

Dated: July 9, 2019

Respectfully submitted,



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Counsel for Estill County Water District No. 1

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Estill County Water District No. 1's electronic filing of this Notice 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 July 9, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before July 11, 2019 this Notice in paper medium will be delivered to the Public Service Commission.



TAB 1

THE ESTILL COUNTY WATER DISTRICT NO. 1 BOARD OF COMMISSIONERS ("THE BOARD") MET IN SPECIAL SESSION WEDNESDAY, FEBRUARY 6, 2019 AT 1:00 PM. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT: BLAIN CLICK-CHAIRMAN, JACK STICKNEY-SECRETARY, ROBERT "SKIP" JOHNSON-TREASURER, AND AUDREA MILLER-OFFICE MANAGER.

From the roll call, it was determined that a quorum of the Board of Commissioners of Estill County Water District No. 1 was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to appoint Audrea Miller as interim General Manager for the District. Ms. Miller will be the supervisor of the office & field personnel.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to give Audrea Miller a .50 raise effective immediately. Board will reevaluate Ms. Millers rate of pay at the April 2019 regular scheduled board meeting.

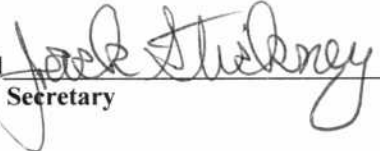
ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to adopt Resolution 2019-1 authorizing revisions to the proposed restructuring of existing loans with Citizens Guaranty Bank and an application to the public service commission for authorization to issue a promissory note containing those revisions.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to advertise for a general laborer.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to adjourn the meeting.

Signed

Secretary



Attested:



**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
ESTILL COUNTY WATER DISTRICT NO. 1 AUTHORIZING
REVISIONS TO THE PROPOSED RESTRUCTURING OF EXISTING
LOANS WITH CITIZENS GUARANTY BANK OF IRVINE,
KENTUCKY AND AN APPLICATION TO THE PUBLIC SERVICE
COMMISSION FOR AUTHORIZATION TO ISSUE A PROMISSORY
NOTE CONTAINING THOSE REVISIONS**

RESOLUTION NO. 2019-1

WHEREAS, Estill County Water District No. 1 ("Estill District") has several outstanding promissory notes issued to Citizens Guaranty Bank of Irvine, Kentucky ("Citizens Guaranty Bank");

WHEREAS, in August 2018 Estill District reached an agreement with Citizens Guaranty Bank to consolidate the outstanding amounts owed on the promissory notes which Citizens Guaranty Bank holds into one promissory note payable over ten years;

WHEREAS, on December 4, 2018, Estill District applied to the Public Service Commission for authorization to issue such promissory note to Citizens Guaranty Bank;

WHEREAS, the Public Service Commission docketed Estill District's application as Case No. 2018-00276;

WHEREAS, on December 21, 2018, the Public Service Commission issued an order in Case No. 2018-00276 in which it authorized Estill District to issue a promissory note to Citizens Guaranty Bank under the terms set forth in Estill District's application;

WHEREAS, Citizens Guaranty Bank has since advised Estill District that it cannot enter a loan agreement with Estill District under the terms set forth in Estill District's application but has offered to enter a loan agreement under comparable terms;

WHEREAS, under Citizens Guaranty Bank's alternative proposal, the remaining amounts owed on outstanding Estill District promissory notes held by Citizens Guaranty Bank would be consolidated into one note payable over ten years at an initial interest rate of three percent per annum subject to the following conditions: (1) the note's interest rate would be adjusted to the current federal prime interest rate minus 2.5 percent every three years, (2) the adjusted interest rate could not decrease or increase more than two percent over the existing interest rate; (3) at no time could the note's interest rate be less than three percent or greater than eight percent; and (4) no penalty would be imposed if Estill District paid the note in advance of note's payment schedule;

WHEREAS, the terms of Citizens Guaranty Bank's alternative proposal are comparable to those in its original proposal;

WHEREAS, KRS 278.300 requires Estill District to obtain the authorization of the Public Service Commission prior to issuing to Citizens Guaranty Bank any promissory note whose terms differ from those set forth in Estill District's original application;


NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF ESTILL COUNTY WATER DISTRICT NO. 1 AS FOLLOWS:

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


Section 2. The Chairman is hereby authorized and directed to execute and file with the Public Service Commission at the earliest possible date an application for authorization to issue a promissory note to Citizens Guaranty Bank containing the terms set forth in Citizens Guaranty Bank's alternative proposal, or an appropriate motion requesting that the Order of December 21, 2018 in Case No. 2018-00276 be amended to permit the issuance of a promissory note to Citizens Guaranty Bank under such terms.

