

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

BIG SANDY WATER DISTRICT’S STATUS REPORT
ON COMPLIANCE WITH ORDER OF NOVEMBER 22, 2019

Pursuant to the Commission’s Order of April 7, 2020, Big Sandy Water District submits the following report on the status of its efforts to comply with the Order of November 22, 2019.

Compliance with 807 KAR 5:066, Section 16(1). Big Sandy Water District has developed a plan for ensuring that by December 31, 2020, all water meters in service will have been tested for accuracy within the prior ten years. Approximately 2,443 meters currently in service must be tested or otherwise replaced to meet this goal. In November 2019, Big Sandy began pulling meters that required testing and replacing them with tested meters. In January 2020 Big Sandy Water District purchased 1,100 meters at an approximate cost of \$190,000, using monies from its depreciation reserve account. Evidence of this purchase is attached as Exhibit A. Prior to using these funds, Big Sandy Water District requested and received approval from Rural Development for this action. Big Sandy Water District expects to apply to the Commission within the next 60 days for authorization to assess a surcharge to recover this and other expenses related to its water loss reduction efforts. In February 2020, it began installing the newly purchased meters. Removed meters will be tested as resources permit and, if they test within the accuracy limits set forth in 807 KAR 5:066, Section 15, returned to service. Meters testing outside of the established limits will be repaired or scrapped.

As of May 14, 2020, approximately 645 newly purchased meters had been installed and approximately 299 of the removed meters had been tested. Of the tested meters, approximately 101 meters have tested within accuracy limits and can be returned to service. Of the remaining meters, 194 meters require repair and four meters have been scrapped.

Big Sandy Water District plans to remove approximately 240 meters each month for the remainder of this year and replace each with a new or tested meter. This goal may be difficult to achieve as one field employee recently resigned and another was injured and is currently unable to work. While Big Sandy Water District has recently hired a replacement employee, this employee has no prior experience with a water utility. Moreover, while testing is a priority, Big Sandy Water District may be required at times to divert employees assigned to meter replacement and testing duties to assist with leak repair and service problems requiring immediate attention.

Meter and Valve Testing Schedule. Big Sandy Water District has deferred until late Summer the development of a meter testing schedule for 2021 and beyond. This action will allow it to assess the progress of its efforts to eliminate the existing backlog of untested meters and consider that progress in developing a realistic schedule for future testing.

As to valve testing, Big Sandy Water District is focusing on locating and marking valves. Its field employees are currently locating, marking and exercising valves while engaging in leak detection activities. A portion of funding for the development of a global positioning system (GPS)-based system to mark and record the location of valves and meters is included in the Phase V Water Systems Improvement Project for which the Commission granted a Certificate of Public Convenience and Necessity in Case No. 2019-00275.¹ Big Sandy Water District plans to create a

¹ *Application of Big Sandy Water District for A Certificate of Public Convenience and Necessity to Construct A System Improvements Project and An Order Approving A Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023, Case No. 2019-00275 (Ky.PSC Oct. 7, 2019).*

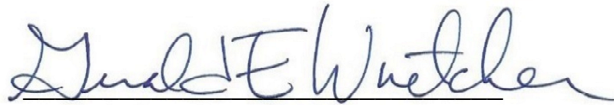
database of the location of its valves using this system as the first step to a comprehensive program to examine and exercise all valves. It intends to develop a valve testing schedule by late summer based upon its current efforts to locate and mark valves.

General Manager Position. On February 1, 2020, Big Sandy Water District's Board of Commissioners selected Teresa Brown as District General Manager. Ms. Brown had previously been employed as Big Sandy Water District's office manager.

Water Audit. In its Order of November 22, 2019, the Commission directed Big Sandy Water District to "provide the results of a comprehensive water audit." However, it did not define "comprehensive audit" or prescribe the procedures or methodology that should be used to perform such audit. On February 11, 2020, Big Sandy Water District by letter requested that Commission Staff advise in writing of the methodology and standards that the Commission requires for the performance of the comprehensive water audit. It has yet to receive a formal response to this request. A copy of this letter, which was filed in the record of this proceeding, is attached as Exhibit B. Big Sandy Water District is exploring possible assistance from non-government organizations in performing a comprehensive water audit.

Dated: May 22, 2020

Respectfully submitted,



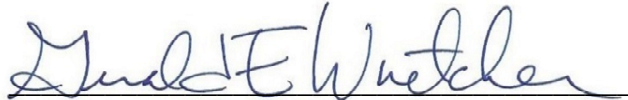
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Counsel for Big Sandy Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Big Sandy Water District's electronic filing of this Report is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on May 22, 2020; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and within 30 days following the end of the state of emergency announced in Executive Order 2020-215 this Report in paper medium will be delivered to the Public Service Commission.

