chairman Schmitt  
Note: Warfield, Kabrenda Alright anything from any of the other Commissioner that you want to? Any of the Commissioners have anything to say or anything you want to add or any issue if you do?

2:54:52 PM	Witness McGuire Note: Warfield, Kabrenda	May I say something else?
2:54:55 PM	Witness McGuire Note: Warfield, Kabrenda	For a long time I was educated towards the fact that the PSC was always against you [click on link for witness McGuire's remarks.]
2:55:32 PM	Chairman Schmitt Note: Warfield, Kabrenda	Well thank you very much we appreciate it.
2:55:35 PM	Chairman Schmitt Note: Warfield, Kabrenda	Okay now we're finished right?
2:55:40 PM	Chairman Schmitt Note: Warfield, Kabrenda	Let me ask you this. I know you need the rate increase [click on link for Chairman Schmitt's remarks.]
2:56:42 PM	Chairman Schmitt - Atty Talley Note: Warfield, Kabrenda	Cannonsburg District Unless you have some objection to that?
2:57:16 PM	Chairman Schmitt - Atty Talley Note: Warfield, Kabrenda	Cannonsburg District Well I don't think any of us what to do that so [click on link for Chairman Schmitt's remarks.]
2:58:13 PM	Chairman Schmitt - Atty Talley Note: Warfield, Kabrenda	Cannonsburg The surcharge seems to me can be granted. Subject to within a certain reasonable period of time getting the plan and the estimate. And then if we didn't get it then basically we cancel the surcharge and you refund the money.
2:58:51 PM	Chairman Schmitt Note: Warfield, Kabrenda	I don't know going back to your Chairman Mr. McGuire. You know sometimes [click on the link for Chairman Schmitt's remarks.]
3:00:30 PM	Chairman Schmitt Note: Warfield, Kabrenda	You find no issue with that Mrs. Koenig is that correct?
3:00:35 PM	Chairman Schmitt Note: Warfield, Kabrenda	Commissioners anything else?
3:00:37 PM	Commissioner Mathews Note: Warfield, Kabrenda	One thing I would like is for as you go through these next few steps document it [click on link for Commissioner Mathews remarks.]
3:01:17 PM	Chairman Schmitt Note: Warfield, Kabrenda	Commissioners I told Mr. Talley this morning when I came in is we are looking for a success story. I do want to say one other thing [click on link for Chairman Schmitt's remarks.]
3:03:41 PM	Atty Talley Note: Warfield, Kabrenda	Cannonsburg District And I will contact them to see if we have a more recent one than 1985. [Click on link for Atty Talley's remarks.]
3:04:02 PM	Chairman Schmitt Note: Warfield, Kabrenda	Alright thank you very much. If there is nothing else then this hearing is adjourned.
3:04:10 PM	Session Ended	





