

**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 )**

**HYDEN-LESLIE COUNTY WATER DISTRICT’S FINAL REPORT  
ON COMPLIANCE WITH ORDER OF NOVEMBER 22, 2019**

Pursuant to the Commission’s Order of April 7, 2020, Hyden-Leslie County Water District (“Hyden-Leslie District”) submits its final report on the status of its efforts to comply with the Order of November 22, 2019

1. **Funding Projects Currently in the Water Resource Information System (“WRIS”).** Hyden-Leslie District’s Board of Commissioners has designated Michael Maggard of Sisler-Maggard Engineering PLLC as its representative to federal and state funding agencies. Mr. Maggard previously prepared a report, which was attached to Hyden-Leslie District’s status report of May 22, 2020, on the status of funding for each project that Hyden-Leslie District currently has listed in the WRIS. An update to Mr. Maggard’s previous report is attached as Exhibit 1 to this Report.

2. **Evidence of Fire Department Water Usage.** Since January 2020, Hyden-Leslie District’s General Manager or his representative has contacted each fire department within Hyden-Leslie District’s territory monthly and requested a report on the fire department’s water usage for firefighting training and fire protection purposes. This information is provided telephonically, recorded and then used in the preparation of monthly water loss reports. A copy of each of these monthly fire department water usage reports is attached as Exhibit 2 to this Report.

3. **Water Audit.** Hyden-Leslie District has conducted a water audit using the American Water Works Association's (AWWA) Water Audit Software v5.0. The audit was conducted using Hyden-Leslie District's operations for calendar year 2019. Kentucky Rural Community Assistance Program ("RCAP") performed a Level 1 Water Audit Validation for the water audit, which included reviewing the audit reporting worksheet and requesting supporting documents to substantiate water supply, authorized consumption, apparent and current annual real losses, system data (i.e. length of mains, active and inactive connections, service connection density, and average operating pressure) and cost data; examining initial performance indicators, validating audit inputs, re-examining performance indicators, and documenting results. Evidence of RCAP's certification of the performance of the water audit and validation is attached as Exhibit 3 to this Report. Embedded in the electronic version of this Report is an electronic copy of the validated water audit.

4. **Written Leak Detection Policy.** In its status report of May 22, 2020, Hyden-Leslie District submitted a copy of its current leak detection policy. After further review of this policy, Hyden-Leslie District has determined that no additional revisions are required. This version will govern Hyden-Leslie District's leak detection efforts but will be reviewed periodically.

5. **Tariff Sheet Addressing Missed or Underbilled Customers.** Attached as Exhibit 4 is the current draft of Hyden-Leslie District's proposed revised tariff. Hyden-Leslie District will submit the final version of the tariff after the Public Service Commission issues a decision on Hyden-Leslie District' proposed rate adjustment in Case No. 2020-00141.<sup>1</sup>

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<sup>1</sup> *Electronic Application of Hyden-Leslie County Water District For An Alternative Rate Adjustment, Case No. 2020-00141 (Ky. PSC filed May 7, 2020).*

6. **Funding for and Performance of Repairs at Water Storage Tanks.** Funding for repairs to the two water storage tanks referenced in the Order of November 22, 2010 is found in the proposed Phase IIIB Water System Improvement Project. Hyden-Leslie District is attempting to meet the remaining conditions set forth in a Rural Development Letter of Conditions to access the funds for the project. Hyden-Leslie District has performed temporary repairs on one of the water storage tanks but recognizes that permanent repairs should be made as soon as funding becomes available.

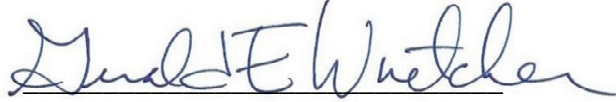
7. **Upgrading Billing Software.** Hyden-Leslie District has contacted two billing software providers - Muni-link and United Systems – regarding the purchase and installation of a new billing software system. Currently, Hyden-Leslie District lacks sufficient funds to purchase a billing software system. It has applied for a rate adjustment. Once a rate adjustment is authorized, Hyden-Leslie will be bettered positioned financially to purchase new billing software.

8. **Written Policy Addressing Theft of Water Service.** Attached as Exhibit 5 is Hyden-Leslie District's written policy on theft of water service. Upon advice of counsel, this policy will not be contained in Hyden-Leslie District's tariff. It does not contain any rate or condition of service and therefore is not appropriate for inclusion in Hyden-Leslie District's tariff.

