

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**CANNONSBURG WATER DISTRICT'S )**  
**UNACCOUNTED-FOR WATER LOSS ) CASE NO. 2014-00267**  
**REDUCTION PLAN, SURCHARGE )**  
**AND MONITORING )**

**RESPONSE OF**  
**CANNONSBURG WATER DISTRICT**  
**TO**  
**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION**  
**DATED NOVEMBER 21, 2023**

**FILED: DECEMBER 7, 2023**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**CANNONSBURG WATER DISTRICT'S )  
UNACCOUNTED-FOR WATER LOSS ) CASE NO. 2014-00267  
REDUCTION PLAN, SURCHARGE )  
AND MONITORING )**

**RESPONSE OF CANNONSBURG WATER DISTRICT  
TO COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION**

Comes Cannonsburg Water District ("Cannonsburg District") for its Response to Commission Staff's Fourth Request for Information, and states as shown on the following pages.



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*Counsel for Cannonsburg Water District*

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**CANNONSBURG WATER DISTRICT'S )  
UNACCOUNTED-FOR WATER LOSS ) CASE NO. 2014-00267  
REDUCTION PLAN, SURCHARGE )  
AND MONITORING )**

**CERTIFICATION OF RESPONSE OF CANNONSBURG  
WATER DISTRICT TO COMMISSION STAFF'S  
FOURTH REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of Cannonsburg Water District's Responses to Commission Staff's Fourth Request for Information. The response submitted on behalf of Cannonsburg Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: December 7, 2023



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Tim Webb, General Manager  
Cannonsburg Water District

## CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on December 7, 2023; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



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Damon R. Talley

*Counsel for Cannonsburg Water District*

**CANNONSBURG WATER DISTRICT**

**CASE NO. 2014-00267**

**Response to Commission Staff's Fourth Request for Information**

**Question No. 1**

**Responding Witness: Tim Webb, General Manager**

**Q-1. Refer to the May 13, 2019 Order, ordering paragraph 8, which authorized Cannonsburg District to assess a monthly surcharge of \$4.00 for a period of 48 months or until the total amount of the surcharge asset equals \$680,000, whichever comes first. Provide the total amount of the surcharge that has been collected through the most recent billing cycle.**

A-1. Cannonsburg District discontinued the billing of the Surcharge effective July 1, 2023. The last bill containing the Surcharge was mailed to the customers on July 17, 2023 for water used during the month of June. As of the most recent billing cycle, Cannonsburg District's billing system (MuniLink) provides that the total amount of the Surcharge billed is \$693,100.88 and the total amount collected is **\$683,680.27**.

Cannonsburg District billed the Monthly Surcharge for 48 months as provided in the Commission's May 13, 2019 Order in this case. After the 47<sup>th</sup> Surcharge bill had been mailed to its customers, Cannonsburg District had not yet collected \$680,000. Thus, it was authorized to bill the Surcharge for an additional month. It would not have been fair to bill some

of its customers for the Surcharge and not bill all its customers. The 48<sup>th</sup> bill resulted in Cannonsburg District collecting less than \$4,000 above the maximum permitted by the May 12, 2019 Order.

**CANNONSBURG WATER DISTRICT**

**CASE NO. 2014-00267**

**Response to Commission Staff's Fourth Request for Information**

**Question No. 2**

**Responding Witness: Tim Webb**

**Q-2. Provide the date or expected date on which Cannonsburg will stop collecting the monthly surcharge.**

A-2. The last bill containing the Monthly Surcharge was mailed on July 17, 2023 for water used during the month of June 2023.

**CANNONSBURG WATER DISTRICT**

**CASE NO. 2014-00267**

**Response to Commission Staff's Fourth Request for Information**

**Question No. 3**

**Responding Witness: Tim Webb**

**Q-3. In a numbered list, provide all water loss reduction projects that have been started or completed since the collection of the surcharge. Include any projects that have not been funded by the surcharge collections.**

A-3. One project has been started and completed since the collection of the Surcharge. No other projects have been funded by the Surcharge Account to date.