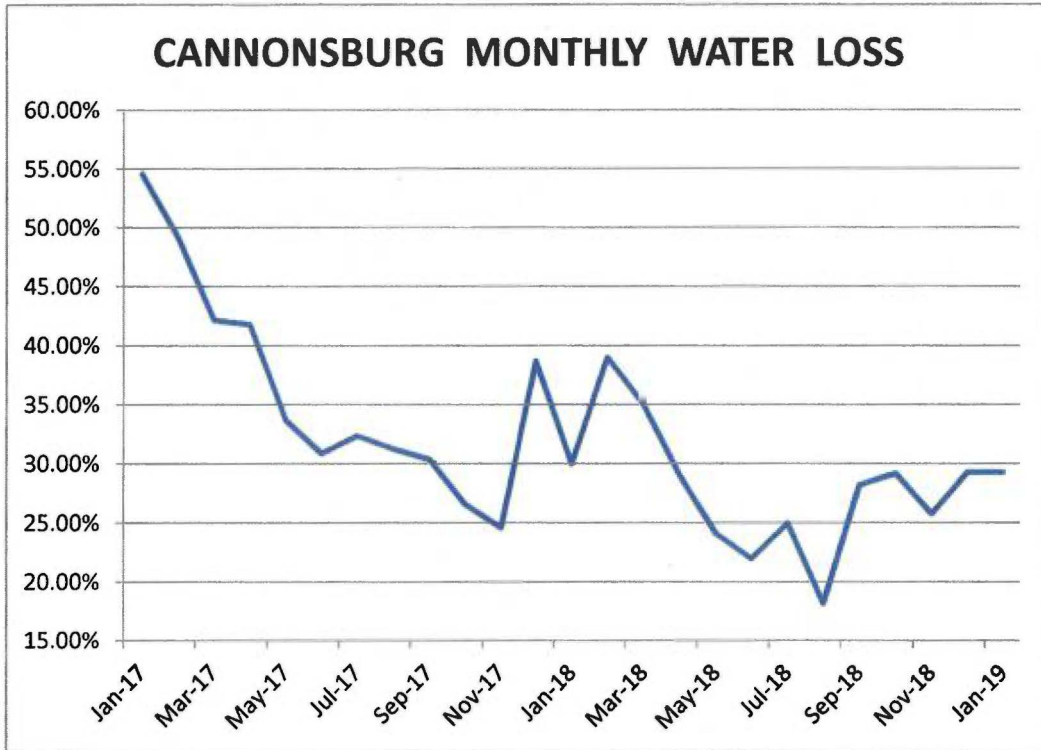
# Exhibit List Report

2014-00267 & 2018-00376  
25Apr2019

**Cannonsburg Water District  
(Cannonsburg District)**

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<b>Name:</b>	<b>Description:</b>
Cannonsburg District Exhibit 01	Cannonsburg Monthly Water Loss
Cannonsburg District Exhibit 02	February Water Loss Report
Cannonsburg District Exhibit 03	Literature provided by Mr. Webb
Cannonsburg District Exhibit 04	Composite Photographs
Cannonsburg District Exhibit 05	Cannonsburg District System Map (ID ONLY)
Cannonsburg District Exhibit 06	Bell Engineering Report
Cannonsburg District Exhibit 07	Resolution Purposing The Monthly Surcharge Of Customer Accounts
Cannonsburg District Exhibit 08	KIA Loan Debt Service Schedule (ID ONLY)
PSC Exhibit 01	Cannonsburg District System Map



2017 Annual Average: 36.27%

2018 Annual Average: 27.80%

**Source:** Monthly Water Loss Reports filed by Cannonsburg in PSC Case No. 2014-00267

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility:

For the Month of:  Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	<b>WATER PRODUCED, PURCHASED &amp; DISTRIBUTED</b>		
2	Water Produced	-	
3	Water Purchased	29,619,000	
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>29,619,000</b>	
5			
6	<b>WATER SALES</b>		
7	Residential	10,719,000	
8	Commercial	3,655,000	
9	Industrial	1,819,000	
10	Bulk Loading Stations	3,500	
11	Wholesale	5,554,000	
12	Other Sales	-	
13	<b>TOTAL WATER SALES</b>	<b>21,750,500</b>	73.4%
14			
15	<b>OTHER WATER USED</b>		
16	Utility and/or Water Treatment Plant	27,000	
17	Wastewater Plant	-	
18	System Flushing	60,000	
19	Fire Department	1,000	
20	Other	-	
21	<b>TOTAL OTHER WATER USED</b>	<b>88,000</b>	0.3%
22			
23	<b>WATER LOSS</b>		
24	Tank Overflows	-	
25	Line Breaks	24,000	
26	Line Leaks	7,756,500	
27	Other	-	
28	<b>TOTAL LINE LOSS</b>	<b>7,780,500</b>	26.3%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	<b>WATER LOSS PERCENTAGE</b>		
33	Unaccounted-For Water (Line 28 divided by Line 4)	<b>26.3%</b>	



## MUNICIPEX VS. HDPE

### MUNICIPEX® – THE PROVEN WATER SERVICE ALTERNATIVE

Crosslinked polyethylene (PEX) is a polyethylene (PE) material which has undergone a change in molecular structure in which polymer chains are chemically linked. This results in improved properties such as elevated temperature strength and performance, chemical resistance and resistance to slow crack growth.

<p><b>Longevity</b></p>	<ul style="list-style-type: none"> <li>– <u>Increased resistance to creep</u></li> <li>– Significantly improved and documented chlorine and chloramines resistance</li> <li>– Increased hydrostatic design basis (HDB) pressure at 180°F (82.2°C)</li> <li>– Excellent corrosion resistance</li> <li>– Excellent tuberculation resistance</li> <li>– Excellent erosion resistance</li> </ul>
<p><b>Ease of Installation</b></p>	<ul style="list-style-type: none"> <li>– Bends with a radius as tight as five times the pipe outside diameter (OD), compared to 25 times the OD for SDR 9 HDPE</li> <li>– Increased flexibility</li> <li>– Superior kink resistance; if kinks do occur, the high thermal memory of MUNICIPEX allows field repair of kinked pipe without adding joints or repair clamps</li> <li>– Water flow can be stopped by “pinching” the pipe using a polyethylene gas pipe squeeze-off tool with no restrictions; no need to cut out pieces of pipe or use repair clamps</li> <li>– Can be used with service saddles</li> </ul>