9. **Reduction in Water Loss.** Hyden-Leslie District has reduced its water loss from 32.87 percent reported for calendar year 2018 to 21 percent for the present year and to 17 percent for the month of August 2020. Exhibit 6 depicts the level of Hyden-Leslie District's reported water losses since 2011.

Dated: September 22, 2020

Respectfully submitted,



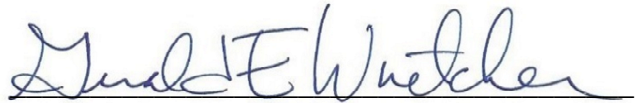
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katelyn.brown@skofirm.com

*Counsel for Hyden-Leslie County Water District*

### **CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that Hyden-Leslie County 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 September 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.



*Counsel for Hyden-Leslie County Water District*

# EXHIBIT 1



**SISLER-MAGGARD ENGINEERING, PLLC**

220 EAST REYNOLDS ROAD, SUITE A3

LEXINGTON, KY 40517

(859) 271-2978

Fax (859) 271-5670

Email: [sme@sislermaggard.com](mailto:sme@sislermaggard.com)

September 21, 2020

Hyden – Leslie County Water District  
356 Wendover Road  
Hyden, KY 41749

Ref: Phase III – Water System Improvements  
Hyden – Leslie County Water District – Leslie County  
SME #14014

LJ,

Per your request, please the following update for funding for the projects listed in

WRIS system:

**PSC RESPONSE CASE 2019-00041**

**1. WX21131002 – PHASE IIIB – WATER SYSTEM IMPROVEMENTS PROJECT**

FUNDING:	loan or grant ID	amount	status
HB 303 Reallocation	37C-2017	\$2,500	committed
CDBG	2020	\$1,000,000	applied
Kia SRF Fund F loan	F21-062	\$1,000,000	ranked
AML	2020	\$323,000	applied
LGEDF – Coal Sev	37C-2017	\$15,700	committed
ARC	2020	\$500,000	applied
USDA RD Grant	2018	\$1,727,000	committed
USDA RD Loan	2018	\$1,152,000	committed

TOTAL AMOUNT COMMITTED AS OF THIS DATE - \$ 2,897,200

REMAINING AMOUNT TO BE SECURED AS OF THIS DATE - \$ 1,723,800

TOTAL PROJECT AMOUNT \$ 4,621,000

2. WX21131004 – PHASE IV – WATER SYSTEM IMPROVEMENTS PROJECT

FUNDING:	loan or grant ID	amount	status
Local Funds	2021	\$63,500	
ARC Grant	2021	\$250,000	
CDBG	2021	\$950,000	

TOTAL AMOUNT COMMITTED AS OF THIS DATE - \$ 0

REMAINING AMOUNT TO BE SECURED AS OF THIS DATE - \$ 1,263,500

TOTAL PROJECT AMOUNT \$ 1,263,500

Once phase III is completed then this project can have funding applications applied

3. WX21131009 – PHASE VI – WATER SYSTEM IMPROVEMENTS PROJECT

FUNDING:	loan or grant ID	amount	status
Kia SRF Fund Loan F	2021	\$655,000	

TOTAL AMOUNT COMMITTED AS OF THIS DATE - \$ 0

REMAINING AMOUNT TO BE SECURED AS OF THIS DATE - \$ 655,000

TOTAL PROJECT AMOUNT \$ 655,000

Once phase III is completed then this project can have funding applications applied

4. WX21131009 – SR 1850 – RYE COVE – WATER LINE EXTENSION PROJECT

FUNDING:	loan or grant ID	amount	status
AML GRANT	2021	\$500,000	APPLIED

TOTAL AMOUNT COMMITTED AS OF THIS DATE - \$ 0

REMAINING AMOUNT TO BE SECURED AS OF THIS DATE - \$ 500,000

TOTAL PROJECT AMOUNT \$ 500,000

5. WX21131011 – PHASE III A – WATER SYSTEM IMPROVEMENTS PROJECT

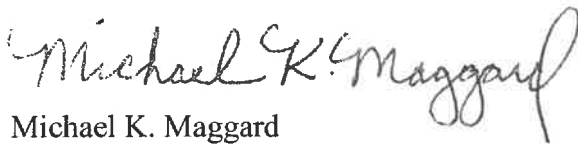
FUNDING:	loan or grant ID	amount	status
CDBG	2020	\$1,000,000	applied
ARC	2020	\$500,000	applied
USDA RD Grant	2018	\$830,000	committed
USDA RD Loan	2018	\$830,000	committed

REMAINING AMOUNT TO BE SECURED AS OF THIS DATE - \$ 1,400,000

TOTAL PROJECT AMOUNT \$ 3,060,000

THIS IS SAME PROJECT AS WX21131002 WITHOUT THE WATERLINE EXTENSIONS.  
PROJECT SEPARATED FOR FUNDING PURPOSES.