Section 3. Upon the Public Service Commission's issuance of authorization to Estill District to issue a promissory note to Citizens Guaranty Bank containing the terms set forth in Citizens Guaranty Bank's alternative proposal, the Chairman is authorized to execute on Estill District's behalf such a promissory note.

ADOPTED BY THE BOARD OF COMMISSIONERS OF ESTILL COUNTY WATER DISTRICT NO. 1 at a meeting held on February 6, 2019 signed by the Chairman, and attested by the Secretary.


Chairman

ATTEST:


Secretary

THE ESTILL COUNTY WATER DISTRICT BOARD OF COMMISSIONERS ("THE BOARD") MET IN REGULAR SESSION THURSDAY FEBRUARY 28, 2019 AT 9:00 A.M. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING PERSONS PRESENT: BLAIN CLICK, CHAIRMAN; JACK STICKNEY, SECRETARY; ROBERT "SKIP" JOHNSON, TREASURER; AND AUDREA MILLER, GENERAL MANAGER; GERALD WUETCHER, LEGAL COUNSEL WAS PRESENT VIA TELECONFERENCE.

From the roll call, it was determined that a quorum of the Board of Commissioners of the Estill County Water District was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to approve the agenda for the February 28, 2019 regular Board of Commissioners Meeting.

The Minutes of the December 27, 2018 special board meeting were presented to the Board. ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to approve the minutes as presented.

The Minutes of the February 6, 2019 special board meeting were presented to the Board. ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to approve the minutes as presented.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to authorize Audrea Miller to obtain funding, through Citizen's Guaranty Bank, to purchase two (2) new full-size service trucks through the state procurement contract. The total purchase shall not exceed \$60,000.00. Funding shall be in the form of a note payable for a period not to exceed two (2) years, but subject to being renewed for an additional two (2) year term.

ON MOTION OF CLICK AND SECONDED BY STICKNEY, all members of the Board voted to adjourn the meeting.

Signed 
Secretary

Attested: 

**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

THE ESTILL COUNTY WATER DISTRICT BOARD OF COMMISSIONERS ("THE BOARD") MET IN REGULAR SESSION THURSDAY MARCH 28, 2019 AT 9:00 A.M. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING PERSONS PRESENT: BLAIN CLICK, CHAIRMAN; JACK STICKNEY, SECRETARY; ROBERT "SKIP" JOHNSON, TREASURER; AND AUDREA MILLER, GENERAL MANAGER; & GERALD WUETCHER, LEGAL COUNSEL.

From the roll call, it was determined that a quorum of the Board of Commissioners of the Estill County Water District was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to approve the agenda for the March 28, 2019 regular Board of Commissioners Meeting.

The minutes of the February 28, 2019 regular board meeting were presented to the board ON MOTION OF CLICK AND SECONDED BY JOHNSON, all members of the Board voted to approve the minutes as presented.

Counsel notified the Board that a motion requesting a 45-day extension to submit a comprehensive water loss control plan has been filed with the Public Service Commission in Case No. 2018-00276.

Counsel informed Board that the District's Response to the Public Service Commission's Order of March 12, 2019 would be no later than April 12, 2019.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to authorize Counsel to prepare and file an application with the Public Service Commission for authority to assess a monthly surcharge to each customer to recover an amount equal to the amount disallowed in the last rate proceeding for excessive water loss. The proceeds of this surcharge would be used solely to address water loss control issues.

William Murphy presented the monthly water loss report to the Board. Mr. Murphy stated that, for the month of February, field personnel had repaired 3- excavation breaks totaling 189,161 gallons, 6-line break totaling 784,800 gallons and had used 83,564 gallons for flushing of lines. Total water loss for the month was 34%.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to approve the financials and pay warrants.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to adjourn the meeting.