For updates to this publication, visit [na.rehau.com/resourcecenter](http://na.rehau.com/resourcecenter)

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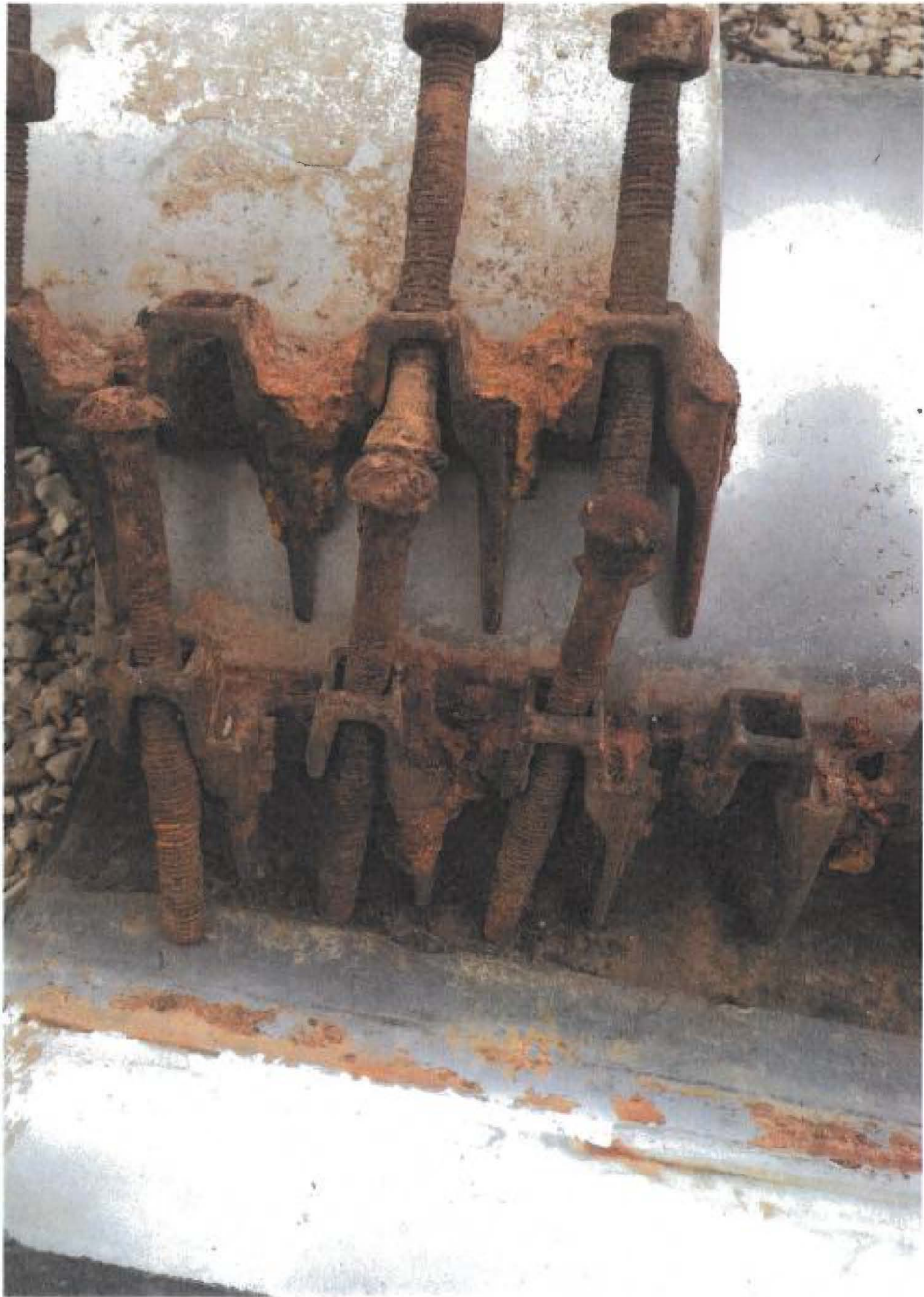
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<b>Toughness/Environmental Resistance</b>	<ul style="list-style-type: none"> <li>- Increased environmental stress crack resistance</li> <li>- Increased resistance to slow crack growth; results according to ASTM F1473 for “..Resistance to Slow Crack Growth ...” show that MUNICIPEX, when tested to same conditions as PE4710, <u>had a 12 times longer test lifetime, correlating to superior resistance to slow crack growth</u></li> <li>- Increased elongation to break<sup>1</sup></li> <li>- During pull-out testing, <u>MUNICIPEX stretches more than 400% before breaking as compared to HDPE which typically tears at 40% elongation<sup>1</sup></u></li> <li>- Remains flexible to below -40°F (-40°C); will not become brittle or break even at cold temperatures</li> <li>- High impact resistance – native backfill can often be used; does not crush, kink or collapse when proper backfill techniques are used, reducing the need for repairs and installation downtime</li> <li>- Excellent abrasion resistance- <u>resists gouges and scratches from rocks and may be used in horizontal directional drilling applications</u></li> </ul>
<b>Standard Sizes and Dimensions</b>	<ul style="list-style-type: none"> <li>- CTS SDR9 dimensions ensure compatibility with C800 compression fittings</li> <li>- Reduces waste with 3/4 to 2 in. diameters in tight coils of 100 to 1,000 ft (30.5 to 304.8 m)</li> </ul>