Sincerely,



Michael K. Maggard  
Sisler-Maggard Engineering, PLLC



# EXHIBIT 2

### Monthly Fire Department Usage

Month Jan Year 2020

Date	Fire Department Name	Location of Hydrant	Gallons Used			
			Fire	Training	Flow Testing	Other
Jan	Western VFD		0	0	0	0
Jan	Hyden VFD		50,000	0	0	0
Jan	Cutskin VFD		0	0	0	0
Jan	Stewart VFD		12,000	0	0	0
Jan	Thousandsticks VFD		0	10,900	0	0
Jan	Cool Creek VFD		0	0	0	0
Subtotal			62,000	10,900	0	0
			<b>Total Usage</b>			
			72,900			



## Monthly Fire Department Usage

Date	Fire Department Name	Location of Hydrant	Gallons Used			
			Fire	Training	Flow Testing	Other
Mar-20	Wooton		0	1000	0	0
Mar-20	Hyden		0	6000	0	0
Mar-20	Cutshin		0	0	0	0
Mar-20	Coon Creek		0	0	0	0
Mar-20	Stinnett		2000	0	0	0
Mar-20	Thousand Sticks		0	0	0	0
Subtotal			2000	7000	0	0
			<b>Total Usage</b>			
			2000	7000	0	9000



Monthly Fire Department Usage

Date	Fire Department Name	Location of Hydrant	Gallons Used				Submitted VIA	Contact
			Fire	Training	Flow Testing	Other		
May-20	Wootton		0	6000	0	0	Phone	Viola
May-20	Hyden		0	6000	0	0	Phone	Jason T
May-20	Curtshin		0	0	0	0	Phone	Mike Joseph
May-20	Coon Creek		0	0	0	0	Phone	Ann
May-20	Stimnett		0	0	0	0	Phone	Shane Wilson
May-20	Thousand Sticks		0	6500	0	0	Mail	Anna C
Subtotal			0	18500	0	0		
Total Usage				18500		0		









# EXHIBIT 3



September 10, 2020

Mr. L.J. Turner, Manager  
Hyden-Leslie County Water District  
P.O. Box 906  
Hyden, KY 41749

Mr. Turner,

This letter is RCAP's certification statement that staff have performed a Level 1 Water Audit Validation for the Hyden-Leslie County Water District (HLWD). HLWD performed a water audit prepared with the American Water Works Association's (AWWA) Water Audit Software v5.0, for reporting year 2019 (data range 01/01 – 12/31/2019). RCAP herein certifies that the water audit has been prepared in accordance with methodology adopted by the AWWA.

On September 9, 2020, RCAP staff traveled to the Hyden-Leslie County Water District office to meet with District staff regarding the HLWD – 2019 Water Audit prepared by L. J. Turner, General Manager. RCAP performed a Level 1 Water Audit Validation for the water audit. This included reviewing the audit reporting worksheet and requesting supporting documents to substantiate water supply, authorized consumption, apparent and current annual real losses, system data (i.e. length of mains, active and inactive connections, service connection density, and average operating pressure) and cost data; examining initial performance indicators, validating audit inputs, re-examining performance indicators, and documenting results. RCAP reviewed the audit for any unfeasible results, the auditor's interpretation of the methodology, and data validity grades for the utility's operational practices.

Comments from RCAP regarding any changes that were made during the validation process are noted within the Water Audit Validation Report staff prepared along with lists of verified documentation and modifications of data validity grades.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly H. Padgett". The signature is written in a cursive style.

Kimberly H. Padgett  
State Director

# EXHIBIT 4

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 1

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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**RATES AND CHARGES**

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**Monthly Rates**

**Residential Rates**

First	2,000 gallons	\$ 20.24	Minimum Bill
Next	3,000 gallons	5.62	Per 1,000 gallons
Next	5,000 gallons	4.45	per 1,000 gallons
Next	15,000 gallons	3.63	per 1,000 gallons
Next	25,000 gallons	3.16	per 1,000 gallons
Next	50,000 gallons	2.69	per 1,000 gallons
Next	100,000 gallons	2.22	per 1,000 gallons
Over	200,000 gallons	1.76	per 1,000 gallons

