

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO EXCESSIVE )  
WATER LOSS BY KENTUCKY'S JURISDICTIONAL ) CASE NO.  
WATER UTILITIES ) 2019-00041

NOTICE OF FILING

Notice is given to all parties that the transcript of the July 18, 2019 Milburn Water District hearing prepared by Todd & Associates Reporting, Inc. has been filed into the record of this proceeding.



Gwen R. Pinson  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED           OCT 07 2019          

cc: Parties of Record



Transcript of the Testimony of **PSC Hearing**

**Date:** July 18, 2019

**Case:** In Re: Milburn Water District

Todd & Associates Reporting, Inc.

Phone: 859-223-2322

Fax: 859-223-9992

Email: [office@toddreporing.com](mailto:office@toddreporing.com)

Internet: [www.toddreporing.com](http://www.toddreporing.com)

COMMONWEALTH OF KENTUCKY  
KENTUCKY PUBLIC SERVICE COMMISSION  
CASE NO. 2019-00041

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IN RE:

MILBURN WATER DISTRICT

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HEARING HELD ON:

JULY 18, 2019

FRANKFORT, KENTUCKY

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APPEARANCES

PUBLIC SERVICE COMMISSION:

Chairman Michael J. Schmitt  
Vice Chairman Robert Cicero  
Commissioner Dr. Talina Mathews

ON BEHALF OF THE COMMISSION STAFF:

Mr. John Park

ON BEHALF OF THE ATTORNEY GENERAL:

Mr. Justin M. McNeil

ON BEHALF OF MILBURN WATER DISTRICT:

Mr. Derrick E. Willis

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1                   CHAIRMAN SCHMITT: We're now on the  
2                   record. This is the Kentucky Public  
3                   Service Commission. My name is Michael  
4                   Schmitt, I'm Chairman of the Commission.  
5                   Sitting to my right is Vice-Chairman  
6                   Robert Cicero and to my left Dr. Talina  
7                   Mathews.

8                   We're here today for the purpose of  
9                   taking evidence in Case No. 2019-00041,  
10                  Investigation Into Excessive Water Loss  
11                  By Kentucky's Jurisdictional Water  
12                  Utilities.

13                  This morning the hearing will involve  
14                  Milburn Water District. This Case  
15                  2019-00041 is composed of 11 separate  
16                  water districts. Those other than  
17                  Milburn are Morgan County Water District,  
18                  Caywood Water District, North Manchester  
19                  Water District, Estill County Water  
20                  District, Farmdale Water District, West  
21                  Carroll Water District, Southern Water  
22                  and Sewer District, Hyden-Leslie Water  
23                  District, Big Sandy Water District and  
24                  Rattlesnake Ridge Water District.

25                  In addition to those 11 there are two

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1 other water districts which are involved  
2 but they're not a part of this case  
3 because there are already pending cases  
4 involving their operations, and they are  
5 Cannonsburg Water District and Martin  
6 County Water District.

7 This case is the last of 11 hearings  
8 which we will have held on this matter  
9 and so there won't be any hearing,  
10 obviously, this afternoon. This will  
11 wind up the portion of the case that  
12 involves the taking of oral testimony.

13 This hearing is being streamed live  
14 over the internet and will later be  
15 posted on the Public Service Commission's  
16 website. The official record in this  
17 case will constitute the video recording  
18 and the court reporter's official  
19 transcript. When that transcript has  
20 been prepared and filed in the record it  
21 will be available to Milburn and other  
22 parties and to their attorney upon  
23 request.

24 At this time I would like counsel for  
25 Milburn Water District to identify

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1                   himself, his client, and witnesses who  
2                   will be present here this morning.

3                   MR. WILLIS: Good morning. My name  
4                   is Derrick Willis. I'm here on behalf of  
5                   Milburn. I have Glynn Goldsmith and Mr.  
6                   Mark Vaden present, and there was also an  
7                   agreement with counsel that the manager,  
8                   Donna Curtsinger, be made available to  
9                   testify by deposition if the Commission  
10                  requests she do so.

11                  CHAIRMAN SCHMITT: I think -- was she  
12                  in Hawaii or someplace on vacation?  
13                  Nobody can fault her for that.

14                  Thank you, Mr. Willis. Appreciate  
15                  it. And on behalf of the Kentucky  
16                  Attorney General?

17                  MR. MCNEIL: Yes, Chairman. Justin  
18                  McNeil.

19                  CHAIRMAN SCHMITT: And for Public  
20                  Service Commission Staff.

21                  MR. PARK: John Park for PSC staff.  
22                  And just to concur with counsel for  
23                  Milburn Water District, there is an  
24                  agreement of counsel that Milburn will  
25                  make Ms. Curtsinger available for

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1 deposition, if after this hearing and any  
2 posthearing data request staff feels the  
3 need for additional information.

4 CHAIRMAN SCHMITT: I've neglected  
5 once again to check the record, Mr.  
6 Willis, but has notice of this hearing  
7 been given by way of publication and is  
8 evidence of notification in the record?

9 MR. WILLIS: It is.

10 CHAIRMAN SCHMITT: Okay. Thank you.  
11 Now, the order of taking testimony will  
12 be that Mr. Park on behalf of staff will  
13 interrogate witnesses first followed by  
14 any questions members of the commission  
15 may have, then Mr. McNeil on behalf of  
16 the Attorney General's Office, and then  
17 Mr. Willis you may, if you chose, ask any  
18 questions to clear up any matter or  
19 produce any evidence on anything else you  
20 might want to. But it's not required, so  
21 it's just whatever you think might or  
22 might not be -- you might want to do.

23 Mr. Park will identify, I guess,  
24 which witness he wants first and then  
25 second. And then Mr. Willis, when the

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1 witness is called and I swear the witness  
2 in, I would appreciate if you would ask  
3 the witness a few introductory questions,  
4 name, address, relationship with Milburn  
5 Water District, so as to make the record  
6 make sense when Mr. Park begins his  
7 questioning.

8 MR. WILLIS: All right.

9 CHAIRMAN SCHMITT: All right. Thank  
10 you. Mr. Park, which witness would you  
11 like to call?

12 MR. PARK: Staff would like to  
13 question Mr. Glynn Goldsmith,  
14 distribution system operator.

15 CHAIRMAN SCHMITT: Go over here.  
16 Please raise your right hand. Do you  
17 solemnly swear or affirm under penalty of  
18 perjury that the testimony you are about  
19 to give will be the truth, the whole  
20 truth, and nothing but the truth?

21 THE WITNESS: Yes.

22 CHAIRMAN SCHMITT: Please be seated.

23 Mr. Willis, before you ask any  
24 questions, I was telling the other  
25 commissioners that this morning when I

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1                   came in your clients had an exhibit, and  
2                   I suggested they bring it and let us take  
3                   a picture of it.

4                   I suppose -- did you bring in your  
5                   pipe, Mr. Goldsmith?

6                   THE WITNESS: Yes, sir.

7                   CHAIRMAN SCHMITT: Please go ahead.

8                   -----

9                   EXAMINATION

10                  BY MR. WILLIS:

11                  Q.                   Please state your name.

12                  A.                   Thomas Glynn Goldsmith.

13                  Q.                   And where do you reside?

14                  A.                   Carlisle County, Milburn.

15                  Q.                   Are you associated with the Milburn Water  
16                  District?

17                  A.                   Yes, I'm the operator.

18                  Q.                   How long have you been associated with  
19                  Milburn and held that position?

20                  A.                   Ten years.

21                  Q.                   And did you bring with you today some  
22                  supplemental board meetings and an updated water loss  
23                  report?

24                  A.                   Yes, sir.

25                                   MR. WILLIS: Your Honor, may I

1 approach the witness?

2 CHAIRMAN SCHMITT: Yes, you may.

3 BY MR. WILLIS:

4 Q. And has Milburn reduced its water loss  
5 since the filing of this case?

6 A. Yes, sir. Last month we were down to  
7 20.2, I believe, percent.

8 MR. WILLIS: May I approach?

9 CHAIRMAN SCHMITT: Yes, you may.

10 MR. WILLIS: Your Honor, I ask that  
11 we be permitted to introduce this  
12 collectively as Milburn Water District  
13 Exhibit 1.

14 CHAIRMAN SCHMITT: Any objection?

15 MR. PARK: No objection.

16 CHAIRMAN SCHMITT: Let the exhibits  
17 be collectively introduced as Milburn  
18 Water District Exhibit 1.

19 MR. WILLIS: I'll pass the witness.

20 CHAIRMAN SCHMITT: Do you have the  
21 exhibits for the court reporter? Why  
22 don't you -- we can let her have these  
23 and we can share.

24 All right. Mr. Park.

25 -----

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1 EXAMINATION

2 BY MR. PARK:

3 Q. Good morning, Mr. Goldsmith.

4 A. Good morning.

5 Q. You indicated you have been associated  
6 with the district for approximately ten years.

7 What is the nature of your relationship?

8 A. I am the operator.

9 Q. And is that on a contract basis or are  
10 you an employee?

11 A. It's -- actually, I am an employee under  
12 the operator position. I mean --

13 Q. You receive a salary?

14 A. Yes, sir.

15 Q. Okay. And what is your salary?

16 A. It's \$475 per month.

17 Q. And you receive that -- I just want to  
18 confirm because I believe in the discovery responses it  
19 was indicated the district had no employees. So you  
20 are not on a contract basis but you are actually an  
21 employee?

22 A. Well, I am actually -- I'm the Milburn  
23 Water District operator, you know, I went through state  
24 training to get my operator's license and actually paid  
25 for that.

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1 Q. But you have FICA withheld by the  
2 district --

3 A. Yes.

4 Q. -- you have payroll taxes withheld?

5 A. I think I've -- I think I pay those in at  
6 the end of the year. I don't think they withhold any  
7 taxes.

8 Q. Okay. Do you have a contract with the  
9 district?

10 A. No.

11 COMMISSIONER MATHEWS: Do you get a  
12 W-2 or a 1099?

13 THE WITNESS: A 1099.

14 COMMISSIONER MATHEWS: Then you are a  
15 contractor.

16 THE WITNESS: Okay.

17 BY MR. PARK:

18 Q. Do you work for any other water systems?

19 A. No, sir.

20 Q. Do you hold any other employment?

21 A. Yes.

22 Q. What is your other employment?

23 A. I work at Waymatic, Incorporated in South  
24 Fulton, Tennessee. I am a supervisor there. I've been  
25 there for 35 years.