For more information about MUNICIPEX, visit [www.municipex.com](http://www.municipex.com) or contact your local REHAU representative.

<sup>1</sup>When tested in an assembly using REHAU EVERLOC (ASTM F2080) brass fittings or AWWA C800 compression fittings with inserts.

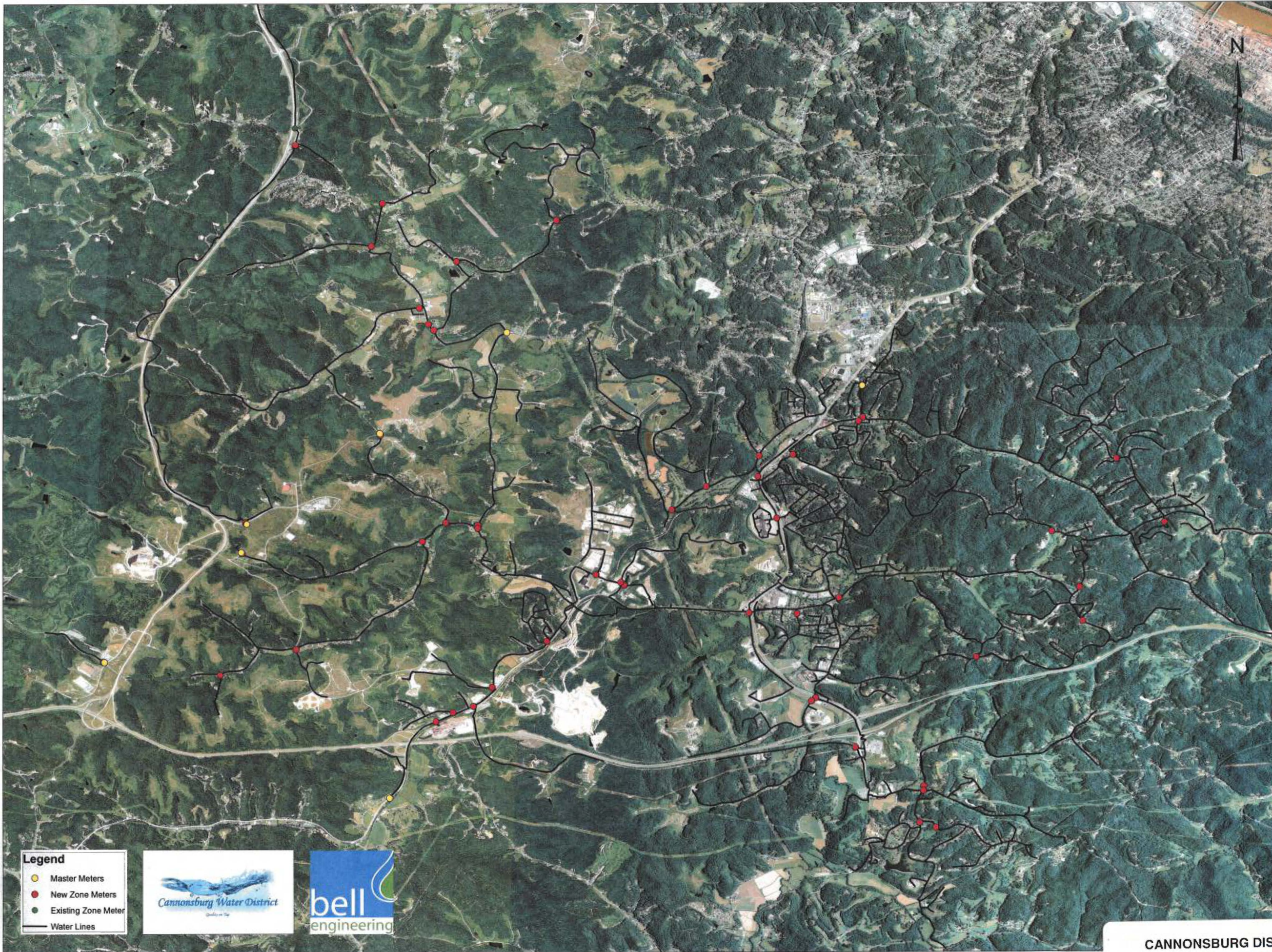




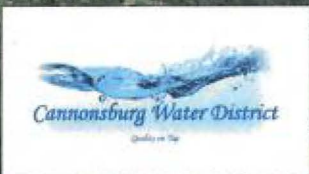








- Legend**
- Master Meters
  - New Zone Meters
  - Existing Zone Meter
  - Water Lines







April 17, 2019

Mr. Tim Webb, Superintendent  
Cannonsburg Water  
1606 Cannonsburg Road  
Ashland, Kentucky 41102

**Re: Opinion of Probable Cost  
Phase I-Zone Metering Project  
Phase II-Service Line Connection and Meter Replacement Project**

Dear Mr. Webb:

On behalf of Bell Engineering, we wanted to thank for taking the time to meet with us last week. As requested, we are attaching opinion(s) of probable cost for the referenced projects. We understand that the focus of each project is the continued reduction of non-revenue water (NRW) in the Cannonsburg system. The following is a brief summary of the scope of work that will be covered under each project.

**Phase I - Zone Metering Project**

1. Installation of approximately 36 "omni" zone metering devices equipped with pressure monitoring equipment that can be incorporated into the existing flex-net system.
2. Replacement of approximately 10 existing zone metering devices with new "omni" zone metering devices equipped with pressure monitoring equipment that can be incorporated into the existing flex-net system.
3. Development of a comprehensive hydraulic model that can be used to improve current operating efficiency and plan for changes in future demand.

**Phase II - Service Line Connection and Meter Replacement Project**

1. Replacement of approximately 600 existing service line connections.
2. Purchase of approximately 500 I-pearl meters equipped with flex-net capabilities to be installed by Cannonsburg Water.

2480 fortune drive, suite 350, lexington, kentucky 40509  