**Commercial Rates**

First	2,000 gallons	\$ 30.36	Minimum Bill
Next	3,000 gallons	8.43	Per 1,000 gallons
Next	5,000 gallons	6.68	per 1,000 gallons
Next	15,000 gallons	5.45	per 1,000 gallons
Next	25,000 gallons	4.74	per 1,000 gallons
Next	50,000 gallons	4.04	per 1,000 gallons
Next	100,000 gallons	3.33	per 1,000 gallons
Over	200,000 gallons	2.64	per 1,000 gallons

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DATE OF ISSUE October 1, 2020

MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010

MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2010-00384 DATED October 29, 2010

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 2

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RATES AND CHARGES**

**Non-Recurring Charges**

Late Payment Charge	10%	
Connection/Turn-On Charge	\$55.00	(N)
Reconnection Charge	\$55.00	(I)
Reconnection Charge (After Hours)*	\$65.00	(N)
Service Call/Investigation	\$55.00	(N)
Service Call/Investigation (After Hours)*	\$65.00	(N)
Meter Test Request	\$65.00	(N)
Damage to Meter Setting or Lid	Actual Cost	(N)
Meter Relocate	Actual Cost	(N)
Meter Connection/Tap-On Charge (5/8-Inch x 3/4-Inch Meter)	\$1,000.00	(I)
Meter Connection/Tap-On Charge (All Larger Meters)	Actual Cost*	

\* Regular working hours for the utility's maintenance staff is 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding holidays. Upon customer request, and subject to availability of maintenance staff, services may be performed outside regular working hours at the after-hours rate. (T)  
(T)  
(T)  
(T)

DATE OF ISSUE October 1, 2020  
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010  
MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 3

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**1. DEFINITIONS**

a. "Commercial sales" means sales to private schools, colleges, hospitals, churches and other private educational, cultural, social or religious organizations, business or manufacturing establishments if the water is not used principally in manufacturing or processing functions.

b. "Commission" means Kentucky Public Service Commission.

c. "Customer" shall mean any person, firm, corporation, entity or municipality supplied with water service by Hyden-Leslie County Water District pursuant to these Rules and Regulations.

d. "District" means Hyden-Leslie County Water District acting through its officers, managers, or other duly authorized employees or agents.

e. "Fire department" means a firefighting organization operated and controlled by any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district.

f. "Industrial sales" means sales to manufacturing or processing establishments if the water is used principally in manufacturing or processing function.

g. "Residential sales" means sales to single premise residences, to multiple premises residences where each premise is served through a single Meter, or premises served through a single Meter with multiple owners if the usage is primary for residential purposes.

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(N)  
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DATE OF ISSUE October 1, 2020  
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010  
MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 4

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**2. RULES AND REGULATIONS GOVERNING RENDERING OF SERVICE**

These Rules and Regulations, and any subsequent amendments or revisions, govern the District's provision of water service to all customers.

**3. REQUESTS FOR WATER SERVICE**

a. Each applicant for water service must execute a contract for water service for each Premises for which the applicant seeks water service. The information provided in the contract shall be true, accurate and current. The applicant is responsible for advising the District of any changes in the information. False, misleading, or inaccurate information in the contract is grounds for discontinuance of water service.

b. Any change in the identity of the Customer at a Premises requires a new contract for water service. The District may, after reasonable notice, discontinue water service until a new contract for service has been executed.

c. A Customer contracting for water service with the District, is responsible for payment of all water service furnished to the Premises until such time as the Customer properly notifies the District to discontinue the service for his/her account at the Premises.

d. No Customer receiving water service from the District shall use water for any purpose other than that for which he/she shall have requested service and the District has approved.

e. No customer may resell water except as permitted by these Rules and Regulations.

f. The District may refuse service to a Customer with an outstanding, unpaid balance due until the Customer pays the balance due.

↑  
(N)  
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DATE OF ISSUE October 1, 2020  
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010  
MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 5

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**4. TERMS AND CONDITIONS OF BILLING AND PAYMENT**

a. Bills for water service by Meter will be rendered monthly with ending dates as the District determines.

b. All bills for water and service are due and payable when rendered and are considered delinquent if not paid in accordance with this Tariff and the Commission's regulations. Failure to pay will render the Customer subject to disconnection and subject to payment of reconnection fee in Tariff. If any bill for water service is not paid in accordance with this Tariff, the District may discontinue service in accordance with these Rules and Regulations.

c. Customers are responsible for furnishing the District with their correct billing addresses (e-mail or postal address). Failure to receive a bill does not excuse non-payment nor permit an extension of the date when the account would be considered delinquent.

d. Bills will be sent to the billing address (e-mail or postal address) provided in the application for service unless the District is notified in writing by the Customer of a change of billing address.

e. The District is not bound by bills rendered under mistake of fact as to the quantity of service rendered.

f. If a Customer disputes a bill, the Customer's accounts shall be considered current while the dispute is pending if the customer continues to make undisputed payments and stays current on subsequent bills.

g. The use of water by the same Customer at different premises or localities will not be combined.