1. The Phase I Zone Meter Project was bid in March of 2020 and completed in December of 2020. The total cost of the Phase I Project was **\$819,103**. As authorized by the Commission in its June 4, 2020 Order in Case No. 2020-118, this Phase I Project was funded by a KIA Loan in the amount of \$622,000 and the use of \$197,103 of residual proceeds from the First Surcharge approved by the Commission. **Exhibit 4-3** to this Response is an amortization schedule for the KIA Loan showing semi-annual principal and interest payments of \$81,289.36 on each June 1 and December 1 for four (4) years. The last payment will be made on



December 1, 2024. All these loan payments have been made from the Water Loss Reduction Surcharge bank account.

# **Exhibit 4-3**

## **Amortization Schedule for KIA Loan**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 ANTICIPATED REPAYMENT SCHEDULE  
 LOAN #C20-001  
 CANNONSBURG WATER DISTRICT**

<b>2.00% Interest          \$81,289.36 P &amp; I Calculation</b>
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**No R & M Reserve Required**

<b>Payment Date</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Interest Rate</b>	<b>Principal &amp; Interest</b>	<b>Servicing Fee</b>	<b>Credit Due</b>	<b>Total Payment</b>	<b>Principal Balance</b>	<b>R &amp; M Reserve</b>	<b>Total Reserve</b>
								\$622,000.00		
06/01/21	\$75,069.36	\$6,220.00	2.00%	\$81,289.36	\$622.00	\$0.00	\$81,911.36	\$546,930.64	\$0.00	\$0.00
12/01/21	\$75,820.05	\$5,469.31	2.00%	\$81,289.36	\$546.93	\$0.00	\$81,836.29	\$471,110.59	\$0.00	\$0.00
06/01/22	\$76,578.25	\$4,711.11	2.00%	\$81,289.36	\$471.11	\$0.00	\$81,760.47	\$394,532.34	\$0.00	\$0.00
12/01/22	\$77,344.04	\$3,945.32	2.00%	\$81,289.36	\$394.53	\$0.00	\$81,683.89	\$317,188.30	\$0.00	\$0.00
06/01/23	\$78,117.48	\$3,171.88	2.00%	\$81,289.36	\$317.19	\$0.00	\$81,606.55	\$239,070.82	\$0.00	\$0.00
12/01/23	\$78,898.65	\$2,390.71	2.00%	\$81,289.36	\$239.07	\$0.00	\$81,528.43	\$160,172.17	\$0.00	\$0.00
06/01/24	\$79,687.64	\$1,601.72	2.00%	\$81,289.36	\$160.17	\$0.00	\$81,449.53	\$80,484.53	\$0.00	\$0.00
12/01/24	\$80,484.53	\$804.83	2.00%	\$81,289.36	\$80.48	\$0.00	\$81,369.84	\$0.00	\$0.00	\$0.00
<b>Totals</b>	<b>\$622,000.00</b>	<b>\$28,314.88</b>		<b>\$650,314.88</b>	<b>\$2,831.48</b>	<b>\$0.00</b>	<b>\$653,146.36</b>		<b>\$0.00</b>	

Created by KIA on 06/26/2020

**CANNONSBURG WATER DISTRICT**

**CASE NO. 2014-00267**

**Response to Commission Staff's Fourth Request for Information**

**Question No. 4**

**Responding Witness: Tim Webb**

- Q-4. For the projects listed in the response to Item 3, provide the following:**
- (a) A brief description of each project;**
  - (b) The current status of each project;**
  - (c) The total of any surcharge funds already spent on each project;**
  - (d) The estimated amount of funds from the surcharge account needed to complete each project; and**
  - (e) The estimated date of completion or the actual date of completion.**

A-4. (a) The Phase I Zone Meter Project included the installation of 53 Zone Meters throughout various areas of the system and created virtual metering groups for those areas.

(b) The Phase I Zone Meter Project was completed in December 2020.

(c) The Phase I Zone Meter Project used a total of \$197,103.00 in surcharge funds from the First Surcharge. As stated in the response to Question 3, the balance of the Phase I Project was paid for by a KIA Loan in the amount of \$622,000. The KIA Loan is being repaid with surcharge funds which were collected pursuant to the Commission's May 13, 2019 Order.

(d) Cannonsburg District currently has a new upcoming project, the Shopes Creek Road Project. Cannonsburg District intends to ask the Commission for authority to use surcharge funds for this new project.