859/278-5412 phone 859/278-2911 fax www.hkbell.com

**bell engineering. creating. improving. planning for the future.**

Mr. Tim Webb, Superintendent  
April 17, 2019  
Page 2

3. Upgrades and expansion of existing system wide telemetry.
4. Development of a capital improvements plan (CIP), flushing plan and condition assessment report for all tank and pump station sites.

Please understand that the attached probable cost were developed based on information gathered at our initial meeting and may need to be revised and updated as each project progresses.

Thank you again for allowing us the opportunity to meet with you. We look forward to working with you in the future. Should you need any additional information or further assistance please do not hesitate to contact us at your convenience.

Sincerely,  
BELL ENGINEERING



Alan Bowman, PE  
Project Engineer

Attachments

c: Mr. Kelly Gillespie, President, Bell Engineering  
Mr. Damon R. Talley, Attorney-at-Law, Stoll Keenon Ogden PLLC

## OPINION OF PROBABLE PROJECT COST



Lexington, KY | 859.278.5412  
 Hopkinsville, KY | 270.886.5466  
 Asheville, NC | 828.774.5499

**Project:** PHASE 1 - ZONE METERING PROJECT

**Client:** CANNONBURG WATER DISTRICT

**Date:** APRIL 2019

**Contract No.:** 691-19-A

**Est. By:** RAB

**Checked By:** KGG

No Design Completed

Preliminary

Final Design

**SHEET:** 1 **OF:** 1

**Drawing No.:** N/A

ITEM NO.	ITEM DESCRIPTION	QUANTITY		MATERIAL		LABOR		TOTAL COST
		NO.	UNIT	PER UNIT	TOTAL	PER UNIT	TOTAL	
<b>CONSTRUCTION</b>								
1	NEW 3-INCH OMNI ZONE METER	13	EA	\$7,500	\$97,500	\$3,500	\$45,500	\$143,000
2	NEW 4-INCH OMNI ZONE METER	2	EA	\$9,500	\$19,000	\$4,000	\$8,000	\$27,000
3	NEW 6-INCH OMNI ZONE METER	20	EA	\$14,000	\$280,000	\$4,500	\$90,000	\$370,000
4	NEW 12-INCH OMNI ZONE METER	1	EA	\$22,500	\$22,500	\$5,500	\$5,500	\$28,000
5	REPLACE EX. 6-INCH OMNI ZONE METER	10	EA	\$14,000	\$140,000	\$6,000	\$60,000	\$200,000
<b>TOTAL OPINION OF PROBABLE CONSTRUCTION COST</b>								<b>\$768,000</b>