DATE OF ISSUE October 1, 2020

MONTH / DATE / YEAR

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MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 6

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

h. If payment is not received by the due date specified on the bill, the Customer will be assessed a Late Payment Charge. The District maintains a night deposit box for the convenience of Customers and retrieves the deposited payments at the start of each business day. Payments deposited in the night deposit box, except for those made in response to a termination of service notice, will be considered as received on the previous business day. (N)

i. Customers may make payment by credit or debit card in person online, at the District's office, or by telephone. When paying by telephone, customers must have the current month's bill available. If payment by credit or debit card is attempted and declined, the customer's obligation to pay the billed amount on the due date remains unchanged and a late payment charge will be assessed if payment is not timely made. Credit card payments are subject to a convenience fee assessed by the card processor (not the District). Prior to processing the transaction, the customer will be informed of the fee amount. (T)

j. A customer's payment will be applied in the following order of priority: amounts owed for current billing period; unpaid balance for water service provided in prior billing periods; and fees or taxes collected for other entities. (N)

k. Meter connections serving more than one residential or commercial unit. A single bill will be issued monthly to the Customer who has executed the current Water Service Contract for the service to the meter. The Customer who executed the Water Service Contract is solely responsible for payment of all charges for service associated with the meter, including all water provided through the meter; (N)

DATE OF ISSUE October 1, 2020  
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010  
MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 7

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

1. Residential Customers may elect to participate in a monthly budget billing payment plan. Under such a plan, Customers pay a fixed monthly amount determined by the District based on historical or estimated usage. A Customer may enroll in such a plan at any time. The District will issue bills so as to bring each customer's account current once each 12-month period or through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last monthly budget amount. If a Customer fails to pay bills as required under the plan, the District may remove the Customer from the plan, restore the customer to regular billing, and require immediate payment of any deficiency. (N)  
(N)  
(N)  
(N)  
(N)  
(N)  
(N)

**5. METER BILL ADJUSTMENT**

a. Whenever a meter in service is found upon periodic request or complaint test to be more than two percent (2%) fast, additional tests shall be conducted at once to determine the average error of the Meter. These tests will be conducted in accordance with the Commission's regulations then in effect.

b. If test results on a Customer's meter show an average error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where the District has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by the customer, the District will immediately determine the period during which the error has existed, and will re-compute and adjust the Customer's bill to either provide a refund to the customer or collect any under-billed amount. (T)

c. The District will readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period will be estimated. In all instances of customer over-billing, the Customer's account will be credited, or the over-billed amount refunded at the Customer's discretion within thirty (30) days after final meter test results. A customer will not be required to repay any under-billing over a period less than a period coextensive with the under-billing.

DATE OF ISSUE October 1, 2020  
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010  
MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 8

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

d. The period of recovery for under-billing will be limited to the most recent twenty-four (24) months of under-billing, even if the under-billing occurred for a longer period, unless the underbilling is the result of Customer fraud, theft or deception.

e. If a meter has ceased to register, or a meter reading cannot be obtained, the quantity of water to be billed will be based upon an average of six months' consumption. If said meter readings are not available for an entire six-month period, the District may estimate water bill, subject to adjustment once a six-month average of actual meter readings can be calculated.

f. When a Meter is found to have an error in excess of two percent (2%) fast or slow the amount of refund or the amount to be collected by the District shall be calculated using that percentage of error as determined by the test. As the District is responsible for maintaining the accuracy of its measuring device as near to one hundred percent (100%) as is commercially practicable, the percent error shall be that difference between one hundred percent (100%) and that amount of error as indicated by the test.

**6. DEPOSITS**

a. A minimum deposit of \$74.00 will be assessed upon any customer requesting water service from the District. Service may be refused or disconnected if payment of the deposit is not made.

b. The utility may require a deposit in addition to the initial deposit if a Customer's classification of service changes or its usage changes substantially change in usage, except that an additional deposit will not be required of a residential customer whose payment record is satisfactory unless the customer's classification of service changes or the deposit is recalculated at the customer's request in accordance with Commission regulations.