(e) The Phase I Zone Meter Project was completed in December 2020. The Shopes Creek Project has yet to be bid.

**CANNONSBURG WATER DISTRICT**

**CASE NO. 2014-00267**

**Response to Commission Staff's Fourth Request for Information**

**Question No. 5**

**Responding Witness: Tim Webb**

**Q-5. Explain the missing surcharge and water loss reports for the August 2023 and September 2023 activity reports that were due to be filed in September. Provide these reports if they are available.**

A-5. The surcharge and water loss reports for August 2023 and September 2023 were completed while I was out of the office for personal reasons. Once I returned to the office, I inadvertently failed to upload the files. The September 2023 Surcharge Report and September 2023 Water Loss Report were filed with the Commission on October 31, 2023. See **Exhibit 4-5** for a copy of these reports.

# **Exhibit 4-5**

**August 2023 Activity, Surcharge, and  
Water Loss Reports**

**Cannonsburg Water District**  
**1606 Cannonsburg Road**  
**Ashland, KY 41102**  
**Office: (606) 928-9808**  
**Fax: (606) 928-4788**



August 31, 2023

Public Service Commission  
Attn: Linda C. Bridwell - Executive Director  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602

RE: Case No. 2014-00267 – Surcharge Activity Report

Ms. Bridwell,

Please take a moment to review the status and actions Cannonsburg Water District has taken this month to gain control of its water loss.

The Shopes Creek Phase II Water Loss Project is still in the permitting phase with the Division of Water. All inquiries from DOW to Project Engineers have all been addressed which should result in permit granting within the coming weeks. However, FIVCO Add District, who is administering the project has undergone staffing change that has delayed some aspects of the project such as the Environmental Study and other administrative filings. These issues are being addressed by new staff members.

Leak detection and repair efforts have been on-going and have resulted in numerous smaller service line leaks. Service line leaks are expected during this time of year when the ground is extremely dry and moving.

If at any time, you have any questions or concerns regarding this report please, do not hesitate to contact me for further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Webb", is placed below the word "Sincerely,".

Tim Webb  
District Manager



*Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, KY 41102  
Office: (606) 928-9808  
Fax: (606) 928-4788*



September 29, 2023

Public Service Commission  
Attn: Linda C. Bridwell - Executive Director  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602

RE: Case No. 2014-00267 – Water Loss Report

Ms. Bridwell,

Please see the attached Water Use Report for the month of June 2023. Please take notice of the following numbers:

**July 2023 Water Loss (in gallons) – 5,249,000**  
**August 2023 Water Loss (in gallons) - 7,303,000**  
**Single Month Water Loss increase (in gallons) – 2,054,000**  
**Resulting in a 22.90% Water Loss for the month of July**  
**2023 Annual Water Loss Average 19.50%**

If at any time, you have any questions or concerns regarding this report please, do not hesitate to contact me for further information.

Sincerely,



Tim Webb  
District Manager

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility:

For the Month of:  Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED AND PURCHASED</b>	
2	Water Produced	-
3	Water Purchased	31,887,000
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>31,887,000</b>
5		
6	<b>WATER SALES</b>	
7	Residential	12,355,000
8	Commercial	4,465,000
9	Industrial	2,297,000
10	Bulk Loading Stations	-
11	Wholesale	5,137,000
12	Public Authorities	-
13	Other Sales (explain)	-
14	<b>TOTAL WATER SALES</b>	<b>24,254,000</b>
15		
16	<b>OTHER WATER USED</b>	
17	Utility and/or Water Treatment Plant	76,000
18	Wastewater Plant	-
19	System Flushing	130,000
20	Fire Department	4,000
21	Other Usage (explain) DBP Flushing	120,000
22	<b>TOTAL OTHER WATER USED</b>	<b>330,000</b>
23		
24	<b>WATER LOSS</b>	
25	Tank Overflows	-
26	Line Breaks	244,000
27	Line Leaks	7,059,000
28	Excavation Damages	-
29	Theft	-
30	Other Loss	-
31	<b>TOTAL WATER LOSS</b>	<b>7,303,000</b>
32		
33	<b>Note:</b> Line 14 + Line 22 + Line 31 <b>MUST</b> Equal Line 4	
34		
35	<b>WATER LOSS PERCENTAGE</b>	
36	(Line 31 divided by Line 4)	<b>22.90%</b>

*Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, KY 41102  
Office: (606) 928-9808  
Fax: (606) 928-4788*



September 29, 2023

Public Service Commission  
Attn: Linda C. Bridwell - Executive Director  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602

RE: Case No. 2014-00267 – Surcharge Report

Ms. Bridwell,

Please see the attached summaries for the Water Loss Surcharge Fund for the month of August 2023.