<b>PROJECT COST</b>		
1	ENGINEERING FEES - DESIGN (USDA RD CURVE)	\$50,000
2	ENGINEERING FEES - BIDDING (USDA RD CURVE)	\$7,000
3	ENGINEERING FEES - CONSTRUCTION ADMINISTRATION (USDA RD CURVE)	\$14,000
4	ENGINEERING FEES - INSPECTION (USDA RD CURVE)	\$47,000
5	HYDRAULIC MODEL (LUMP SUM)	\$25,000
6	CONTINGENCIES (APPROXIMATELY 10% CONSTRUCTION)	\$76,000
7	LEGAL / ADMINISTRATIVE	\$10,000
<b>TOTAL OPINION OF PROBABLE PROJECT COST</b>		<b>\$987,000</b>



4/17/19





Lexington, KY | 859.278.5412  
 Hopkinsville, KY | 270.886.5466  
 Asheville, NC | 828.774.5499

**OPINION OF PROBABLE PROJECT COST**

**Project:** PHASE II - SERVICE LINE CONNECTION AND METER REPLACEMENT PROJECT

**Client:** CANNONSBURG WATER DISTRICT

**Date:** APRIL 2019  
**Est. By:** RAB

**Contract No.:** 691-19-A  
**Checked By:** KGG

- No Design Completed
- Preliminary
- Final Design

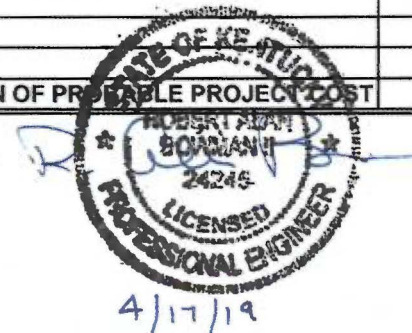
**SHEET:** 1 **OF:** 1

**Drawing No.:** N/A

ITEM NO.	ITEM DESCRIPTION	QUANTITY		MATERIAL		LABOR		TOTAL COST
		NO.	UNIT	PER UNIT	TOTAL	PER UNIT	TOTAL	
<b>CONSTRUCTION</b>								
1	REPLACE EXISTING SERVICE LINE CONNECTION, INCLUDING SERVICE SADDLE AND 3/4-INCH POLY ETHYLENE WATER LINE.	600	EA	\$300	\$180,000	\$2,000	\$1,200,000	\$1,380,000
2	PURCHASE NEW RESIDENTIAL METERS, EQUIPPED WITH "FLEX NET" MONITORING TO BE INSTALLED BY OWNER.	500	EA	\$330	\$165,000	XXXXX	XXXXX	\$165,000
3	TELEMETRY UPGRADES	1	LS	\$250,000	\$250,000	XXXXX	XXXXX	\$250,000
<b>TOTAL OPINION OF PROBABLE CONSTRUCTION COST</b>								<b>\$1,795,000</b>

<b>PROJECT COST</b>		
1	ENGINEERING FEES - DESIGN (USDA RD CURVE BASED ON TOTAL OPCC)	\$99,000
2	ENGINEERING FEES - BIDDING (USDA RD CURVE BASED ON TOTAL OPCC)	\$14,000
3	ENGINEERING FEES - CONSTRUCTION ADMINISTRATION (USDA RD CURVE BASED ON TOTAL OPCC)	\$28,000
4	ENGINEERING FEES - INSPECTION (USDA RD CURVE BASED ON TOTAL OPCC)	\$86,000
5	CAPITAL IMPROVEMENTS PLAN (CIP)	\$50,000
6	FLUSHING PLAN	\$5,000
7	CONDITION ASSESSMENT REPORT OF EXISTING PUMP STATIONS AND TANK SITES	\$10,000
8	LEGAL / ADMINISTRATIVE	\$15,000
9	OTHER	\$180,000
<b>TOTAL OPINION OF PROBABLE PROJECT COST</b>		<b>\$2,282,000</b>