↑  
(T)  
↓  
↑  
(N)  
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AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 9

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

c. Interest on deposits. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the Customer or to the Customer's bill on an annual basis.

d. Upon termination of service, the deposit, any principal amounts, and interest earned, and owing will be credited to the final bill with any remainder refunded to the customer.

e. If a deposit is held longer than 18 months, the deposit will be recalculated at the Customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the District may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

**7. NON-RECURRING CHARGES**

The District will assess a charge for the following non-recurring services:

a. A Late Payment Charge will be assessed on the delinquent amount of the bill, less taxes and prior late payment charges. A Late Payment Charge will be assessed only once on any bill for rendered services.

b. A Meter Test Charge will be assessed if a customer requests the District performs a test on a Customer's meter to check for accuracy and the test shows the Customer's meter is not more than two percent (2%) fast.

c. A Disconnection/Reconnection Charge will be assessed to reconnect service that has been terminated for non-payment of service or for violation of these Rules and Regulations or the Commission regulations.

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ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 10

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

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**RULES AND REGULATIONS**

d. A Service Call/Investigation Charge will be assessed when a Customer requests the presence of District's personnel to investigate a service problem and the problem is a result of the Customer's own plumbing facilities, beyond the District's delivery point, or not caused by failure of utility facilities. Any maintenance and repair of facilities beyond the District's delivery point is the responsibility of the Customer.

e. A Customer who maliciously, willfully, or negligently breaks, damages, destroys, uncovers, defaces, or tampers with any structure, appurtenance, or equipment which is part of the District's water works, shall be subject to disconnection of water service and shall pay the cost of repairing or replacing the a structure, appurtenance.

f. A Meter Connection Charge will be assessed for initial installation and connection of water service on the Customer's property.

g. A customer or other authorized person who requests that a meter be relocated, changed, modified or re-set a meter that has been removed at the customer's request will be assessed the District's cost to perform such relocation, modification or re-setting.

**8. CUSTOMER COMPLAINTS**

A Customer may submit a complaint with the District in person, by telephone, mail or e-mail. The District will address all complaints in accordance the Commission's regulations.

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AREA Clay, Leslie, Perry Counties, Ky

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Original SHEET NO. 11

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**9. DISCONTINUANCE AND RECONNECTION OF SERVICE**

**a. Discontinuance of Water Service**

(1) A Customer requesting discontinuance of water service or transfer of service to another location shall provide the District with three business days' notice. Unless the contract for water service provides otherwise, the Customer will not be responsible for charges for service beyond the three (3) day notice period if the Customer provides reasonable access to the meter during the notice period. If the Customer requests discontinuance of service by telephone and a dispute arises regarding the request, he or she bears the burden of demonstrating that the request was made.

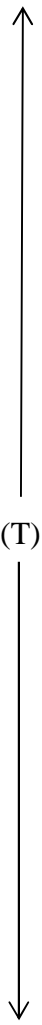
(2) The District may discontinue a Customer's service for non-payment of bills upon providing the Customer with at least five (5) days written notice delivered by mail or personally delivered to him/her or a member of his/her household, However, no service will be discontinued until twenty (20) days after the mailing date of the original bill.

(3) Service rendered under any application, contract or agreement may be discontinued without notice for the following reasons:

(a) Fraudulent use of water;

(b) Interfering or tampering by the Customer, or others with the knowledge of the Customer, with any Meter, connection, service pipe, curb stop, seal or any other appliance of the District controlling or regulating the Customer's water supply;

(c) Existence on the Customer's Premises of a dangerous condition relating to water service that could subject a person to imminent harm or result in substantial damage to the property of the District's or others;



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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

(d) Willful or indifferent waste of water due to any cause which adversely affects either water service to other Customers or the District's utility operations;

(e) Unauthorized use by illegal use or theft;

(f) Misrepresentation in the Water Service Contract;

(g) Resale of water without the District's approval; or

(h) Connections, cross-connections, or permitting the same of any separate water supply to the Customer's premises

(4) Upon ten (10) days advance notice in writing of the reasons for the proposed discontinuance and the corrective action required to avoid discontinuance and the Customer's failure to take such action, the District may discontinue service for the following reasons:

(a) Non-compliance with these Rules and Regulations or the Commission's regulations;

(b) Non-compliance with state, local or other codes; or

(c) For failure to provide the District's employees free and reasonable access to the Premises or for obstructing the way of ingress to the Meter or other appliance of the District controlling or regulating the Customer's water supply;

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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

- (5) If prior to discontinuance, a residential customer presents to the District a written certificate, signed by a physician, registered nurse or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, the District shall not discontinued service before thirty (30) days after the original termination date.
- (6) In cases where water is provided to multiple units through a single meter, the person making application shall be responsible for all water bills and other legitimate charges. Any violation of these Rules and Regulations with reference to any of the units, shall be deemed a violation as to all, and the District may enforce compliance with these Rules by shutting off the entire service.
- (7) Discontinuing the supply of water to a Premises for any such reason shall not prevent the District from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due from the Customer.
- (8) The District will negotiate reasonable partial payment plans at the request of residential customers who have received a termination notice for non-payment of bills but is not obligated to do so for Customers who are delinquent under an existing partial payment plan. Plans that extend for a period longer than thirty (30) days will be in writing. The District may discontinue Customer's service without additional notice if the customer fails to meet his or her obligations under a partial payment plan.