Signed 
Secretary

Attested: 

**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

THE ESTILL COUNTY WATER DISTRICT NO. 1 BOARD OF COMMISSIONERS ("THE BOARD") MET IN SPECIAL SESSION THURSDAY APRIL 18, 2019 AT 5:00 PM. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT: BLAIN CLICK-CHAIRMAN, JACK STICKNEY-SECRETARY, ROBERT "SKIP" JOHNSON-TREASURER, AND AUDREA MILLER-GENERAL MANAGER. GERALD WUETCHER, LEGAL COUNSEL WAS PRESENT VIA TELECONFERENCE.

From the roll call, it was determined that a quorum of the Board of Commissioners of Estill County Water District No. 1 was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to approve the agenda.

The Board discussed the case of *Estill County Water District No.1 v. Sam and Linda Williams*, Estill Circuit Court Civil Action No. 12-CI-182. Mr. Williams has offered to accept \$52,227.82, as full and final settlement of the judgement awarded in the case. Mr. Williams' counsel has calculated that the total judgment awarded, when pre-judgment and post-judgment interest is included, is \$65,248.85. Mr. Wuetcher advised the Board that this calculation was accurate. ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to accept the settlement offer on the condition that payment may be made in six equal monthly installments beginning May 1, 2019.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to authorize counsel to file a motion with the Public Service Commission requesting that, in Case No. 2019-00041, our case be separated from the others.

ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to adjourn the meeting.

Attested: 

Signed 
Secretary

**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

THE ESTILL COUNTY WATER DISTRICT BOARD OF COMMISSIONERS ("THE BOARD") MET IN REGULAR SESSION THURSDAY APRIL 25, 2019 AT 9:00 A.M. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING PERSONS PRESENT: BLAIN CLICK, CHAIRMAN; JACK STICKNEY, SECRETARY; ROBERT "SKIP" JOHNSON, TREASURER; AND AUDREA MILLER, GENERAL MANAGER; & GERALD WUETCHER, LEGAL COUNSEL.

From the roll call, it was determined that a quorum of the Board of Commissioners of the Estill County Water District was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to approve the agenda for the April 25, 2019 regular Board of Commissioners Meeting.

The minutes of the March 28, 2019 regular board meeting were presented to the board ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to approve the minutes as presented.

The minutes of the April 18, 2019 special board meeting were presented to the board ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to approve the minutes as presented.

ON MOTION OF STICKNEY AND SECONDED BY CLICK, all members of the Board voted to apply for a Citizen's Guaranty Bank (CGB) credit card. Credit limit should not exceed \$5,000.00. Upon receipt of the CGB credit card the District will cancel the current credit card that is issued thru Branch Banking and Trust. The Board will review all credit card statements with receipts at each regular meeting.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to approve the financials and pay warrants.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to adjourn the meeting.

Signed Jack Stickney
Secretary

Attested: Blain Click

**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

THE ESTILL COUNTY WATER DISTRICT NO. 1 BOARD OF COMMISSIONERS ("THE BOARD") MET IN SPECIAL SESSION WEDNESDAY MAY 15, 2019, AT 8:30 AM. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT: BLAIN CLICK-CHAIRMAN, ROBERT "SKIP" JOHNSON-TREASURER, AND AUDREA MILLER-GENERAL MANAGER.

From the roll call, it was determined that a quorum of the Board of Commissioners of Estill County Water District No. 1 was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to approve the agenda.

ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to accept the Corrective Action Plan.

ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to adopt resolution 2019-2 authorizing an application to the Kentucky Public Service Commission for authorization to assess a surcharge to support water loss control efforts.

ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to adjourn the meeting.