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- 1 Q. Is that a full-time position?
- 2 A. Yes, sir.
- 3 Q. And when do you perform services for the  
4 district if you are working full-time?
- 5 A. After hours.
- 6 Q. After hours. And how many days a week do  
7 you work for the district after hours?
- 8 A. Could be daily, it could be -- I mean  
9 mostly daily because I do a daily chlorine test.
- 10 Q. Okay. And then just as needed?
- 11 A. Yes, sir.
- 12 Q. What happens when you need help?
- 13 A. We have -- we have some people that's  
14 allocated to help. They're actually contract labor.
- 15 Q. Contract labor on an as-needed basis?
- 16 A. Yes, sir.
- 17 Q. And give me an example of a situation  
18 where you'd need help?
- 19 A. Well, if I'm at work and they have a line  
20 break, one of the guys that -- he's a local farmer  
21 there and he'll -- him or his son or the chairman, he's  
22 in on it too, he will help repair, whatever needs to be  
23 done. And if it's bad, I will come home to help, to  
24 assist.
- 25 Q. Who dispatches these -- the contract

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1 labor? Or who authorizes them and requests them to go  
2 out and do work for the district?

3 A. Myself or Donna.

4 Q. Okay. And how often does that occur?

5 A. We had one probably two weeks ago, I was  
6 at work and I contacted --

7 Q. And how are they paid?

8 A. Per job.

9 Q. Per job based upon the time they spend on  
10 it?

11 A. Yes, sir.

12 Q. Do you ever get assistance from other  
13 water districts in the area?

14 A. Yes. The water district that we purchase  
15 water from, which is Mayfield Fancy Farms Graves  
16 County, they -- if we have something real bad, they'll  
17 come down and help.

18 Q. What about inventory, does the district  
19 maintain an inventory of parts --

20 A. Yes.

21 Q. Ever run into a situation where you have  
22 a shortage of inventory and have to turn to some other  
23 system?

24 A. Maybe once.

25 Q. Okay.

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1 A. We may have borrowed some fittings and  
2 then replaced them.

3 Q. Fittings?

4 A. With Mayfield.

5 Q. What about as far as your equipment, does  
6 the district have its own equipment?

7 A. No, sir.

8 Q. And do you provide that or do the  
9 laborers provide that?

10 A. Yes.

11 Q. Does the --

12 CHAIRMAN SCHMITT: Excuse me, you  
13 said the answer was yes. But do you  
14 provide it or do the laborers provide it?  
15 Who provides the equipment?

16 THE WITNESS: The labor people, the  
17 contract people.

18 CHAIRMAN SCHMITT: So if you need a  
19 backhoe or something like that, they  
20 bring it along?

21 THE WITNESS: Yes.

22 CHAIRMAN SCHMITT: Thank you. Sorry.

23 BY MR. PARK:

24 Q. And does the district pay an additional  
25 fee for the use of the equipment or is that included in

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1 the fee that's paid to the people?

2 A. It's in their contract labor, yes. It's  
3 a little higher, I think, for backhoe usage than the  
4 regular labor.

5 Q. I see. How about your arrangement with  
6 the \$475 a month, do you receive extra when you use  
7 your equipment?

8 A. Yes. I get \$15 per hour.

9 Q. Okay. And could you describe the  
10 characteristics of the Milburn Water System in general  
11 in terms of size, the length of pipes, and age and  
12 pressure and such?

13 A. Okay. We have about seven and a half  
14 miles of pipe. I think it's about four miles of  
15 six-inch and three and a half miles of four-inch and  
16 it's AC pipe. 51 years old. It was put in the ground  
17 in 1968.

18 Q. So all of this pipe was put in when the  
19 district was formed?

20 A. Yes, sir.

21 Q. And how many -- do you know how many  
22 meters customers there are currently?

23 A. There are -- active there are, I think  
24 it's around 136.

25 Q. 136. And are they all residential?

1 A. Yes.

2 Q. And what are the systems of the  
3 characteristics -- rather. Strike that.

4 What are the characteristics of the  
5 system that in your opinion contribute to water loss?

6 A. I think it's all in the aging pipe, that  
7 AC pipe. We brought a piece with us. It's -- I mean,  
8 it's outdated.

9 Q. Just reached the end of its useful life  
10 in your opinion?

11 A. Yes.

12 Q. Do you know if it has a --

13 A. As far as an age limit, I have no idea.  
14 It cracks and, you know, it could leak for -- I'd be  
15 afraid to say, I mean it could leak for three months, a  
16 year, before it blows. You know, and we don't find it  
17 until it surfaces at the top of the ground.

18 Q. What's the operating pressure on the  
19 system?

20 A. It averages about 70 to 72 PSI.

21 Q. And are there any significant elevation  
22 changes on the system?

23 A. Not really.

24 Q. What about water crossings?

25 A. As far as like --

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- 1 Q. Streams?
- 2 A. Streams, yes, we have some of those.
- 3 Q. And what is the district's practice for  
4 responding to leaks? First, if a customer has got a  
5 leak or suspects -- somebody sees water on the side of  
6 the road, they call the water company, who does that  
7 call go to?
- 8 A. To me.
- 9 Q. To you?
- 10 A. Uh-huh. (Affirmative.)
- 11 Q. And what's the -- what's the practice for  
12 how do you respond to that? Do you try to determine  
13 the severity of the leak as to how you respond or --
- 14 A. No, I just go and look at it.
- 15 Q. And if you are at work do you request --
- 16 A. Yes, I will call the farmer that helps  
17 us. He's around all the time, so...
- 18 Q. Other than responding to reports of  
19 leaks, do you do anything to go out and look for leaks?
- 20 A. Yes. I have started, which I've done it  
21 all along but I've started here in the last several  
22 months I've really been, you know, picking it up I  
23 guess you could say, checking for leaks. Just  
24 visually, just --
- 25 Q. Has that -- have you been able to locate

1 and eliminate more leaks this way with doing that?

2 A. Yes, we have actually fixed two -- we  
3 have found two service line leaks that were not real  
4 visible, it was just after walking around, you know,  
5 found some wet spots. Found another leak that we're in  
6 the process of getting it repaired. It's at an air  
7 relief valve. And hopefully when we get that one fixed  
8 our numbers are going to go down quite a bit more.

9 Q. Are most of the leaks you are finding on  
10 service lines or are they on mains?

11 A. Mainly service -- mainly service lines  
12 other than that air relief valve that we just found.

13 Q. And are the service lines this older pipe  
14 material as well?

15 A. As far as I know all of the service lines  
16 that's branched off of your main line is either some  
17 sort of PVC or copper.

18 Q. Okay. Are most of the leaks on the old  
19 pipe though or on the service lines?

20 A. I would say that we have more service  
21 line leaks but, you know, main line leaks is -- we  
22 probably have -- just guessing, I'm going to say  
23 probably four or five per year. And service line  
24 leaks, you know, you might have three or four.

25 Q. Which account for more of the water loss?

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- 1 A. Your main waterline pipe.
- 2 Q. Main waterline?
- 3 A. Uh-huh. (Affirmative.)
- 4 Q. If the main distribution line, the old  
5 lines, were to be replaced, what effect do you think  
6 that would have on water loss?
- 7 A. Oh, I think it would be a tremendous -- I  
8 mean, you know, it would -- you replace all of that old  
9 line --
- 10 Q. Bring it down below 15 percent?
- 11 A. Oh, yes. I mean --
- 12 Q. And in response to some of the discovery  
13 requests, the district indicated it didn't really have  
14 a formal water loss prevention or water loss reduction  
15 plan but it had been in contact with the KRWA, Kentucky  
16 Rural Water --
- 17 A. Yes, I think I saw that in what we filed.
- 18 Q. Okay. What has been the contact? Have  
19 you been in contact with Rural Water?
- 20 A. No, that would be the office manager,  
21 Donna has been --
- 22 Q. Ms. Curtsinger?
- 23 A. Yes, sir.
- 24 Q. And you haven't had any contact with  
25 anybody from Kentucky Rural Water?

1 A. No.

2 Q. Do you know if they've been on site?

3 A. I think I remember them coming down, it's  
4 been several years ago, and doing some leak detection,  
5 listening. But to the best of my knowledge I don't  
6 remember them finding anything.

7 Q. Did they provide any leak detection  
8 training to you?

9 A. Uh-uh. (Negative.)

10 Q. Is that something you think would be  
11 beneficial to have them come back on site and look at  
12 the system and --

13 A. It could if we had the equipment to  
14 listen, the listening equipment and stuff.

15 Q. The leak detection equipment?

16 A. Yes.

17 Q. And if they could come and provide the  
18 leak detection equipment, would that be helpful?

19 A. Yes.

20 Q. And I'm going to ask a couple of  
21 questions about some of the discovery responses in this  
22 case. So I don't know if you have them with you.

23 MR. PARK: Counsel, does your witness  
24 have the discovery?

25 MR. WILLIS: Yes.

1 MR. PARK: Okay.

2 BY MR. PARK:

3 Q. First I'm going to refer to a couple of  
4 the responses to the questions in the second set of  
5 data requests, which were the staff data requests dated  
6 May 3rd.

7 And in the response to Question 16, the  
8 district states that it does not test customer meters  
9 because it replaces them before that ten-year interval  
10 comes up.

11 Is that the case?

12 A. Yes.

13 Q. How does the district track how long a  
14 meter has been in service and when it's time to pull it  
15 and replace it?

16 A. We have a record showing when we actually  
17 put it in, what year, you know, what year we put it in,  
18 the date.

19 Q. And just you keep track of every ten  
20 years or -- I guess there's not that many meters in the  
21 system --

22 A. Yeah, a hundred --

23 Q. -- to keep track of?

24 A. I think the total is like 150. But  
25 that's active right now is like 133 to 136.

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1 Q. Does the district keep any meters in  
2 inventory in case there's a problem with a meter?

3 A. Yes. Yes.

4 Q. In response to Question 19, the district  
5 states that it does not utilize master zone meters to  
6 monitor the flow in its system; is that correct?

7 A. Yes, we only have one master meter.

8 Q. Is that at the purchase point?

9 A. Yes.

10 Q. In your opinion do you think it would be  
11 beneficial to divide the system into zones and have  
12 some flow meters, or is the system just too small?

13 A. I think it's too small and the only way  
14 that would work is if all of the lines were looped  
15 together with no dead ends.