If at any time, you have any questions or concerns regarding this report please, do not hesitate to contact me for further information.

Sincerely,



Tim Webb  
District Manager

CANNONSBURG WATER DISTRICT  
 SURCHARGE NON REVENUE  
 1606 CANNONSBURG RD  
 ASHLAND KY 41102-8929

For questions about your Statement or Account  
 please contact your local branch at: [REDACTED]

----- Summary of Accounts -----  
 Account Number      Type of Account      Current Balance      Images  
 [REDACTED]      SM BUSINESS INTEREST CHECKING      707,638.91

----- Checking Account -----

Account Title: CANNONSBURG WATER DISTRICT  
 SURCHARGE NON REVENUE

SM BUSINESS INTEREST CHECKING		Number of Images	0
Account Number	[REDACTED]	Statement Dates	8/01/23 thru 8/31/23
Previous Balance	677,246.28	Days in the statement period	31
2 Deposits/Credits	30,246.25	Average Ledger Balance	689,410.61
Checks/Debits	.00	Average Collected Bal	689,410.61
Service Charge	.00	Interest Earned	146.38
Interest Paid	146.38	Annual Percentage Yield Earned	0.25%
Current Balance	707,638.91	2023 Interest Paid	1,148.52

----- Activity in Date Order -----

Date	Description	Check#	Amount	Balance
8/07	Transfer from [REDACTED]		14,452.00	691,698.28
8/31	Transfer from [REDACTED]		15,794.25	707,492.53
8/31	Interest Deposit		146.38	707,638.91

----- Summary of Deposits -----

Date	Amount	Date	Amount	Date	Amount
8/07	14,452.00	8/31	15,794.25	8/31	146.38

----- Interest Rate Summary -----

Date	Interest Rate
7/31	0.250000%

End of Statement

# **Exhibit 4-5**

**September 2023 Activity, Surcharge, and  
Water Loss Reports**

*Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, KY 41102  
Office: (606) 928-9808  
Fax: (606) 928-4788*



September 29, 2023

Public Service Commission  
Attn: Linda C. Bridwell - Executive Director  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602

RE: Case No. 2014-00267 – Surcharge Activity Report

Ms. Bridwell,

Please take a moment to review the status and actions Cannonsburg Water District has taken this month to gain control of its water loss.

The Shopes Creek Phase II Water Loss Project is still in the permitting phase with the Division of Water. All inquiries from DOW to Project Engineers have all been addressed which should result in permit granting within the coming weeks. However, FIVCO Add District, who is administering the project has undergone staffing change that has delayed some aspects of the project such as the Environmental Study and other administrative filings. These issues are being addressed by new staff members.

Leak detection and repair efforts have been on-going and have resulted in numerous smaller service line leaks and three smaller main line leaks, all on 3" mains.

If at any time, you have any questions or concerns regarding this report please, do not hesitate to contact me for further information.

Sincerely,



Tim Webb  
District Manager

**Cannonsburg Water District**  
**1606 Cannonsburg Road**  
**Ashland, KY 41102**  
**Office: (606) 928-9808**  
**Fax: (606) 928-4788**



October 31, 2023

Public Service Commission  
Attn: Linda C. Bridwell - Executive Director  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602

RE: Case No. 2014-00267 – Water Loss Report

Ms. Bridwell,

Please see the attached Water Use Report for the month of June 2023. Please take notice of the following numbers:

**August 2023 Water Loss in gallons – 7,303,000**  
**September 2023 Water Loss in gallons – 6,672,000**  
**Single Month Water Loss **Decrease** (in gallons) – 631,000**  
**Resulting in a **20.73%** Water Loss for the month of September**  
**2023 Annual Water Loss Average **19.15%****

If at any time, you have any questions or concerns regarding this report please, do not hesitate to contact me for further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Webb".