Signed Jack Stikney
Secretary

Attested: Blain Click

**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

RESOLUTION NO. 2019-2

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
ESTILL COUNTY WATER DISTRICT NO. 1 AUTHORIZING AN
APPLICATION TO THE KENTUCKY PUBLIC SERVICE
COMMISSION FOR AUTHORIZATION TO ASSESS A
SURCHARGE TO SUPPORT WATER LOSS CONTROL EFFORTS**

WHEREAS, for the period from 2013 to 2017, Estill County Water District No. 1 experienced an average unaccounted-for water loss of 35.4 percent;

WHEREAS, Estill County Water District No. 1 for the year ending December 31, 2018 experienced a unaccounted-for water loss of 39.62 percent;

WHEREAS, for every three gallons of water that Estill County Water District has purchased for resale since 2013, only two gallons have been sold;

WHEREAS, Kentucky Public Service Commission Regulation 807 KAR 5:066, Section 6(3) provides that "for rate making purposes a utility's unaccounted-for water loss shall not exceed fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations;"

WHEREAS, as a result of the excessive water loss that Estill County Water District No. 1 has experienced, the Kentucky Public Service Commission in Case No. 2017-00176 disallowed approximately \$159,880 in purchased water and purchased power expenses related to excess unaccounted-for water loss and established rates for the water service that Estill County Water District No. 1 provides that do not reflect its actual purchased water and purchased power costs;

WHEREAS, the current level of water loss threatens the financial viability of Estill County Water District's financial viability and represents a serious threat to its ability to provide reasonable and adequate water service at fair, just and reasonable rates to the citizens of Estill County Water District No. 1 fails to resolve its water loss problems, public faith and confidence in it will permanently suffer;

WHEREAS, at the Kentucky Public Service Commission's direction, Estill County Water District No. 1 commissioned Bell Engineering to prepare a Comprehensive Corrective Action Plan to identify that actions necessary to reduce its excessive water loss;

WHEREAS, this Comprehensive Corrective Action Plan identifies several actions necessary to reduce Estill County Water District No. 1's water loss over a ten-year period;

WHEREAS, the actions that Comprehensive Action Plan recommends to reduce excessive water loss require significant expenditures;

WHEREAS, another source of funding is required to fund the actions that the Comprehensive Corrective Action Plan recommends as Estill County Water District No. 1's present rates are unable to generate the required revenues and Estill County Water District No. 1 lacks the necessary financial reserves;

WHEREAS, one source of funding is the assessment of a monthly surcharge on Estill County Water District No. 1's customers, the proceeds of which would be used solely to finance water loss control and reduction measures approved by Estill County Water District No. 1's Board of Commissioners and the Kentucky Public Service Commission;

WHEREAS, such monthly surcharge would be designed to generate annual revenues of no less than \$159,880 and would be assessed for a such period as necessary to reduce Estill County Water District No. 1's water loss to such levels deemed reasonable by the Kentucky Public Service Commission, but in no case less than three years;

WHEREAS, the monthly surcharge would be separately listed on customer bills and would be identified as a water loss control surcharge; and,

WHEREAS, the proceeds of such monthly surcharge would be maintained in a separate account and not commingled with any of Estill County Water District No. 1's other revenues, and the collection and disbursement of such proceeds would be quarterly reported to the Kentucky Public Service Commission;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF ESTILL COUNTY WATER DISTRICT NO. 1 AS FOLLOWS:

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

Section 2. Legal Counsel for Estill County Water District No. 1 is hereby authorized and directed to take any and all actions to apply to the Kentucky Public Service Commission for authorization for Estill County Water District No. 1 to assess a monthly surcharge to its customers to fund its water loss control efforts subject to the terms and conditions set forth above.

Section 3. The Chairman is hereby authorized and directed to execute any Application to the Kentucky Public Service Commission necessary to obtain authorization for Estill County Water District No. 1 to assess a monthly a monthly surcharge to its customers to fund its water loss control efforts subject to the terms and conditions set forth above.

ADOPTED BY THE BOARD OF COMMISSIONERS OF ESTILL COUNTY WATER DISTRICT NO. 1 at a meeting held on May 15, 2019 signed by the Chairman, and attested by the Secretary.



Chairman

ATTEST:



Secretary

THE ESTILL COUNTY WATER DISTRICT BOARD OF COMMISSIONERS ("THE BOARD") MET IN REGULAR SESSION THURSDAY MAY 30, 2019 AT 9:00 A.M. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING PERSONS PRESENT: BLAIN CLICK, CHAIRMAN; JACK STICKNEY, SECRETARY; ROBERT "SKIP" JOHNSON, TREASURER; AND AUDREA MILLER, GENERAL MANAGER; WILLIAM MURPHY, OPERATIONAL MANAGER & GERALD WUETCHER, LEGAL COUNSEL.