16 Q. Okay. And describe the system, is it  
17 more like a cross or --

18 A. It's more like a fork.

19 Q. A fork. Okay. Running west from the  
20 purchase point and then forking?

21 A. Yes.

22 Q. And in response to Question 21 the  
23 district states that it has an original system map from  
24 1968. Is that the map you-all rely on?

25 A. Yes.

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1 Q. Okay. Does that show service  
2 connections?

3 A. Yes, sir.

4 Q. It does. Okay. Is that mapping  
5 sufficient, you think, for the district?

6 A. Yeah, it's kind of hard to look at since  
7 it's as old as it is. But yeah, it's pretty decent.

8 Q. Would it be helpful to update the mapping  
9 system with GPS and have it more accessible to you?

10 A. Yeah. I think the PADD office actually  
11 did that. We've got some copies of some newer maps.  
12 Now, we don't have the GPS coordinates and stuff on it.

13 Q. Is there any plan to get that?

14 A. Yeah. Yeah. We're in the process of  
15 working on that I know.

16 Q. Okay. And what -- where are you in the  
17 process and what are you-all doing?

18 A. The guy at Mayfield -- I just need to get  
19 back in contact with him to get him down there when I'm  
20 available to get the GPS coordinates.

21 COMMISSIONER MATHEWS: When you said  
22 PADD, that's purchase area --

23 THE WITNESS: Purchase Area  
24 Development District, yes, ma'am.

25 BY MR. PARK:

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1 Q. Is there going to be a cost to the  
2 district associated with that?

3 A. As far as I know there's none.

4 Q. In response to Question No. 10 of the  
5 data requests, in Appendix C of the Commission's order  
6 of March 12, the district states that as part of its  
7 efforts to reduce leaks it has been installing valves  
8 at areas such as stream crossings where water does not  
9 surface.

10 When did the district start doing this?

11 A. I think -- I think she misunderstood when  
12 she answered this one. I need to make a correction on  
13 this.

14 Q. Okay.

15 A. As far as leak detection on creek  
16 crossings and stuff, we don't install any kind of  
17 valves. It's just all visual. You go, you know, walk  
18 down in the creek and see if you see any water churning  
19 up from the ground.

20 Q. But with stream crossings isn't it  
21 difficult to see if there's any water coming out of a  
22 pipe versus coming out of the stream?

23 A. Yes. Like, you know, if you have got --  
24 of course, we're not talking about a running stream  
25 unless it's raining a lot in our area.

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1 Q. Okay.

2 A. Might have a little water just sitting in  
3 the creek. And we've had several leaks in this  
4 creek -- in this one particular creek crossing that I'm  
5 thinking of, and you can actually see the water kind of  
6 boiling in the creek and running.

7 Q. Has that been repaired or replaced?

8 A. Yes, it's been repaired but, you know,  
9 it's -- it hasn't leaked in awhile, knock on wood, but  
10 it has -- it was a problem area.

11 Q. But the district does not currently use  
12 valves for that leak detection purposes?

13 A. Uh-uh. (Negative.)

14 Q. Do you think it would be beneficial to  
15 install any on the system?

16 A. I'm not sure.

17 Q. Short of replacing the old pipe, are  
18 there any water loss reduction efforts the district can  
19 take, in your opinion, other than responding to leaks  
20 and going out and fixing them?

21 A. No, sir.

22 Q. In response to Questions 11 and 12 of  
23 that first set of data requests in Appendix C, District  
24 states that it found no waterline leaks from September  
25 1, 2018 to April 23rd, 2018. I believe that's supposed

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1 to be 2019.

2 A. Supposed to be 2019. Yes, I corrected  
3 that last night.

4 Q. Okay. And is that accurate, there were  
5 no reports of any leaks during that period?

6 A. I told Mark last night when I was going  
7 over this, the only way I would know that for sure is  
8 if I had my book with me that I keep up with it. Right  
9 off the top of my head I can't answer that to be  
10 told -- I could get that information for you and send  
11 it in.

12 Q. We'll do a posthearing data request for  
13 that material to confirm that.

14 And same thing with whether there were  
15 any leaks actually repaired during that period.

16 A. Uh-huh. (Affirmative.)

17 Q. Okay. And is it accurate that the  
18 district does not produce water, it purchases water?

19 A. Correct.

20 Q. Who is its wholesale supplier?

21 A. Mayfield Fancy Farm, Graves County.

22 Q. Is that a water district?

23 A. Yes. It's actually City of Mayfield but  
24 they call it Mayfield Fancy Farm Graves County. So --

25 Q. Who owns the water treatment plant?

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1 A. The City of Mayfield.

2 Q. Mayfield. Do you know who the district's  
3 wholesale water purchase contract is actually with?  
4 Would that be something that Ms.  
5 Curtsinger would know?

6 A. Yes.

7 CHAIRMAN SCHMITT: Excuse me, Mr.  
8 Park, do you know if we have a copy of  
9 that contract?

10 MR. PARK: I have not seen it. I'm  
11 not sure if we do. If we don't we'll get  
12 one.

13 BY MR. PARK:

14 Q. And who is responsible for interacting  
15 with the water supplier as far as the purchase, would  
16 that be Ms. Curtsinger?

17 A. Yes, sir.

18 Q. What about operationally, do you have  
19 much contact with them?

20 A. I do. I talk to them some.

21 Q. And in the discovery responses -- strike  
22 that.

23 There were some questions regarding the  
24 master meter there at the purchase point and whether it  
25 had been inspected regularly. And the response was

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1 that a new master meter had been installed in 2018. Is  
2 that accurate?

3 A. Yes, sir.

4 Q. Before installation of that new meter, do  
5 you know if that master meter at the purchase point was  
6 inspected and tested regularly?

7 A. To the best of my knowledge they told us  
8 it was.

9 Q. Would they provide inspection records?

10 A. I think we asked for it but I'm not for  
11 sure if we ever received it or not.

12 Q. Okay. Do you know if under the contract  
13 they have a duty to inspect it every year or every two  
14 years?

15 A. I'm not real sure. I would say yes but  
16 I'm not real sure.

17 Q. Do you have any fire departments in the  
18 Milburn Water District territory?

19 A. Yes, sir.

20 Q. Who is responsible for dealing with the  
21 fire departments as far as their water usage?

22 A. I guess all of us there at the water  
23 district.

24 Q. Do you have any problems as far as the  
25 fire departments reporting their -- submitting timely

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1 water usage reports?

2 A. Not really. Maybe a time or two, but...

3 Q. But they're responsive and --

4 A. I'm actually on the fire department.

5 Q. Okay. I'm not surprised.

6 A. So I make sure it happens, you know,  
7 they're supposed to report every month but sometimes  
8 they fall behind and I have to --

9 VICE CHAIRMAN CICERO: Have you been  
10 cloned? Working a full-time job, you are  
11 operating a system and you do the fire  
12 department.

13 THE WITNESS: I don't have a lot of  
14 free time.

15 MR. PARK: I have been advised that  
16 there's no water purchase contract on  
17 file with the Commission, so we will  
18 obtain that in a posthearing data  
19 request.

20 COMMISSIONER MATHEWS: How many fire  
21 departments, one?

22 THE WITNESS: One.

23 COMMISSIONER MATHEWS: Volunteer?

24 THE WITNESS: Uh-huh. (Affirmative.)

25 BY MR. PARK:

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1 Q. Did you state that you -- the district or  
2 you had been in contact with somebody from either the  
3 City of Mayfield or Graves Water District about helping  
4 with your system, as far as leak detection or operating  
5 it?

6 A. As far as leak detection, I mean if we  
7 have a leak that we can't find, we've had them out  
8 there, yes, with listening devices.

9 Q. They will assist you with listening  
10 devices?

11 A. Yes. And if we need help repairing,  
12 they'll actually help us repair. We have to pay them,  
13 of course, but --

14 Q. When you say "they", who are you  
15 referring to?

16 A. Whoever they send out, their personnel.

17 Q. Does the City of Mayfield operate jointly  
18 with Graves County Water District or --

19 A. Repeat that.

20 Q. Sure. Does the City of Mayfield's water  
21 system, do they operate jointly with Graves County  
22 Water or --

23 A. Yes, as far as I'm -- as far as I know  
24 Mayfield is -- they operate all of the water districts  
25 in Graves County.

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1 Q. They do, they provide the operators?

2 A. Yes.

3 CHAIRMAN SCHMITT: Provide all of the  
4 employees. I think we have a case with  
5 Graves County now I think.

6 MR. PARK: Okay.

7 BY MR. PARK:

8 Q. Do you know if there's ever been any  
9 discussions about City of Mayfield taking over the  
10 Milburn system, as far as operating it?

11 A. It may have been before I came on. I  
12 know that's how I got into this. The operator before  
13 myself was -- of course, it was kin, it was my  
14 mother-in-law, was wanting to get out because she was  
15 getting up in her years and was tired of, you know --  
16 and they couldn't find nobody to take it over.

17 And I do know that Mayfield was  
18 approached. I don't think that they would probably  
19 want to do that because Graves County, Carlisle County,  
20 you know, it's not the same county. But they talked  
21 about merging maybe Bardwell, Kentucky is in Carlisle  
22 County but then you would have to -- it would be pretty  
23 expensive to run a line, you know, but nobody jumped on  
24 board on that either. So --

25 Q. And what was that water system in

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1 Carlisle?

2 A. Bardwell.

3 Q. Bardwell?

4 A. Yes.

5 Q. And there's no connection between  
6 Bardwell -- is that a water district or a city?

7 A. It's a city. I know there was talk of  
8 trying to get a line ran from Bardwell to Milburn --

9 Q. Are all of Milburn's customers in  
10 Carlisle County?

11 A. Yes.

12 Q. And you have -- who is your contact at  
13 City of Mayfield, Graves County?

14 A. I think his name is Kevin Leonard. I can  
15 look on my phone here real quick and be positive. Let  
16 me do that. Yes, Kevin Leonard.

17 Q. Have there been any discussions of what  
18 the district would do if you decide to retire or  
19 something were to happen to you?

20 A. No.

21 Q. What happens when you go on vacation? Or  
22 are you allowed to go on vacation?

23 A. I'm very limited as far as, you know,  
24 going on vacation. I mean I might go for a day or two  
25 or, you know -- but no, I have the guy that I'm

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1 referring to that's the farmer that's always there.