**PRELIMINARY**



**RESOLUTION NO. 2019-04-01**

**RESOLUTION OF CANNONSBURG WATER DISTRICT  
APPROVING THE REQUEST FOR AUTHORITY TO  
IMPLEMENT A NEW MONTHLY SURCHARGE TO FUND  
ITS UNACCOUNTED-FOR WATER LOSS REDUCTION  
EFFORTS.**

**WHEREAS,** Cannonsburg Water District (“Cannonsburg”) is a water district organized pursuant to KRS Chapter 74;

**WHEREAS,** Cannonsburg owns and operates facilities that distribute water to customers in Boyd and Greenup counties;

**WHEREAS,** Cannonsburg has a history of high unaccounted-for water loss;

**WHEREAS,** on August 8, 2011, Cannonsburg applied for an adjustment of its rates for water service, and on June 4, 2012, the Kentucky Public Service Commission (“PSC”) authorized the assessment of a monthly surcharge of \$5.53 on all customers for a period of 36 months to fund Cannonsburg’s non-revenue water reduction efforts;

**WHEREAS,** the monthly surcharge has since ended, but Cannonsburg realizes there is more progress to be made in reducing its water loss;

**WHEREAS**, the separate account holding the remaining surcharge funds has a current balance of approximately \$521,000;

**WHEREAS**, Cannonsburg has engaged the services of Bell Engineering (“Bell”) to assist in its ongoing water loss reduction efforts. Bell and Cannonsburg have identified several projects that need to be undertaken to reduce Cannonsburg’s water loss. Bell proposes that these projects be undertaken in multiple phases;

**WHEREAS**, Bell has estimated the cost to perform Phase I of the water loss reduction projects will far exceed the funds currently available in the surcharge account;

**WHEREAS**, it is necessary for Cannonsburg to raise more revenue to finance its efforts to reduce its water loss; and

**WHEREAS**, implementing a new monthly surcharge to fund Cannonsburg’s non-revenue water reduction efforts appears to be the most feasible means to raise the necessary funds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CANNONSBURG WATER DISTRICT AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and



incorporated as a part of this Resolution.

**Section 2.** It is hereby determined and declared to be necessary that Cannonsburg request the PSC to authorize a new monthly surcharge in the amount of \$ 4.00 per customer to fund Cannonsburg's unaccounted-for water loss reduction efforts.

**Section 3.** The Board of Commissioners hereby authorizes the Chairman and General Manager to request that the PSC authorize a new monthly surcharge fee in the amount of \$ 4.00 per month per active meter.

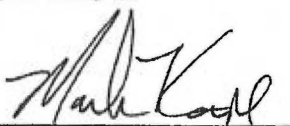
**Section 4.** This Resolution shall take effect upon its adoption.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF CANNONSBURG WATER DISTRICT** at a meeting held on April 17, 2019, signed by the Chairman, and attested by the Secretary.

**CANNONSBURG WATER DISTRICT**

BY:   
**Robert McGuire, Chairman**

ATTEST:

  
**Mark Kazee, Secretary**



## CERTIFICATION

The undersigned Secretary of Cannonsburg Water District (the "District") does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on April 17, 2019, signed by the Chairman of the Commission, attested by the Secretary, and now in full force and effect.

WITNESS my hand this 17th day of April, 2019.

A handwritten signature in black ink, appearing to read "Mark Kazee", written over a horizontal line.

**Mark Kazee, Secretary**

## **KIA Loan Debt Service Schedule (Proposed)**

<b>Loan Amount</b>	<b>Annual Payment</b>
\$500,000	\$133,133
\$550,000	\$146,446
\$600,000	\$159,760