From the roll call, it was determined that a quorum of the Board of Commissioners of the Estill County Water District was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to approve the agenda for the May 30, 2019 regular Board of Commissioners Meeting.

The minutes of the April 25, 2019 regular board meeting were presented to the board. ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to approve the minutes as presented.

The minutes of the May 15, 2019 special board meeting were presented to the board. ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to approve the minutes as presented.

Wuetcher advised the Board on the Public Service Commission ("PSC") proceedings in which the District is a party. The PSC issued an order on May 20, 2019, in Case No. 2019-0087 authorizing modifications to its earlier order approving the restructuring of the District's loans to Citizens Guaranty Bank. The PSC set a hearing for July 10, 2019 in Case No. 2019-00041 to review the District's water loss control efforts. Wuetcher stated that the PSC would hold a conference on June 4, 2019 to discuss the procedure for that hearing. Wuetcher stated that the District's application for a surcharge to finance its water loss control efforts should be filed on or about June 7, 2019.

Wuetcher advised the Board on the drafting of an indemnification policy for the District's Board Members and officers. He stated that he would present a draft review for the Board's consideration at the June Board meeting.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to authorize Counsel and the General Manager to conduct a rate analysis.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to authorize the General Manager to obtain an appraisal of the real property upon which was previously situated the District's sewer treatment plant and to authorize the sale of this property.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to declare the following equipment as surplus and to authorize the sale of such equipment:

- 1999 International 4700 Dump Truck
- 2007 GMC Canyon 4x4
- 1720 Ford Tractor 4x4
- 2002 Dodge Dakota 4x4
- 2001 Dodge Dakota 4x4
- 1999 Dodge 2500 Utility Truck 4x4
- 1996 Chevrolet 3500 Dually 4x4
- Hillsboro Steel Flatbed
- Case 580 Super L Backhoe
- 2001 Winston ProSeries 40K Lowboy Trailer
- Kohler Power System 100 50KW Generator on Trailer
- Gas Powered Blower
- 5' Grader Blade
- 5' Rake
- 4' Finish Mower

- 2- Firestone 48x25.00x20 Flotation Tires and Rims
- 2- Firestone 6x43.00x25 Flotation Tires and Rims
- Big Truck Rear-end
- Aluminum Tube Rack
- 35- 4' Concrete Container
- 4- Aluminum Toolbox
- 2'x4' Solar Panel
- 16- Electrical Boxes (Different Sizes)

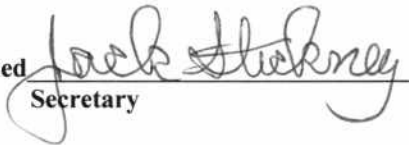
Murphy presented the water loss board for the month of April 2019 to the Board, a copy of which is attached. The Board reviewed the report and questioned Murphy on the progress of the District's efforts to reduce its water losses.

ON MOTION OF JOHNSON AND SECONDED BY CLICK, all members of the Board voted to approve the financial report and to pay warrants.

ON MOTION OF CLICK AND SECONDED BY JOHNSON, all members of the Board voted to adjourn the meeting.

Signed

Secretary



Attested:



**Meeting agenda and sign in sheets are filed in the District's office and is available for review upon request.*

THE ESTILL COUNTY WATER DISTRICT NO. 1 BOARD OF COMMISSIONERS ("THE BOARD") MET IN SPECIAL SESSION WEDNESDAY JUNE 10, 2019, AT 9:00AM. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT: BLAIN CLICK-CHAIRMAN, JACK STICKNEY, SECRETARY, ROBERT "SKIP" JOHNSON-TREASURER, AND AUDREA MILLER-GENERAL MANAGER.

From the roll call, it was determined that a quorum of the Board of Commissioners of Estill County Water District No. 1 was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to approve the agenda.