2 Q. He'll fill in and provide that coverage  
3 while you are gone?

4 A. Yes.

5 MR. PARK: I have no further  
6 questions.

7 CHAIRMAN SCHMITT: Commissioner  
8 Cicero.

9 -----

10 EXAMINATION

11 BY VICE CHAIRMAN CICERO:

12 Q. Good morning.

13 A. Good morning.

14 Q. This is kind of like a vacation day for  
15 you.

16 A. It is.

17 Q. You don't have to go to the fire  
18 department or go to Tennessee.

19 A. That's right.

20 Q. I think Milburn is probably one of the  
21 more unique cases that we have here in that regard for  
22 you to have a water loss that constitutes a  
23 catastrophe, in our opinion, is only one big leak and  
24 you can lose 80,000 gallons and your water loss shoots  
25 from 20 percent to 60 percent.

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1 A. Right.

2 Q. I think I calculated on the exhibit that  
3 was handed out earlier that the difference between the  
4 May and June number, it went from water loss of 36.8 to  
5 20.2 and the difference was only 87,000 gallons.

6 A. I have no idea how she calculates this,  
7 so...

8 Q. I have an idea. And the fact of the  
9 matter is you only need one leak to last for a few days  
10 and you could probably blow through 80,000 gallons.

11 So the way we've conducted these hearings  
12 is to go through not only the water loss conditions but  
13 the management of the district. And your situation is  
14 unique because you only have 136 customers. And if you  
15 look at the map, and I was trying to understand when  
16 you answered Mr. Parks' question regarding whether it  
17 was Graves or Carlisle County and running a new line,  
18 what difference does it make whether the customers are  
19 in Carlisle County or Graves County when the water  
20 connection already exists with Graves County?

21 A. I guess it really doesn't because --

22 Q. I mean the connection is there.

23 A. Right. I'm just -- what I meant was that  
24 I know they have talked, like the county judge  
25 executive, he had mentioned, you know, tieing us in

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1 with Bardwell, I guess, just to keep the money in the  
2 county.

3 Q. So it's a very -- there's three  
4 commissioners, an office manager, and yourself; right?

5 A. Yes.

6 Q. And I'm presuming with only 136 customers  
7 that, obviously, you work after hours from your regular  
8 job. Is the office manager basically part-time or  
9 full-time or how does that work?

10 A. She's actually -- I guess you would  
11 consider it full-time because they're only there on  
12 Mondays and Wednesdays.

13 Q. Mondays and Wednesdays?

14 A. Uh-huh. (Affirmative.)

15 Q. But that's part-time; right?

16 A. Yes.

17 Q. That's two days a week?

18 A. Yes.

19 Q. The commissioners meet once a month?

20 A. Try to. It's not set in stone that we  
21 have to meet once a month. We actually -- we actually  
22 were doing once a month and then we decided -- at the  
23 board meeting they decided to do every quarter.

24 Q. Do you know if the commissioners are  
25 paid?

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1 A. Yes. They get paid \$50 per meeting.

2 Q. Per meeting?

3 A. Per meeting.

4 Q. So if they meet quarterly, they're only  
5 going to get paid \$200 a year.

6 The issue I have is Milburn can't  
7 generate possibly enough revenue on 136 customers -- I  
8 calculated it out, \$40 average times 12 months, times  
9 136 is basically \$65,000 a year.

10 So you can't possibly afford any of  
11 the -- what's considered the ideal situation that staff  
12 just went through with their questioning on whether you  
13 are going to have equipment or develop a leak  
14 prevention program or detection system and all of the  
15 other niceties that if you have economy of scale that  
16 can be achieved.

17 You can't do it on 136 customers and you  
18 are not going to ever add enough customers to make the  
19 system what would be considered an ideal system under  
20 the guidelines of doing those things on a monthly  
21 basis, daily basis, whatever.

22 Your system is being successful because  
23 you are dedicated to it, you have a farmer that's  
24 dedicated to it and the people there are probably  
25 dedicated to it. The problem with it is that there --

1 you were asked if there was anybody that may have  
2 talked about that would succeed you if you were to  
3 retire, so there's no succession planning. If anybody  
4 gets hurt, injured, God forbid killed, whatever, it's a  
5 major catastrophe, isn't it, for continuity of  
6 operation? Would you agree with that?

7 A. Yes, sir.

8 Q. So I guess from my perspective the only  
9 viable solution is some kind of consolidation. You are  
10 basically a branch line off of the Graves Water System,  
11 aren't you?

12 A. Uh-huh. (Affirmative.)

13 Q. It's just an extension from what I can  
14 tell. You have seen the map, if you have not we can  
15 certainly show it to you to verify. But it looks like  
16 it's just -- from where the water connection point is  
17 it goes into Milburn and then it has a couple of arms  
18 that go out off the major highways; is that right?

19 A. Yes.

20 Q. So I guess I'm not quite sure why there's  
21 been no movement -- you have been around since 1968?

22 A. Uh-huh. (Affirmative.)

23 Q. To go toward some kind of a regional  
24 consolidation or a merger or whatever with Graves and  
25 Mayfield as the operator for Graves. So we've even got

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1 Graves County here with -- they have no employees, just  
2 commissioners, they don't even do anything as far as  
3 their system goes.

4 I'm not quite sure -- there could be a  
5 benefit for all of the customers of the systems if they  
6 were to be consolidated and to achieve economies of  
7 scale where the operators that are there operate all of  
8 the systems, take care of the chlorine measurements  
9 daily, whatever else there is.

10 So I've gone on a lot of rambling here  
11 and I haven't asked you any questions but I guess the  
12 big question is why hasn't Milburn -- Milburn  
13 consolidated with someone? Why hasn't there been more  
14 action in that direction?

15 A. I have no idea.

16 Q. There's been no discussion, as far as you  
17 know, at the board meetings?

18 A. The only thing that I know of is like  
19 what I said, in 2008 when my in-laws wanted out of it,  
20 the State came down, we had a meeting, I actually sat  
21 in on the meeting.

22 They couldn't find nobody to take -- to  
23 take -- wanting the operator's position, they talked to  
24 Mayfield about the merger, like you are talking about.  
25 That's when it was discussed also with the -- and it's

1 been discussed after this as far as Bardwell in the  
2 county doing -- running the line. But nothing has ever  
3 came about. And at that meeting I knew they were  
4 wanting out. And I just stepped up to the plate and  
5 said, hey, I will give it a shot, I'll do the best I  
6 can, that's all I can do.

7 Q. So when you are ready to retire will  
8 there be somebody that says, I volunteer to --

9 A. I hope so.

10 Q. -- put myself through part-time work, be  
11 there rain, snow, or sunshine -- I don't take vacations  
12 I'm going to be the one-man show?

13 A. I hope, I hope so, because it's probably  
14 going to happen pretty quick.

15 Q. And there you go. You are probably  
16 pretty tired of it, aren't you?

17 A. Yes, sir, I am.

18 Q. Well, I guess --

19 COMMISSIONER MATHEWS: One more trip  
20 down here and you are gone; right?

21 BY VICE CHAIRMAN CICERO:

22 Q. My only comment is I think that Milburn  
23 should seriously start to have discussions with those  
24 that are already supplying water to consolidate into  
25 one organization or entity. It would make so much

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1 sense. I'm not even going to ask most of the questions  
2 that I normally ask because I just don't -- the size of  
3 your organization and the size of the district, I don't  
4 know how you can possibly get there from here.

5 A. I understand. I mean we are very, very  
6 small.

7 Q. And it's because of dedication from the  
8 people that are there --

9 A. That's what it's all about. It's a  
10 community effort.

11 Q. Things change and it may not always be  
12 the same and there has to be -- in order to ensure  
13 water is delivered reliably and consistently, that  
14 there's an organization that's there to make sure that  
15 the services are provided. And it's only working  
16 because of dedicated people right now.

17 I just -- I don't see any catastrophic  
18 backdrop that says if something happens it will  
19 continue to operate the way it is. You might put a  
20 Band-Aid on it but I'm not sure for the long-term that  
21 it's going to work.

22 A. I understand.

23 VICE CHAIRMAN CICERO: I'm done  
24 preaching or whatever you call it.

25 CHAIRMAN SCHMITT: Commissioner

1 Mathews.

2

3

EXAMINATION

4 BY COMMISSIONER MATHEWS:

5 Q. What's an approximation of the cost to  
6 replace seven and a half miles of asbestos cement?

7 A. I do not have no idea.

8 Q. I mean we've heard people talking about  
9 they have 60 miles or they have 300 miles, but we've  
10 not gotten down to the single digits yet.

11 A. I know back several years ago, and I'm  
12 just getting this off the top of my head, I know  
13 there's papers at the office, but we had an engineering  
14 firm come in and we were wanting to see what it would  
15 cost to tie it altogether, do away with the dead ends.  
16 And I'm wanting to say then it was like -- was it two  
17 million, 1.5 to two million, is that --

18 CHAIRMAN SCHMITT: One and a half to  
19 three million, is that what you said?

20 THE WITNESS: One and a half to two.

21 CHAIRMAN SCHMITT: To two.

22 THE WITNESS: And that was just  
23 tieing in -- looping in the dead ends.

24 VICE CHAIRMAN CICERO: How would a  
25 district of 136 people ever amortize one

1 and a half to two million dollars?

2 THE WITNESS: It's impossible in my  
3 mind.

4 VICE CHAIRMAN CICERO: You are right.  
5 It is.

6 COMMISSIONER MATHEWS: That's all I  
7 had.

8 -----

9 EXAMINATION

10 BY CHAIRMAN SCHMITT:

11 Q. Mr. Goldsmith, you say you work in  
12 Tennessee? I'm sorry. I didn't understand.

13 A. Yes, sir.

14 Q. Where do you work?

15 A. I work at Waymatic, Incorporated in South  
16 Fulton, Tennessee.

17 Q. What do you do there? Does it have  
18 something to do with water?

19 A. No. No. I've been there for 35 years.  
20 Started out as a welder, worked my way up to  
21 supervision. We build -- we're just a welding  
22 fabricating shop.

23 Q. And you also are the chief or something  
24 of the volunteer fire department?

25 A. Assistant chief.

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1 Q. So how many members do you have on the  
2 volunteer fire department?

3 A. I think it's 24 maybe.

4 Q. Are they all essentially customers of  
5 more or less of --

6 A. More or less.

7 Q. -- your water district.

8 One of the things I -- one of the  
9 advantages, if there is an advantage, is that in a  
10 number of the other water districts we've had in here  
11 they talk about bad blood between the water district  
12 and the fire department. With the fire department not  
13 reporting the water that it uses and then they go and  
14 sell it to fill up people's swimming pools and various  
15 other things.