Tim Webb  
District Manager

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility: Cannonsburg Water District

For the Month of: September Year: 2023

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED AND PURCHASED</b>	
2	Water Produced	-
3	Water Purchased	32,184,000
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>32,184,000</b>
5		
6	<b>WATER SALES</b>	
7	Residential	12,295,000
8	Commercial	4,745,000
9	Industrial	1,735,000
10	Bulk Loading Stations	-
11	Wholesale	6,457,000
12	Public Authorities	-
13	Other Sales (explain)	-
14	<b>TOTAL WATER SALES</b>	<b>25,232,000</b>
15		
16	<b>OTHER WATER USED</b>	
17	Utility and/or Water Treatment Plant	74,000
18	Wastewater Plant	-
19	System Flushing	160,000
20	Fire Department	4,000
21	Other Usage (explain) DBP Flushing	42000
22	<b>TOTAL OTHER WATER USED</b>	<b>280,000</b>
23		
24	<b>WATER LOSS</b>	
25	Tank Overflows	-
26	Line Breaks	144,000
27	Line Leaks	6,528,000
28	Excavation Damages	-
29	Theft	-
30	Other Loss	-
31	<b>TOTAL WATER LOSS</b>	<b>6,672,000</b>
32		
33	<b>Note:</b> Line 14 + Line 22 + Line 31 <b>MUST</b> Equal Line 4	
34		
35	<b>WATER LOSS PERCENTAGE</b>	
36	(Line 31 divided by Line 4)	<b>20.73%</b>



**Cannonsburg Water District**  
**1606 Cannonsburg Road**  
**Ashland, KY 41102**  
**Office: (606) 928-9808**  
**Fax: (606) 928-4788**



October 31, 2023

Public Service Commission  
Attn: Linda C. Bridwell - Executive Director  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602

RE: Case No. 2014-00267 – Surcharge Report

Ms. Bridwell,

Please see the attached summaries for the Water Loss Surcharge Fund for the month of September 2023.

If at any time, you have any questions or concerns regarding this report please, do not hesitate to contact me for further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Webb".

Tim Webb  
District Manager

CANNONSBURG WATER DISTRICT  
SURCHARGE NON REVENUE  
1606 CANNONSBURG RD  
ASHLAND KY 41102-8929

For questions about your Statement or Account  
please contact your local branch at: [REDACTED]

Summary of Accounts

Account Number	Type of Account	Current Balance	Images
[REDACTED]	SM BUSINESS INTEREST CHECKING	707,784.32	

Checking Account

Account Title: CANNONSBURG WATER DISTRICT  
SURCHARGE NON REVENUE

SM BUSINESS INTEREST CHECKING	[REDACTED]	Number of Images	0
Account Number	[REDACTED]	Statement Dates	9/01/23 thru 10/01/23
Previous Balance	707,638.91	Days in the statement period	31
Deposits/Credits	.00	Average Ledger Balance	707,638.91
Checks/Debits	.00	Average Collected Bal	707,638.91
Service Charge	.00	Interest Earned	150.25
Interest Paid	145.41	Annual Percentage Yield Earned	0.25%
Current Balance	707,784.32	2023 Interest Paid	1,293.93

Date	Description	Activity in	Date Order	Amount	Balance
9/30	Interest Deposit	Check#		145.41	707,784.32

Date	Amount	Summary of Deposits
9/30	145.41	

Date	Interest Rate	Summary
8/31	Rate	0.250000%

End of Statement

**CANNONSBURG WATER DISTRICT**

**CASE NO. 2014-00267**

**Response to Commission Staff's Fourth Request for Information**

**Question No. 6**

**Responding Witness: Tim Webb**

**Q-6. Explain why funds were not deposited into the surcharge account in April, July, and September and were instead deposited into the surcharge account in May, August, and October with funds collected during those months.**

A-6. Cannonsburg District's Office Manager typically transfers funds into the surcharge account on the last day of each month. If the Office Manager is not in the office on that day, or if the last day of the month falls on a weekend, the Office Manager completes the transfers during the beginning of the following month.