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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

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**RULES AND REGULATIONS**

**b. Renewal of Water Service After Discontinuance**

(1) When water service to a Premises has been terminated for any reason other than temporary vacancy, it will be restored only after the conditions, circumstances or practices which caused its discontinuance are corrected to the District's satisfaction and upon payment of all charges due and payable by the Customer in accordance with these Rules. The District shall reconnect existing service within twenty-four (24) hours or close of the next business day, whichever is later, after correction of the practice or condition giving rise to the discontinuance of service and payment of all charges due and payable.

(2) No Customer whose service has been turned off shall turn on service, or have same done by anyone other than the District.

c. **Reconnection Charge.** When water service to a Premises is discontinued because of a violation of these Rules or failure to pay any bill, the District will assess a charge to cover the expense of disconnecting service. This charge, together with any unpaid fees or charges for service must be paid before water service is reconnected.

d. **Imputed Liability of Adults Residing with Customer.** Applicant/Customer and all members of Applicant/Customer's family who are 18 years or older, reside at the Applicant/Customer's premises, and directly benefit from the provision of water service to that premise are jointly and severally liable for payment of services rendered to that location while they reside there. Should a delinquency in payment for water service to the premises occur, each member of the household who is 18 years or older when the water service was rendered is responsible for the delinquency and is indebted to the District for the delinquency. The District may deny any application or request for water service from those persons until such indebtedness is paid.



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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

**10. METERS**

- a. Water will be sold by Meter measurement only. (N)
- b. All Meters, except detector devices and/or fire service line Meters, will be installed, maintained and replaced by; and at the expense of the District, but in case of damage to such Meters by reason of any act, neglect or omission on the Customer's part the Customer shall pay to the District the cost of the meter's repair upon presentation of a bill for such costs. (T)  
(T)  
(T)  
(T)
- c. The District reserves the right to determine the kind and size of Meter that shall be placed on any service pipe, and such Meters will be furnished, installed and removed by the District alone, and shall remain its property. (N)  
(N)  
(N)
- d. Each Premise shall be supplied through an independent Meter setting unless the District otherwise authorizes. (N)  
(N)
- e. All Meters are accurately tested before installation and are also periodically tested in accordance with the Commission's regulations. The District may at any time remove any Meter for periodic tests or for repairs or replacement and may, at its option and expense, test any Meter when the District has reason to believe that it is registering inaccurately. (N)  
(N)  
(N)  
(N)
- f. The District shall test any Meter upon a Customer's written request if the request is not made more frequently than once each twelve (12) months. The Customer shall be given the opportunity to be present at the requested test. The Customer will be charged a fee of \$65.00 if the said Meter be found less than two percent incorrect to the prejudice of the Customer. (T)  
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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

g. The District reserves the right to put seals on any water Meter, or on couplings in and for any premises, and may shut off the supply if such seals are found broken or removed. (N)

h. Once any Meter has been placed, a Customer may request a change in the meter's location. The District will relocate the Meter at the Customer's expense if the location is acceptable. (N)

i. Meters may be located either in an outdoor Meter box or vault, at the option of the Company. The location of the Meter must be acceptable to the Company and allow for the Meter to be easily examined, tested, repaired, read, removed or replaced. The Meter box or vault shall be located in a convenient and readily accessible location acceptable to the Company. The Meter box or vault must be constructed to protect the Meter from freezing and damage by vehicular traffic, and its location and design shall prevent, as far as possible, the inflow of surface water. After a Meter is installed by the Company, a Customer shall not tamper with, alter, repair or remove the Meter or allow anyone other than the Company to do so. Any plumbing, piping, grading or structural modification which could result in the relocation of the Meter or impact accessibility must first be approved by the Company. (N)

**11. SERVICE LINES**

a. The District will furnish and install for the purpose of connecting its distribution system to the Customer's premises that portion of the service connection from its main to and including the meter and meter box. (T)

