MORGAN COUNTY WATER DISTRICT 1009 Hwy 172 West Liberty, KY 41472

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Public Service Commission

WATER LOSS CONTROL PROGRAM

December 28, 2016

The Morgan County Water District is concerned about reducing our water loss in order to provide quality water and better water service at the lowest cost.

Following is an outline of steps we intend to take to accomplish this:

We have changed out all of our meters and have adapted them to radio reads. To assure accuracy of all meters, when the meters come of age we will test master wholesale meters and residential meters in accordance with PCS regulations, 807 KAR 5:066 Section 15(2)(a):

Meters will be tested and changed out as necessary to assure customer meters are accurate which will maximize revenue to our District.

The wholesale master meters are tested yearly.

We monitor our SCADA system daily to confirm the amount of water that is purchase through each master meter. We receive a reading from the supplier on each master meter to compare with our reading to ensure that the numbers are accurate.

Our leak detection program will help us better be able to calculate our water loss monthly. Further our system will be divided into sub-sections in order to prioritize leak detection efforts. Sections with the greatest water loss will be priority when searching for leaks. Wholesale master meters will be read regularly to help us identify potential areas of water loss. We will utilize existing creek crossings, monitor meters, etc to isolate sections of the District's line with potential leaks. Additional monitor meters will be installed as revenue becomes available to cover the entire distribution system.

Storage tank locations are considered to be prime locations for a monitor meter in order to reach the largest geographical areas of the District with the least effort.

The Morgan County Water District manager and operators attend training classes to learn about new and innovative ways to help determine areas where water loss may occur and repairs of leaks. Some of these trainings are held by Kentucky Rural Water Association and Pride. We are currently training a new employee from another water system that is almost eligible to get their distribution operator license.

At this point, we are a relatively young water system and we plan to use asset management to prioritize infrastructure replacement. We plan to use our computer billing system to compare consumption in specific areas to the master meters for the respective areas.

We have telemetry on every water storage tank and are able to monitor more closely their usage patterns from a central location. If we have a sudden abnormal flow, this system could call operators after hours when necessary as determined by management.

Telemetry can be used to track run time for the various pumping stations. Information generated through this telemetry system will be utilized to identify areas of potential concern for water loss.

We will communicate with other utilities and contractors in the area to avoid line breaks. Our number is listed in the local phone directory. In addition, we work closely with the local dispatcher's office who operate 24/7; they have phone numbers and cellular numbers of staff for emergency situations. District staff estimate water loss when a contractor cuts into one of our lines and we bill them accordingly.

We have three field staff who are on call 24/7. Our employees are familiar with our service area and can respond to emergency situations in a timely manner.

The operators are familiar with the system and realize that the district must monitor and take pressure recordings monthly for a continuous seven day period in accordance with PSC regulations, 807 KAR 5:066 Section 5(2).

While working in the distribution system and especially during meter readings, employees will be on the lookout for any water theft by any unauthorized user. They will observe inactive meter boxes and hydrants that have had abnormal use. Volunteer fire departments are given information on location of flush hydrants within the system. We solicit monthly reports from the Fire Departments in the county which estimate the gallons they have used during that month for fire protection. We encourage our customers to notify us when they suspect a leak in their area so that we may investigate and correct the problem if, in fact, there is a leak. These notifications are printed on the customer bills.

In summary we plan to do our very best to monitor our system and take the necessary steps to account for water loss.

We have implemented this Water Loss Control Plan and will send a water loss report monthly to Public Service Commission.

By minimizing our water loss, we will improve revenue for our distribution system.