16 A. We've never --

17 Q. One of the advantages is when you are --  
18 the fire department and the water district are composed  
19 of most of the same people, that's not a problem I  
20 suspect?

21 A. No, I don't think we have that problem.

22 Q. Whatever the situation, replacing these  
23 lines -- and the other commissioners and lawyers  
24 haven't seen the pipe that you showed me on the way in  
25 this morning.

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1 Do you know if the district has any debt?

2 I know we can ask the chairman but I didn't know if you  
3 had any borrowed money from Rural Development or  
4 anything that you had to --

5 A. The only loan that we have is from a  
6 local bank and I think it was in the amount of \$10,000.  
7 And I think Donna told me that it was almost -- didn't  
8 lack a whole lot being paid back.

9 VICE CHAIRMAN CICERO: Do you know  
10 for how many years that loan is?

11 THE WITNESS: Do what now?

12 VICE CHAIRMAN CICERO: How many years  
13 that loan is for?

14 THE WITNESS: I think we just took it  
15 out in October of last year I think.

16 COMMISSIONER MATHEWS: Read the  
17 minutes.

18 VICE CHAIRMAN CICERO: I know I see  
19 the ten thousand on here.

20 THE WITNESS: And I think she told me  
21 the other day there was \$4,000 left to  
22 pay on it.

23 COMMISSIONER MATHEWS: So that was  
24 kind of to get through the rate case to  
25 get --

1 THE WITNESS: We got a little low on  
2 our finances because we pretty much  
3 drained it when we did the tank instead  
4 of taking out a loan to pay for repairs  
5 or regular maintenance, painting of the  
6 water tower.

7 We just paid it because we had it and  
8 then we kind of got -- we kind of got  
9 down in finances and needed to buy  
10 supplies to fix leaks.

11 VICE CHAIRMAN CICERO: Did you take  
12 out the loan before you came in for the  
13 rate case?

14 THE WITNESS: I'm not a hundred  
15 percent sure on that.

16 VICE CHAIRMAN CICERO: Do you know if  
17 there was -- do you know anything about  
18 the loan?

19 MR. PARK: No.

20 VICE CHAIRMAN CICERO: We're just  
21 asking because if it's longer than two  
22 years you should have come to the  
23 Commission first. But we can find out --  
24 we can find out about that.

25 MR. PARK: We'll get a copy of that.

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1 BY CHAIRMAN SCHMITT:

2 Q. So you basically do all of the outside  
3 work and Ms. Curtsinger is the office manager; correct?

4 A. Yes.

5 Q. And as I understand it, she's the only  
6 person that works in the office; correct?

7 A. They have a few people that help -- that  
8 they -- they're actually a financial institute --  
9 bookkeeping and they do, you know, Donna took over the  
10 billing. They have a few ladies that works in there  
11 that sometimes helps do billing and stuff.

12 Q. But they're basically only open and work  
13 two days a week; correct?

14 A. Yes. Yes.

15 Q. And all of the water that Milburn gets  
16 comes from -- ultimately is produced by Mayfield and  
17 goes through Graves County line into your system or the  
18 Milburn system; correct?

19 A. Yes, sir.

20 Q. I noticed just for a statement, I guess,  
21 as opposed to a question, that with your last rate  
22 increase for 4,000 gallons of use your customers -- if  
23 they use 4,000 gallons, the price would be \$39.94. And  
24 Graves County apparently has two systems, Sedalia and  
25 Hickory.

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1 A. Okay.

2 Q. But in any event, Sedalia for 4,000  
3 gallons of water use is \$22.98 and Hickory is \$20.67.  
4 So I guess what I'm saying is they have more customers  
5 and they buy all of their water from Mayfield -- I  
6 don't know who you buy -- whether you pay Graves County  
7 or whether you pay Mayfield for the water.

8 But for the same amount of water you are  
9 paying close to -- you know, close to double, it is  
10 about double from, you know, the Hickory part of Graves  
11 County. I'm just saying --

12 A. I have no idea.

13 Q. You ought to be able to get water cheaper  
14 if you were all part of the same, I guess, organization  
15 but that might -- the only difference might be is,  
16 obviously, they probably wouldn't need you to work on  
17 the outside or the ladies inside to do the billing,  
18 that would be the big difference, I guess.

19 A. I don't know.

20 Q. I don't have any further questions other  
21 than -- I guess I do have one. Your water loss dropped  
22 dramatically in one month and that's because -- is that  
23 because of that pipe that you found or something else?

24 A. Well, we had found two service lines that  
25 were leaking that we had repaired and we -- like I

1 said, we've got another one that I've got to call the  
2 811 in on the other day. And it's an air relief valve,  
3 and we're in the process of getting that one fixed. We  
4 had one -- was it last week or week and a half ago that  
5 was that scenario (indicating.) So that may bring it  
6 right back up again. We may be -- you know, we gain  
7 and we lose.

8 Q. Sure. I guess if a contractor or  
9 somebody comes in and breaks your line, do they  
10 ultimately reimburse you for the cost to fix it?

11 A. Well, we've never had that to happen.

12 Q. I thought you said you had an 811?

13 A. I called 811 to get the other service  
14 lines marked so we could dig to get this other one  
15 repaired.

16 CHAIRMAN SCHMITT: I don't have any  
17 further questions. Mr. McNeil.

18 -----

19 EXAMINATION

20 BY MR. MCNEIL:

21 Q. Just a couple of follow-ups, Chairman.

22 Mr. Goldsmith, you mentioned the copper  
23 service line, is that the main issue for service lines,  
24 copper versus PVC?

25 A. I don't know how much copper -- it's all

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1 going to be service lines to the meter off the main. I  
2 don't know -- have any idea of -- the map doesn't show  
3 whether it's copper or PVC. I just know -- I've seen  
4 copper when I dig up a service to repair a leak. It's  
5 either copper or PVC.

6 Q. As so to service lines, you don't see PVC  
7 or copper being worse than the other, they're both old,  
8 they're both having the same issues?

9 A. Right.

10 Q. Okay. Do they have the same issues as  
11 the pipe where you can't find a leak until it's too big  
12 enough?

13 A. No, it just starts out with a small  
14 pinhole, I guess, and then gets bigger.

15 Q. You think that's pretty prevalent on the  
16 system, small pinholes that you just haven't found yet?

17 A. Yes. Yes.

18 MR. MCNEIL: That's all I have,  
19 Chairman.

20 CHAIRMAN SCHMITT: Mr. Willis, do you  
21 have anything?

22 MR. WILLIS: I know that Mr. Schmitt  
23 had the ability or the opportunity to  
24 look at the pipe on his way in, would you  
25 like to show it to the other

1                   commissioners just so they know what he's  
2                   referring to?

3                   CHAIRMAN SCHMITT: Mr. Park, maybe we  
4                   ought to get a picture or something to  
5                   use as an exhibit in addition to showing  
6                   it on the video.

7                   Somebody get a camera here to take a  
8                   picture of this. Let's get a closeup up  
9                   here of this too.

10                  Why don't you explain that, if you'd  
11                  like to, for the record, what that is,  
12                  how you found it and what -- if that's  
13                  characteristic of this type of pipe.

14                  MR. VADEN: Yes, sir. Most of our  
15                  breaks are on four-inch. Six-inch, we  
16                  had an electrical company drill through  
17                  one, that's the only one we ever had to  
18                  fix on our six-inch pipe. But our  
19                  four-inch is what gives us trouble.

20                  CHAIRMAN SCHMITT: It's all the same  
21                  type of pipe though? Asbestos concrete?

22                  MR. VADEN: Yes. Six-inch don't  
23                  bother us at all.

24                  COMMISSIONER MATHEWS: The pressure  
25                  goes up on the inside of the pipe and

1                   it's more likely to --

2                   MR. VADEN:   Probably.   And most of  
3                   them breaks right here at the joint.   It  
4                   starts leaking and --

5                   THE WITNESS:   You'll have a little  
6                   crack like this, this is what we mainly  
7                   see.   You can see it here and then, of  
8                   course, it blows out overtime.   The  
9                   crack, like I said, it could leak for who  
10                  knows how long and it won't come to the  
11                  surface until it blows out.

12                  CHAIRMAN SCHMITT:   One thing you  
13                  might do, I know this sounds crazy but  
14                  the camera apparently is on the other  
15                  side.   We can see it on the screen if you  
16                  turn it more toward Mr. Willis I think.  
17                  Now say something.

18                  THE WITNESS:   Okay.   As far as  
19                  this --

20                  COMMISSIONER SCHMITT:   There it is.

21                  THE WITNESS:   As far as the leak, it  
22                  starts out with a hairline crack at the  
23                  coupling, every one of them has been that  
24                  way.   And it will leak for no telling how  
25                  long until it blows out and the water

1 comes to the top of the surface to where  
2 we know it's leaking.

3 CHAIRMAN SCHMITT: Okay. Thank you.

4 THE WITNESS: Of course, big blowouts  
5 you lose pressure.

6 VICE CHAIRMAN CICERO: Very  
7 interesting. I saw the top and I thought  
8 it was a small piece.

9 CHAIRMAN SCHMITT: It's a huge piece.  
10 Anything else?

11 MR. WILLIS: One more question.

12 BY MR. WILLIS:

13 Q. So you are operating with this type of  
14 line that's 60 years old and you are down to near 20  
15 percent water loss with volunteers or part-time folks  
16 working on it?

17 A. Yes.

18 MR. WILLIS: No further questions.

19 CHAIRMAN SCHMITT: Mr. Park, anything  
20 else?

21 MR. PARK: I have no further  
22 questions.

23 CHAIRMAN SCHMITT: Commissioner  
24 Cicero? Matthews? Mr. McNeil.

25 MR. MCNEIL: Nothing further.

1 CHAIRMAN SCHMITT: May Mr. Goldsmith  
2 be excused?

3 MR. PARK: Yes, sir.

4 CHAIRMAN SCHMITT: Thank you, sir.  
5 You may step down. You are excused.

6 Do you have another witness?

7 MR. PARK: Yes. Staff would like to  
8 hear from Mark Vaden? Vaden?

9 THE WITNESS: Vaden.

10 CHAIRMAN SCHMITT: He wants to make a  
11 Prussian out of you, Mr. Vaden.

12 Please raise your right hand. Do you  
13 solemnly swear or affirm under penalty of  
14 perjury that the testimony you are about  
15 to give will be the truth, the whole  
16 truth, and nothing but the truth?