### **Assumptions:**

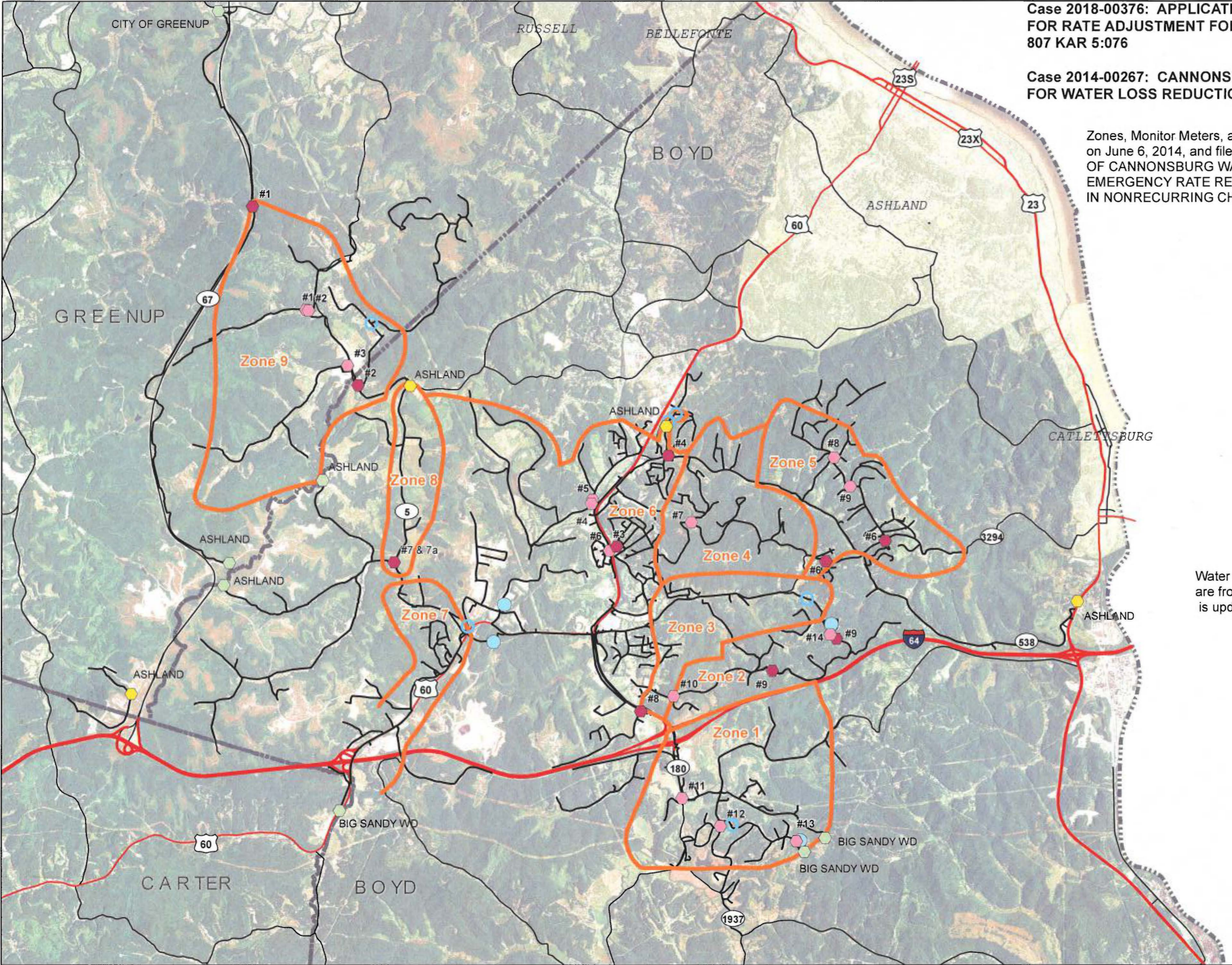
1. Fund B or Fund C Loan
2. Interest Rate: 2.5%
3. Service fee: 20 Basis Points (0.20%)
4. Maturity: 4 Years
5. Annual Payment Amount shown above includes both Interest Rate and Service Fee Payments



**Case 2018-00376: APPLICATION OF CANNONBURG WATER DISTRICT FOR RATE ADJUSTMENT FOR SMALL UTILITIES PURSUANT TO 807 KAR 5:076**

**Case 2014-00267: CANNONBURG WATER DISTRICT'S UNACCOUNTED-FOR WATER LOSS REDUCTION PLAN, SURCHARGE AND MONITORING**

Zones, Monitor Meters, and Bypass Meters are derived from maps submitted on June 6, 2014, and filed under Case 2011-00217: APPLICATION OF CANNONBURG WATER DISTRICT FOR (1) APPROVAL OF EMERGENCY RATE RELIEF AND (2) APPROVAL OF THE INCREASE IN NONRECURRING CHARGES



- Bypass Meter (2014 Plan)
- Monitor Meter (2014 Plan)
- Master Meters for Purchasing
- Master Meters for Selling
- Cannonburg Water Pumps
- Cannonburg Water Tanks
- Zones (2014 Plan)
- Cannonburg Water Lines
- Interstates
- US Highways
- State Roads
- Corporate Boundary Polygons
- County Boundaries

Water utility features (lines, master meters, pumps, tanks) are from the Water Resource Information System, which is updated annually by local area development districts.





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