ON MOTION OF STICKNEY AND SECONDED BY JOHNSON, all members of the Board voted to adopt resolution 2019-3 authorizing an application to the Kentucky Infrastructure Authority for loan assistance from the Infrastructure Revolving Fund (Fund C-Government Agencies Program) and appointing the District's interim General Manager as the District's official project representative.

ON MOTION OF JOHNSON AND SECONDED BY STICKNEY, all members of the Board voted to adjourn the meeting.

Signed

Secretary

Jack Stickney

Attested:

Blain Click

**Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.*

RESOLUTION NO. 2019-3

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
ESTILL COUNTY WATER DISTRICT NO. 1 AUTHORIZING AN
APPLICATION TO THE KENTUCKY INFRASTRUCTURE
AUTHORITY FOR LOAN ASSISTANCE FROM THE
INFRASTRUCTURE REVOLVING FUND (FUND C – GOVERNMENT
AGENCIES PROGRAM) AND APPOINTING THE DISTRICT
INTERIM GENERAL MANAGER AS THE DISTRICT’S OFFICIAL
PROJECT REPRESENTATIVE**

WHEREAS, Estill County Water District No. 1 is a water district organized pursuant to the provisions of KRS Chapter 74;

WHEREAS, as a water district organized pursuant to KRS Chapter 74, Estill County Water District No. 1 is a political subdivision of the Commonwealth of Kentucky;

WHEREAS, Estill County Water District No. 1 proposes to purchase federal surplus equipment to support its provision of water service to the persons located within its territory;

WHEREAS, pursuant to the provisions of KRS Chapter 224A, the Commonwealth of Kentucky is authorized to render financial assistance to eligible project applicants by way of the Infrastructure Revolving Fund (Fund C – Governmental Agencies Program) established to aid in the construction or acquisition of eligible infrastructure projects with consideration for approval to be based on applications submitted through the Kentucky Infrastructure Authority, and,

WHEREAS, the improvements proposed for acquisition by Estill County Water District No. 1 for use in the provision of water service within its territory area are considered eligible for such loan assistance.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF ESTILL COUNTY WATER DISTRICT NO. 1 AS FOLLOWS:

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

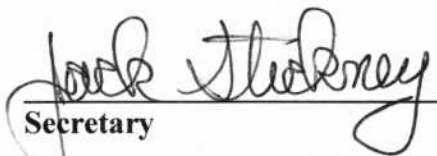
Section 2. The Interim General Manager of Estill County Water District No. 1 is hereby authorized and directed to execute and submit an application through the Kentucky Infrastructure Authority with such assurances and required supporting information as is necessary to obtain loan assistance from the Infrastructure Revolving Fund (Fund C – Governmental Agencies Program) for the proposed acquisition of federal surplus equipment, and is hereby authorized as Estill County Water District No. 1’s Official Project Representative to carry out necessary negotiation for and administer the loan assistance that Estill County Water District No. 1 may obtain from Infrastructure Revolving Fund (Fund C – Governmental Agencies Program).

ADOPTED BY THE BOARD OF COMMISSIONERS OF ESTILL COUNTY
WATER DISTRICT NO. 1 at a meeting held on June 10, 2019 signed by the Chairman,
and attested by the Secretary.



Chairman

ATTEST:



Secretary

TAB 2

Monthly Water Use Report

Water Utility: Estill County Water Dist. PWSID: Ky0330123

For the Month of: March Year: 2019

Line #	Item	Gallons	
1	Water Produced, Purchased and Distributed		
2	Water Produced	0	
3	Water Purchased	19,170,900	
4	Water Produced & Purchased	19,170,900	
5			
6	Water Sales		
7	Residential	9,284,930	
8	Commercial	1,030,980	
9	Industrial	0	
10	Bulk Loading Stations	0	
11	Wholesale	0	
12	Other Sales (explain) _____ 0	0	
13	Total Water Sales	10,315,910	53.8%
14			
15	Other Water Used		
16	Utility and/or Water Treatment Plant	0	
17	Wastewater Treatment Plant	0	
18	System Flushing	166,070	
19	Fire Department Usage	30,959	
20	Other Usage (explain) _____ DBP Maintenance	0	
21	Total Other Water Used	197,029	1.0%
22			
23	Water Loss		
24	Tank Overflows	0	
25	Line Breaks	2,713,130	
26	Line Leaks	5,944,831	
27	Other _____		
28	Total Line Loss	8,657,961	45.2%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	Water Loss Percentage		
33	Unaccounted-For Water (Line 28 Divided by Line 4)	45.2%	