17 THE WITNESS: I do.

18 CHAIRMAN SCHMITT: Thank you. Please  
19 be seated.

20 -----

21 EXAMINATION

22 BY MR. WILLIS:

23 Q. Please state your name?

24 A. Mark Vaden.

25 Q. And where do you reside?

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1 A. 7321 State Route 80 East, Arlington,  
2 Kentucky.

3 Q. And do you serve in a position with  
4 Milburn Water District?

5 A. Yes, sir.

6 Q. How long have you been associated with  
7 the water district?

8 A. I think I started around 2010.

9 Q. And what's your current position?

10 A. I'm a chairman right now.

11 MR. WILLIS: I'll pass the witness.

12 CHAIRMAN SCHMITT: Mr. Park.

13 -----

14 EXAMINATION

15 BY MR. PARK:

16 Q. Good morning. Could you tell us a little  
17 bit about the history of the district, when it was  
18 formed and why it was formed?

19 A. I wasn't around when it was formed. I  
20 mean I was -- I lived in another county.

21 Q. Okay.

22 A. I think Glynn said 1968.

23 Q. And there are currently three members on  
24 the board?

25 A. Yes, sir.

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1 Q. And they are appointed by whom?

2 A. Well, we actually just -- after the other  
3 two guys retired we asked -- they come and asked us  
4 would we take over and help them out, and that's what  
5 we done. Okay. So...

6 Q. Okay. Is that the situation with all  
7 three current board members?

8 A. Yes.

9 Q. So they were not appointed by the  
10 Carlisle County Judge Executive?

11 A. He swore us in.

12 Q. Okay. And are you currently employed?

13 A. I retired out of the laborer's local in  
14 Paducah. But I'm work for a farmer, I'm a truck driver  
15 for a farmer down in Carlisle County.

16 Q. What about the other two members of the  
17 board, what's their background?

18 A. One of them is the farmer we've been  
19 talking about that owns the backhoe. And the other one  
20 works where Glynn works at the Waymatic, Waymatic place  
21 as a welder. I think he is a welder.

22 Q. Are you-all also on the fire department?

23 A. Yes, sir. I'm one of the assistant fire  
24 chiefs.

25 Q. And the board meets on a quarterly basis;

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1 is that accurate?

2 A. Yeah. Or if something comes up for  
3 emergency and we need to call a special meeting, Glynn  
4 will call us.

5 Q. Is water loss something the board  
6 considers at every meeting?

7 A. Yeah.

8 Q. Does the board consider it a serious  
9 problem?

10 A. Yeah, it's a serious problem when our  
11 loss is way up there.

12 Q. Have they gotten worse in the last five  
13 years?

14 A. I believe they have, yes, sir.

15 Q. And what do you attribute that to, just  
16 the aging pipe?

17 A. Aging of the pipe and I believe, you  
18 know, we're in a -- New Madras earthquake zone, you  
19 know, shaking of the ground sometimes we get little  
20 bitty earthquakes because we're on the New Madras fault  
21 down there. And I've told him I believe we might have  
22 had an earthquake, you know, real small readings and it  
23 shakes these pipes and it could contribute to the -- to  
24 some of the break, you know, that's my opinion.

25 Q. What's the current financial condition of

1 the district?

2 A. I don't have --

3 Q. Would that be Ms. Curtsinger?

4 A. That would be Ms. Donna Curtsinger.

5 Q. Does the board do a budget every year?

6 A. I think we discuss a budget but we  
7 just -- we don't discuss to see if we're in bad --  
8 depleting our expenses and stuff, our finances and  
9 stuff.

10 Q. And what can you tell us about this local  
11 bank loan that Mr. Goldsmith referred to?

12 A. Well, we had the tank painted and  
13 everything on the inside and out. And we was up to  
14 about, I think about 20 something thousand in our bank  
15 account. So I believe that's what got us, you know, we  
16 paid it off, we went ahead and paid it off before -- I  
17 think we had maybe so many years to pay it off, is that  
18 right, Glynn? So we just went ahead and paid it off  
19 and that's what depleted our --

20 CHAIRMAN SCHMITT: Paid off the  
21 painting of the tank?

22 THE WITNESS: Yeah.

23 BY MR. PARK:

24 Q. Do you recall what that cost?

25 A. No, I don't. I can't recall perfectly.

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1 Q. Do you know the outstanding balance on  
2 the bank loan?

3 A. What I heard what Glynn said awhile ago,  
4 it's about 4,000 still we owe.

5 Q. Do you know if it was a line of credit or  
6 just a loan of \$10,000?

7 A. It was just a loan of \$10,000, yeah. I  
8 think Glynn and the farmer down there and myself signed  
9 the note for it.

10 Q. And when is it due to be paid off?

11 A. I couldn't tell you.

12 Q. Has the board looked at how the excessive  
13 water loss is affecting its finances?

14 A. Yes.

15 Q. Do you know how much it cost the district  
16 last year?

17 A. About a little over \$5,000 I think on  
18 water loss. I think it's in the paper. I don't have  
19 no paperwork with me up here but I believe it's in that  
20 paperwork for 2018.

21 Q. Is that the cost of the lost water above  
22 the 15 percent that you --

23 A. I'm not sure about what -- I just know  
24 that's the total of \$5,4- or \$5,500 or something like  
25 that for 2018.

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1 Q. Would Ms. Curtsinger be the person to  
2 talk to about that?

3 A. Yes, sir.

4 Q. We heard testimony from Mr. Goldsmith  
5 that approximately ten years ago when his in-laws were  
6 wanting to stop managing the system there were  
7 discussions with some other local officials about  
8 possibly tieing in your system to another system in  
9 Carlisle County.

10 Is that accurate?

11 A. Yes, sir.

12 Q. And who were those discussions with?

13 A. The -- I think Judge Terry, our judge  
14 executive. Now, he's the one that come up there and  
15 talked to us about it, you know, trying to get all of  
16 that tied in.

17 Q. Do you know approximately when that was?

18 A. No, sir, I sure don't.

19 Q. Was any study done of what would be  
20 involved to tie the system in or together?

21 A. I believe so. I don't know when but we  
22 talked about it at meetings, you know, when that  
23 engineering firm come down and give us a bid and, you  
24 know, trying to get all of that tied together.

25 Q. That was to tie your own system together;

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1 is that correct?

2 A. Yeah.

3 Q. And was that about the same time you were  
4 looking at tieing into the other water system in  
5 Carlisle County?

6 A. Like Bardwell coming out there and adding  
7 a line, you know, getting the water from Bardwell.

8 Q. This was all about the same time?

9 A. Something like that, yeah.

10 Q. Do you know if it was part of the same  
11 discussion?

12 A. No, I'm not for sure.

13 Q. Okay. In discovery responses the  
14 district identified the three biggest obstacles to  
15 reducing water loss. First one being, obviously, the  
16 age of the lines. The second one being the limited  
17 finances because of the depletion of the account due to  
18 paying for painting the tank. And the last one is not  
19 enough shutoff valves. Are you --

20 A. I'm not familiar with none of that. I  
21 don't know none of that stuff.

22 Q. Has the board discussed whether it would  
23 be helpful to install more shutoff valves to locate  
24 leaks?

25 A. Yeah, we've talked about it but it's --

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1 you know, it's pretty expensive to do some of that  
2 stuff and, you know, we don't have --

3 Q. Has the board planned to purchase some  
4 valves or just considered it -- there's no --

5 A. We've talked about it.

6 Q. Have you obtained an estimate of what it  
7 would cost to purchase some valves?

8 A. I'm not for sure about the expense part  
9 about it.

10 Q. Do you recall who the engineer was that  
11 you-all met with?

12 A. I believe it was Florence and Hutcheson,  
13 I think might have been the one. I'm not for sure.  
14 Out of Paducah.

15 Q. And who would have hired them?

16 A. Who would have --

17 Q. Who would have paid them?

18 A. I guess we would have to pay them, the  
19 Milburn Water District.

20 Q. Not the county?

21 A. They're about as broke as we are down  
22 there. That's what the masters tell me about the time.

23 Q. And other than this local bank loan, has  
24 the district looked into trying to obtain financing to  
25 do a pipe replacement program?

1 A. I believe we have -- I believe that's  
2 when we had Florence and Hutcheson to do some of that  
3 work too, but it was -- it was way up there, the price  
4 was.

5 Q. As far as the amount you would have to  
6 borrow. Has the board ever considered doing a pipe  
7 replacement program where it doesn't do it all at once  
8 but it schedules it a little bit every couple of years?

9 A. No, sir. But that would be feasible to  
10 do it that way, you know, a little bit at a time.

11 Q. Do you know if the engineer actually  
12 submitted any applications on behalf of the district or  
13 the other water district?

14 A. I don't -- I can't recall to answer that.

15 Q. Have you had any role in reaching out to  
16 Kentucky Rural Water for assistance on locating leaks  
17 or providing assistance on the water loss plan?

18 A. They've been there but they -- there's an  
19 outfit was going to charge us something like \$2,000 a  
20 day to do that. But some outfit was going to come in  
21 there and walk the lines and try, and they was going to  
22 charge us something like \$2,000 a day to see if they  
23 could find the leaks.

24 Q. Do you recall who that outfit was? Or  
25 was it a company?

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1 A. No. Uh-uh. (Negative.) Donna would  
2 probably know who that was.

3 Q. As far as Kentucky Rural Water, did they  
4 come out and loan leak detection equipment or come out  
5 and provide any assistance?

6 A. I believe they have done that before.

7 Q. And who had contact with the company that  
8 offered to do the line leak location for \$2,000 a day,  
9 would that have been Ms. Curtsinger?

10 A. Yeah.

11 Q. And other than reaching out to Kentucky  
12 Rural Water, what has the board done to try to reduce  
13 water loss? What measures has the board looked at and  
14 decided to do?

15 A. We have -- like that pipe being old like  
16 that, we -- we're on call all -- we're on call all the  
17 time, myself, Glynn, the farmer, we've got two or three  
18 other guys that volunteers and helps us, you know, if  
19 we have a water leak.

20 We jump to -- we try to get it up and  
21 going just as quick as we can. If I'm not there or  
22 Glynn's not there, the guy that does got the backhoe,  
23 his son will help him or we have two or three other  
24 volunteers that will jump in there and help him too.

25 Q. So the approach of the district to water

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1 loss is just to try to -- once you know about a leak,  
2 try to fix it as quickly as you can?