A handwritten signature in cursive script, appearing to read "Gerald E. Wetcher", written over a horizontal line.

Counsel for Big Sandy Water District

EXHIBIT A



Neptune Equipment Company
 11082 Southland Road
 Cincinnati, OH 45240-3713
 UNITED STATES
 (513)-851-8008

PAGE 1

INVOICE DATE 2/11/2020
 INVOICE NO 142308

S BIG010
 O BIG SANDY WATER
 L 18200 KY. RT #3
 D CATLETTSBURG, KY 41129
 T
 O

S 000001
 H BIG SANDY
 I 18200 KY. RT #3
 P CATLETTSBURG, KY 41129
 T
 O

TOTAL DUE 26,122.00

SLS1	SLS2	DUE DATE	DISC DUE DATE	ORDER NO	ORDER DATE	SHIP NO
BH		3/12/2020	2/11/2020	00020570	1/24/2020	

TERMS DESCRIPTION	CUSTOMER PO NO	SHIP VIA	SHIP DATE
n/30	RM0120	XPO 2/5/20	2/11/2020

ITEM ID	TX CL	UNITS	ORDERED	SHIPPED	UNIT PRICE	EXTENSION
W5/8X3/4 GPROi PIT BIG S 5/8X3/4 T-10 PROCODER)R900i PIT GAL 39688139-8238 PLASTIC BOTTOM CAP 6' ANTENNA	0	EA	100.0000	100.0000	198.7200	19,872.00
WP 13442-200 R900 V4 PIT MIU 6' ASSY COMPLETE	0	EA	50.0000	50.0000	125.0000	6,250.00
WP 8340-069 5/8" T-10 BOTTOM CAP GASKET	0	EA	100.0000	0.0000	0.4600	0.00

1-1/2% CHARGE PER MONTH ADDED AFTER 30 DAYS!

TAXABLE	NONTAXABLE	FREIGHT	SALES TAX	MISC	TOTAL
0.00	26,122.00	0.00	0.00	0.00	26,122.00
TOTAL DUE					26,122.00



Neptune Equipment Company
 11082 Southland Road
 Cincinnati, OH 45240-3713
 UNITED STATES
 (513)-851-8008

PAGE 1

INVOICE DATE 2/11/2020
 INVOICE NO 142309

SOLD TO
 BIG010
 BIG SANDY WATER
 18200 KY. RT #3
 CATLETTSBURG, KY 41129

SHIP TO
 000001
 BIG SANDY
 18200 KY. RT #3
 CATLETTSBURG, KY 41129

TOTAL DUE 190,000.00

SLS1	SLS2	DUE DATE	DISC DUE DATE	ORDER NO	ORDER DATE	SHIP NO
BH		3/12/2020	2/11/2020	00020571	1/31/2020	

TERMS DESCRIPTION	CUSTOMER PO NO	SHIP VIA	SHIP DATE
n/30	JBLANTON0120	XPO 2/6/20	2/11/2020

ITEM ID	TX CL	UNITS	ORDERED	SHIPPED	UNIT PRICE	EXTENSION
W5/8X3/4 GPROi PIT BIG S 5/8X3/4 T-10 PROCODER)R900i PIT GAL 39692483-3482 PLASTIC BOTTOM CAP 6' ANTENNA	0	EA	1,000.0000	1,000.0000	190.0000	190,000.00

1-1/2% CHARGE PER MONTH ADDED AFTER 30 DAYS!

TAXABLE	NONTAXABLE	FREIGHT	SALES TAX	MISC	TOTAL
0.00	190,000.00	0.00	0.00	0.00	190,000.00
TOTAL DUE					190,000.00

EXHIBIT B



GERALD WUETCHER
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February 11, 2020

Mr. Kent A. Chandler, Esq.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2019-00041
Investigation Into Excessive Water Loss By Kentucky's Jurisdictional Water Utilities

Dear Mr. Chandler:

In its Order of November 22, 2019 in the above referenced case, the Kentucky Public Service Commission directed Big Sandy Water District to perform a "comprehensive water audit" no later than May 22, 2020. The Commission, however, did not define "comprehensive water audit" or specify the methodology to be used to conduct such audit.

Big Sandy Water District respectfully requests that Commission Staff advise in writing of the methodology and standards that the Commission requires for the performance of the comprehensive water audit. Given the time requirements set forth in the Commission's Order for completion of the comprehensive water audit, Big Sandy Water District further requests that priority be given to responding to this inquiry.

Sincerely,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink that reads "Gerald E. Wuetcher".

Gerald E. Wuetcher
Counsel for Big Sandy Water District

GEW

Cc: Teresa Brown
Sisler-Maggard Engineering, PLLC