Monthly Water Use Report

Water Utility: Estill County Water Dist. PWSID: Ky0330123

For the Month of: April Year: 2019

Line #	Item	Gallons	
1	Water Produced, Purchased and Distributed		
2	Water Produced	0	
3	Water Purchased	19,053,500	
4	Water Produced & Purchased	19,053,500	
5			
6	Water Sales		
7	Residential	10,998,390	
8	Commercial	1,371,220	
9	Industrial	0	
10	Bulk Loading Stations	0	
11	Wholesale	0	
12	Other Sales (explain) _____ 0	0	
13	Total Water Sales	12,369,610	64.9%
14			
15	Other Water Used		
16	Utility and/or Water Treatment Plant	0	
17	Wastewater Treatment Plant	0	
18	System Flushing	208,324	
19	Fire Department Usage	37,108	
20	Other Usage (explain) _____ DBP Maintenance	0	
21	Total Other Water Used	245,432	1.3%
22			
23	Water Loss		
24	Tank Overflows	73,000	
25	Line Breaks	823,603	
26	Line Leaks	5,541,855	
27	Other _____		
28	Total Line Loss	6,438,458	33.8%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	Water Loss Percentage		
33	Unaccounted-For Water (Line 28 Divided by Line 4)	33.8%	

Monthly Water Use Report

Water Utility: Estill County Water Dist. PWSID: Ky0330123

For the Month of: May Year: 2019

Line #	Item	Gallons	
1	Water Produced, Purchased and Distributed		
2	Water Produced	0	
3	Water Purchased	20,416,000	
4	Water Produced & Purchased	20,416,000	
5			
6	Water Sales		
7	Residential	10,864,260	
8	Commercial	1,154,940	
9	Industrial	0	
10	Bulk Loading Stations	0	
11	Wholesale	0	
12	Other Sales (explain) _____ 0	0	
13	Total Water Sales	12,019,200	58.9%
14			
15	Other Water Used		
16	Utility and/or Water Treatment Plant	0	
17	Wastewater Treatment Plant	0	
18	System Flushing	38,531	
19	Fire Department Usage	0	
20	Other Usage (explain) _____ DBP Maintenance	0	
21	Total Other Water Used	38,531	0.2%
22			
23	Water Loss		
24	Tank Overflows	0	
25	Line Breaks	570,240	
26	Line Leaks	7,788,029	
27	Other _____		
28	Total Line Loss	8,358,269	40.9%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	Water Loss Percentage		
33	Unaccounted-For Water (Line 28 Divided by Line 4)	40.9%	

TAB 3

Determination of Excessive Water Loss Cost

Water Produced, Purchased and Distributed		
Water Produced		
Water Purchased	258,117,000	
Total Produced and Purchased	258,117,000	
Water Sales		
Residential	139,891,000	
Commercial	15,095,000	
Industrial		
Bulk Loading Stations		
Resale		
Other Sales		
Total Water Sales	154,986,000	
Other Water Used		
Utility/Water Treatment Plant		
Wastewater Plant		
System Flushing	389,000	
Fire Department	465,000	
Other		
Total Other Water Used	854,000	
Water Loss:		
Tank Overflows	75,000	
Line Breaks	20,525,000	
Other	81,677,000	
Total Line Loss	102,277,000	
Water Loss Percentage	39.62	
Line Loss Exceeding Permissible Limit (%)	24.62	
Water Purchases Disallowed (Gallons)	63,559,450	
Cost of Water Disallowed	\$206,822.45	Current Cost of Water: \$3.254 per 1,000 gals
Purchase Power Expense	\$68,803.00	
Line Loss Exceeding Permissible Limit	24.62	
Purchase Power Expense From Excessive Water Loss	\$16,939.30	
Total Cost of Excessive Water Loss	\$223,761.75	