3 A. Yes, sir.

4 CHAIRMAN SCHMITT: Mr. Vaden, let me  
5 ask you, when you-all volunteer to help,  
6 do volunteers get paid?

7 THE WITNESS: Yes, sir. \$15 an hour.

8 CHAIRMAN SCHMITT: I'm sorry, how  
9 much?

10 THE WITNESS: 15.

11 CHAIRMAN SCHMITT: What about the man  
12 that has the backhoe, does he get  
13 something extra for his equipment?

14 THE WITNESS: Yes, he gets something  
15 extra but I don't know how much he gets.  
16 And sometimes if he can't do it or --  
17 City of Mayfield, they'll send a crew  
18 down and help us out.

19 CHAIRMAN SCHMITT: And they charge  
20 you?

21 THE WITNESS: Yes, sir. I think our  
22 lowest bill from them was \$800 and  
23 something and our highest bill was  
24 \$1,500. They've helped us tremendously  
25 when we get in trouble.

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1 CHAIRMAN SCHMITT: How far are you  
2 from Mayfield?

3 THE WITNESS: About 16 miles.

4 CHAIRMAN SCHMITT: For Mayfield to  
5 get to your water district?

6 THE WITNESS: 16.

7 CHAIRMAN SCHMITT: 16 miles. What  
8 about Bardwell, how far are you from  
9 there?

10 THE WITNESS: Eight or nine miles,  
11 ten.

12 CHAIRMAN SCHMITT: Thank you.

13 THE WITNESS: You are welcome.

14 BY MR. PARK:

15 Q. Do you have any idea of what it would  
16 cost to replace the old pipe?

17 A. No, sir.

18 Q. And the district purchases water from  
19 Graves County Water District; is that accurate?

20 A. Mayfield City and Water District.

21 Q. Looking at some of the history of some of  
22 the districts in the area, in 2007 Consumers Water  
23 District merged with Hardiman Water District, Fancy  
24 Farm Water District and South Graves Water District and  
25 became Graves Water District. In 2012 Graves Water

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1 District and Hickory Water District merged into Graves  
2 Water District. In 2016 Sedalia Water District was  
3 merged into Graves County Water District.

4 It seems like there's been a great deal  
5 of consolidation regionally. And so I wanted to  
6 follow-up with some of the questions that we asked Mr.  
7 Goldsmith, is what sort of contact have you or the  
8 other members of the board had -- you have spoken about  
9 the possibility of tieing in Carlisle County, but what  
10 sort of discussions have you had with Graves County  
11 Water District about possibly having your system  
12 absorbed into the larger system?

13 A. I think I asked one of the operators and  
14 he said, well, we really don't need no more, no more  
15 system, you know, like tieing in, like Mr. Cicero said  
16 awhile ago, you know, merging.

17 Well, that was just the operator that  
18 does all of the repair. He said we don't really  
19 need -- we've got all the leaks we need in Mayfield and  
20 stuff like that. I said, well, one of these days  
21 you-all might have to take over down here.

22 Q. When was that?

23 A. Oh, it's probably been a couple of years  
24 ago or longer.

25 Q. Do you recall who that was?

1 THE WITNESS: What's his name, Glynn?  
2 The operator?

3 MR. GOLDSMITH: I'm trying to think.  
4 Brian.

5 THE WITNESS: Brian Walmer is the guy  
6 that fixes all of the water leaks. He  
7 comes and helps. We call him or the guy  
8 that Glynn mentioned awhile ago that runs  
9 the -- he said, we'll see what we can do  
10 and we'll be down there to help you out.

11 It could come down to like  
12 Willisville had to do one time, they had  
13 wells and stuff, you know, they all  
14 started digging, each individual down  
15 there started digging their own well at  
16 their house down in Willisville,  
17 Kentucky.

18 BY MR. PARK:

19 Q. Did they used to have a water system and  
20 it's no longer operating?

21 A. Uh-uh. (Negative.)

22 Q. That would not be ideal --

23 A. That's about two years ago when they all  
24 started doing that. They all had to start digging  
25 wells.

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1 Q. That would not be an ideal solution for  
2 your customers?

3 A. Well, there's been some discussion, it  
4 might come to that one of these days if we can't keep  
5 these water leaks from happening.

6 Q. Has the possibility of consolidation been  
7 discussed at board meetings?

8 A. Not that I recall. I can't recall that.

9 Q. And you mentioned some informal contact  
10 with an operator from City of Mayfield. Has there been  
11 any discussions by you or anybody else that you are  
12 aware of with --

13 A. City of Mayfield.

14 Q. Well, the management side.

15 A. No, sir. He was just a guy and, I said,  
16 one of these days you-all might have to take over down  
17 here. I was just going on with him.

18 Q. What would be the main obstacles to  
19 consolidating with Graves County? Do you think it's  
20 mainly political situation with not wanting to  
21 cooperate across the county or --

22 A. I don't think it would be any political  
23 thing about it. They might have too much on their  
24 hands that they can't take over, you know, if it come  
25 to that or it could -- if they could take over they

1 would just add ours to their system.

2 Q. What about if instead of merging the  
3 systems the district hired the City of Mayfield to  
4 operate it on a contract basis?

5 A. That would possibly be feasible if they  
6 would it -- would do it by a contract -- if we could  
7 afford to pay them.

8 Q. Has the board looked into what it would  
9 cost for that?

10 A. Not that I can recall.

11 Q. Has the board considered what the  
12 district will do when Mr. Goldsmith retires?

13 A. He's not going to retire.

14 Q. Not going to let him?

15 A. No, sir.

16 CHAIRMAN SCHMITT: He submits a  
17 resignation, you refuse to accept it.

18 THE WITNESS: That's right.

19 BY MR. PARK:

20 Q. Are there any complaints about the water  
21 service of the district from customers, are they pretty  
22 satisfied with the service?

23 A. As far as I'm concerned. I don't recall  
24 any -- anything like that. I'm out working all the  
25 time and I work for a big farming operation down there

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1 in Carlisle County, and we're in three or four counties  
2 farming and I'm not around Milburn there a lot.

3 Q. Do you think it would be a benefit to the  
4 customers of the Milburn Water District if the Milburn  
5 Water District was merged into Graves County?

6 A. Probably, yeah. Because if they would  
7 take over that would mean they wouldn't have to put a  
8 well down, you know, about -- I have heard talk from  
9 some guys that thought about putting in a well, that  
10 they're out further out down the line and stuff like  
11 that.

12 COMMISSIONER MATHEWS: Why?

13 THE WITNESS: Like putting in a well?

14 COMMISSIONER MATHEWS: Why would they  
15 make that decision? Is it the rates, is  
16 it the pressure, the service?

17 THE WITNESS: Well, me myself, I live  
18 right in town and I'm on a well. I don't  
19 use the water district. The meters are  
20 there but my father-in-law, I don't know,  
21 he got into it with a guy that used to  
22 operate a long time ago so he just put a  
23 well in. So that's what -- I'm on a  
24 well.

25 CHAIRMAN SCHMITT: Have you been on a

1 well forever or since you lived there?  
2 Or did you just go off of the system with  
3 a well?

4 THE WITNESS: No, I've probably been  
5 off the -- I've probably been on a well  
6 for nearly ten years or longer probably.

7 VICE CHAIRMAN CICERO: Isn't that  
8 about the time you went onto the board?

9 THE WITNESS: Yes, sir.

10 VICE CHAIRMAN CICERO: I'm not sure  
11 what that means but I'm not sure it  
12 sounds so good.

13 THE WITNESS: Well, see, the reason  
14 why I'm on a well is because when we  
15 moved back -- me and my wife moved back  
16 from Louisville she worked for Bellsouth,  
17 shut Paducah's office down so we got  
18 transferred to Louisville. She finished  
19 her retirement out and when we come back  
20 we took over her grandmother's house and  
21 it was hooked to a well. So that's how I  
22 got the well.

23 CHAIRMAN SCHMITT: Do you know about  
24 what it costs to drill a well to  
25 completion?

1 THE WITNESS: Down around there is  
2 about four or five thousand down there --

3 CHAIRMAN SCHMITT: Do you have to --

4 THE WITNESS: About 200 feet.

5 CHAIRMAN SCHMITT: Do you have to  
6 treat the water at all? Does it have  
7 salt -- like where I used to live I had a  
8 well --

9 THE WITNESS: I do have a softener  
10 down in my basement that we put to soften  
11 the water.

12 COMMISSIONER MATHEWS: I'm thinking  
13 it's not good sulfur water like we have  
14 in Eastern Kentucky that smells like  
15 eggs.

16 THE WITNESS: It does up in Ohio by  
17 my brother. I know what you are talking  
18 about. I don't see how they can --

19 COMMISSIONER MATHEWS: Or have enough  
20 iron in it that your clothes turn orange.

21 CHAIRMAN SCHMITT: Sink turns red or  
22 orange or whatever.

23 BY MR. PARK:

24 Q. Do you think anybody on the board,  
25 yourself included, would oppose merging with Graves

1 County?

2 A. No.

3 Q. Do you think they'd be open to it?

4 A. Yes. I know the farmer would be. He  
5 always talks about --

6 Q. Oh, does he. So he wouldn't have to be  
7 on call?

8 A. Yeah. And he's just like the one --  
9 we've got now the air relief valve, it's got the gas  
10 line in it and all of that. He doesn't like to dig  
11 around them lines, that's why we call Mayfield to help  
12 us out. You know, he gets a little itchy down around  
13 that waterline. I said Jeff, if you hit it, we'll just  
14 repair it. We've got to find the leak. It's down  
15 there.

16 Q. You-all call 811?

17 A. He don't like to dig around the gas  
18 lines. We mark them all. We have a guy that comes and  
19 marks our gas lines all the time. We have a water  
20 break, he'll be there and mark it.

21 Q. Do you-all call 811 every time you go out  
22 and excavate?

23 A. Yes. If the gas line is on the side  
24 we're working on, yeah.

25 Q. Well, just for your information the

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1 commission took over enforcing the 811 law on gas, so  
2 if you don't call 811 and you hit it --

3 A. You will have a pretty good size bill to  
4 pay.

5 Q. Yeah. Do you think there would be any  
6 opposition among the customers of Milburn to having  
7 Graves County be their water supplier?

8 A. No. I ain't heard none.

9 MR. PARK: I have no further  
10 questions.

11 CHAIRMAN SCHMITT: Commissioner  
12 Cicero.

13 -----

14 EXAMINATION

15 BY VICE CHAIRMAN CICERO:

16 Q. Really, that's their water supplier now,  
17 you are just delivering it; right?

18 A. That's right.

19 Q. You are the chairman of the board; right?

20 A. Yeah. I was volunteering and took this  
21 position because the other two didn't want to do it.

22 COMMISSIONER MATHEWS: You-all need  
23 to stop answering your phones.

24 VICE CHAIRMAN CICERO: It sounds  
25 like --

1 THE WITNESS: We're just a little  
2 bitty community down there and me and  
3 Glynn, we do lots of stuff for the town.  
4 Just like the old fire department, we've  
5 got a guy down there he's penny pincher  
6 and we tell him we've got -- we turn in  
7 the reports and he keeps up with it to a  
8 T. But we have to get on him sometimes  
9 when we, you know, get our reports in  
10 when we start getting these water losses,  
11 that's the first thing we check, did we  
12 fight any fires in the last few weeks.

13 BY VICE CHAIRMAN CICERO:

14 Q. But it sounds like you're chairman of the  
15 board almost by default?

16 A. Yes, sir.

17 Q. And if you could not be chairman of the  
18 board, that wouldn't hurt your feelings at all?

19 A. No, it wouldn't hurt my feelings.

20 Q. So your issue right now is you are  
21 chairman of the board and it's really up to you if  
22 anything is going to be done in terms of moving the  
23 water district towards any type of negotiation.

24 And I'm sure that's the last thing you  
25 want to engage in, but unfortunately for you since you

1 are the chairman of the board and you are appointed to  
2 the position, if it's going to happen you are the one  
3 that's going to have to put the wheels in motion by  
4 contacting somebody in management at Graves or  
5 better --

6 A. Mayfield -- the City of Mayfield.

7 Q. The City of Mayfield about some kind of  
8 consolidation or whatever. It may be Graves because it  
9 sounds like Graves is the one that --

10 A. Graves -- Graves comes to Carlisle when  
11 they -- well, actually they're pumping water in parts  
12 of Carlisle County. I mean, our line -- our -- when  
13 we -- the county is about two or three miles apart  
14 right there.

15 Q. We're not even certain why Graves exists  
16 because they don't even manage their own system, but it  
17 should probably be all under Mayfield, but regardless.  
18 If anything is going to happen, sir --

19 A. It's going to be me.

20 Q. You are going to have to initiate the  
21 contact to make it happen. So I would encourage you to  
22 start that process. I mean there's -- I understand  
23 it's a small community -- again, I don't see Milburn  
24 ever being able to be the ideal water district -- and  
25 the county gets tired of doing the same thing day after

1 day after day and there's no end in sight. And the  
2 system only operates because those people do that.

3 Look at it this way, if you are  
4 successful you don't have to deal with this any more  
5 and you can continue to drive trucks around wherever it  
6 is you are driving around the entire area and you won't  
7 have to worry about Milburn Water District, whether  
8 it's got the operator there to take the chlorine  
9 readings or the billing is done or whatever else. But  
10 I strongly encourage you to start --

11 A. Looking into it.

12 Q. At least exploratory negotiations with  
13 Mayfield or Graves.

14 VICE CHAIRMAN CICERO: I don't have  
15 any other comments or questions.

16 CHAIRMAN SCHMITT: Commissioner  
17 Mathews?

18 COMMISSIONER MATHEWS: I don't have  
19 any.

20 -----

21 EXAMINATION

22 BY CHAIRMAN SCHMITT:

23 Q. Mr. Vaden, are all of your customers in  
24 Carlisle County?

25 A. Yes, sir.

1 Q. Your whole system is in Carlisle County?

2 Yes?

3 A. Yes.

4 CHAIRMAN SCHMITT: I have no further  
5 questions.

6 -----

7 EXAMINATION

8 BY MR. MCNEIL:

9 Q. I have one. Mr. Vaden, the district had  
10 a rate case last year, 2018-00314. When the  
11 application was submitted, do you recall that the  
12 district asked for about a 52 percent increase?

13 A. No, I can't recall.

14 Q. Maybe a question for Ms. Curtsinger. I  
15 was just curious. You listed water loss repairs as one  
16 of the reasons for that and I didn't know -- did you  
17 have any specific projects in mind to put that money  
18 toward or do you think it was more you needed to build  
19 your reserves back up after the tank painting?

20 A. Mainly build the reserve back up.

21 Q. That was, you think, the reason for that  
22 level of increase?

23 A. (The witness nods head affirmatively.)

24 MR. MCNEIL: Okay. That's all I  
25 have, Chairman.

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1 MR. WILLIS: I have nothing further.

2 CHAIRMAN SCHMITT: May Mr. Vaden be  
3 excused?

4 MR. PARK: Yes.

5 CHAIRMAN SCHMITT: You may be  
6 excused. Thank you.

7 THE WITNESS: You are welcome.

8 CHAIRMAN SCHMITT: Thank you for  
9 bringing the pipe. We see what the  
10 problem is now.

11 THE WITNESS: Four-inch is our main  
12 problem. Six-inch don't bother us a bit,  
13 it's our four which is about three mile,  
14 three and a half miles. It goes off the  
15 fork, you know, comes to town and then  
16 goes (indicating.)

17 CHAIRMAN SCHMITT: So you have got --  
18 you want to submit some data requests;  
19 correct?

20 MR. PARK: That is correct.

21 CHAIRMAN SCHMITT: When do you think  
22 you'd be able to provide Mr. Willis with  
23 a copy of your data requests?

24 MR. PARK: Tomorrow.

25 CHAIRMAN SCHMITT: So what is

1 tomorrow, the 19th? 18th?

2 COMMISSIONER MATHEWS: 19th.

3 CHAIRMAN SCHMITT: How long will you  
4 need, Mr. Willis? I mean you know it's  
5 probably going to be half a dozen, a copy  
6 of the water -- I guess purchase  
7 agreement with, what, Graves County or  
8 Mayfield or whoever, a few other things.

9 MR. WILLIS: Rattlesnake Ridge is due  
10 August 2nd so I could do them altogether.

11 CHAIRMAN SCHMITT: August 2nd, that's  
12 fine. All right. Is there anything else  
13 anyone would like to bring to the  
14 attention of the Commission?

15 MR. PARK: I do not believe so.  
16 Staff will consider what's come out of  
17 this hearing and what we can get through  
18 posthearing data request and then get  
19 with counsel for Milburn about whether we  
20 need testimony from Ms. Curtsinger.

21 CHAIRMAN SCHMITT: All right.  
22 Gentlemen, thank you. I know you had a  
23 long drive either last night or this  
24 morning.

25 THE WITNESS: We come up yesterday.

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1                   VICE CHAIRMAN CICERO: Look at it  
2                   this way, this is the first morning  
3                   hearing that is the done in the morning.  
4                   Most of them go to 3.

5                   CHAIRMAN SCHMITT: If there's nothing  
6                   else, this hearing is adjourned.

7                   -----  
8                   (HEARING CONCLUDED)  
9                   \_\_\_\_\_

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COUNTY OF FAYETTE )

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I, SUSAN R. ELSENSOHN, Certified Court Reporter and Notary Public, State of Kentucky at Large, certify that the facts stated in the caption hereto are true; that at the time and place stated in said caption the witnesses after being duly sworn, were examined; that said testimony was taken down in stenotype by me and later reduced to typewriting, by computer, under my direction, and the foregoing is a true and complete record of the testimony given by said witnesses.

My commission expires: September 9, 2022.

In testimony whereof, I have hereunto set my hand and seal of office on this the            day of            , 2019.

SUSAN R. ELSENSOHN  
Certified Court Reporter  
Notary ID No. 606854  
Notary Public, State-at-Large

\*Estill County Water District #1  
Estill County Water District #1  
76 Cedar Grove Road  
Irvine, KY 40336

\*Honorable Earl Rogers III  
Attorney at Law  
Campbell & Rogers  
154 Flemingsburg Road  
Morehead, KENTUCKY 40351

\*Cawood Water District  
Cawood Water District  
54 Plant Road  
P. O. Box 429  
Cawood, KY 40815

\*L Allyson Honaker  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*M. Evan Buckley  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*West Carroll Water District  
West Carroll Water District  
900 Clay Street  
P. O. Box 45  
Carrollton, KY 41008

\*Big Sandy Water District  
Big Sandy Water District  
18200 Kentucky Route #3  
Catlettsburg, KY 41129

\*Erica Stacy Stegman  
Campbell & Rogers  
154 Flemingsburg Road  
Morehead, KENTUCKY 40351

\*Hyden-Leslie County Water District  
Hyden-Leslie County Water District  
356 Wendover Road  
Hyden, KY 41749

\*Honorable Damon R Talley  
Attorney at Law  
Stoll Keenon Ogden PLLC  
P.O. Box 150  
Hodgenville, KENTUCKY 42748

\*Eastern Rockcastle Water Association  
Eastern Rockcastle Water Association, Inc.  
9246 Main Street  
Livingston, KY 40445

\*Justin M. McNeil  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*David S Samford  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*Farmdale Water District  
Farmdale Water District  
100 Highwood Drive, Route 8  
Frankfort, KY 40601

\*Katelyn L. Brown  
Attorney  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Southern Water & Sewer District  
Southern Water & Sewer District  
245 Kentucky Route 680  
P. O. Box 610  
McDowell, KY 41647

\*Gerald E Wuetcher  
Attorney at Law  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Kent Chandler  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Hon. Derrick Willis  
Attorney at Law  
Willis Law Office  
P.O. Box 1500  
Grayson, KENTUCKY 41143

\*Milburn Water District  
Milburn Water District  
7731 State Route 80 East  
Arlington, KY 42021

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Mark David Goss  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*Steven P. Bailey  
Attorney  
Bailey Law Office, P.S.C.  
181 East Court Street  
Prestonsburg, KENTUCKY 41653

\*Morgan County Water District  
Morgan County Water District  
1009 Hwy 172  
West Liberty, KY 41472

\*North Manchester Water Association,  
North Manchester Water Association, Inc.  
7362 N Highway 421  
Manchester, KY 40962

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Rattlesnake Ridge Water District  
Rattlesnake Ridge Water District  
3563 State Highway 1661  
P. O. Box 475  
Grayson, KY 41143-0475

\*W.C. Gilbert  
Rattlesnake Ridge Water District  
P. O. Box 475  
Grayson, KY 41143

\*Raleigh P. Shepherd  
Attorney at Law  
305 Main Street  
Manchester, KENTUCKY 40962