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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

b. In areas where the District's distribution system follows well-defined streets and roads, the Customer's point of service will be located at that point on or near the street right-of-way or property line most accessible to the utility from its distribution system. In areas where the distribution system does not follow streets and roads, the point of service will be located as near the Customer's property line as practicable. Prior to installation of the meter, the District will consult with the Customer as to the most practical location.

c. All service lines must be laid at a sufficient depth (a minimum of 24 inches) to prevent freezing during the coldest weather normally experienced except where services are not intended for use during freezing weather and are actually drained during such periods.

d. Customer must present evidence of a plumbing permit from the appropriate regulatory agency before service will be established.

e. The Applicant/Customer must furnish and lay the necessary pipe to make the connection from the point of service to the point of usage and be financially responsible for all costs associated with the installation and maintenance of his/her service line plumbing, including a shut-off valve and one-way check valve, installed on his/her property beginning at the outlet side of the water meter. The service line must be kept in good repair and in accordance with the Rules.

f. The installation and maintenance of the water service line must be in accordance with the regulations of the Kentucky Department for Public Health.

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(N)  
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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

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**RULES AND REGULATIONS**

g. Cross-Connections. No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided by a testable backflow prevention assembly. Acceptable forms of protection must comply with all applicable state and local requirements and approved by the District. The required protective device or system shall be provided, installed and maintained by the Customer in good working condition, at the Customer's expense, and shall be subject to the District's testing and approval before being placed in service, and at such times thereafter as the District deems necessary. Any cross-connection existing which is in violation of these Rules shall be immediately removed or corrected.

h. No connection shall be made to a premise that has or uses a well that has or is being until District personnel have inspected and verified the well's disconnection and separation.

i. No service line installation shall use galvanized pipe or fittings.

j. No meter shall be located on a Customer's service line at a point that does not deliver a minimum pressure of 30 pounds per square inch at the meter point.

k. If the applicant/Customer's point of usage is at a higher elevation than the meter, the customer should consult with a reputable engineering firm to properly size the service line from the meter to the point of usage.

l. Subject to the District's approval, an applicant/Customer may install an individual pressure booster system. The District reserves the right to require discontinuance and disconnection should the private booster system have a detrimental effect on the District's system.

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(N)  
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AREA Clay, Leslie, Perry Counties, Ky

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Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

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**RULES AND REGULATIONS**

m. Piping on the premises of the applicant/Customer must be installed to ensure that connections are conveniently located with respect to the District's lines and mains. Applicant/Customer must provide a place for metering that is always unobstructed and accessible

n. The District may require the Applicant/Customer at his/her own expense, to install a back-flow preventer and pressure regulator.

o. All meters will be installed, renewed, and maintained at the District's expense. The District reserves the right to approve the size and type of meter used.

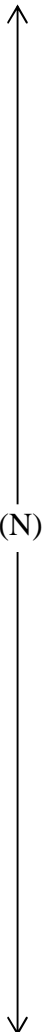
p. All taps and connections to the District's mains must be made by or under the direction and supervision of District personnel and will incur a meter connection/tap-on charge.

q. Any customer having boilers and/or pressure vessels that receive water from the utility must have a check valve on the water supply line and a vacuum valve on the steam line in order to prevent a collapse were the water supply from the utility to be interrupted or discontinued.

r. Any customer desiring nonstandard service shall pay the cost of any special installation necessary to meet his particular requirements for the service other than standard water taps. This includes fire hydrants, check valves, pressure reducing valves when customer requests pressure less than 100 psi, and surge relief valves.

**12. FIRE PROTECTION**

a. Fire hydrants installed prior to June 7, 1992, that do not meet the requirements set out in 807 KAR 5066, Section 10(2)(b), shall not be used for firefighting purposes. However, fire departments may access and withdraw water from flush hydrants to fill the tanks on a fire engine for firefighting or fire protection training purposes.



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b. Unless otherwise permitted by the District, fire hydrants meeting the requirements of 807 KAR 5066, Section 10(2)(b) shall only be used for firefighting and fire training purposes, shall be used only by fire departments, and shall not be used by others to secure water for any purpose other than firefighting and fire protection training. The use of a fire hydrant by anyone other than properly authorized fire department personnel for firefighting or fire protection training shall be considered a “theft of service” and may be prosecuted in accordance with the laws of the Commonwealth of Kentucky. Unauthorized users shall be assessed an investigation charge, the cost of any damages to the District’s property, and the full cost of any water withdrawn.

c. The District will furnish water a fire department to fight a fire from a fire hydrant connected directly to its water main at each fire location for a period not to exceed a total of four (4) hours of usage. If more than four (4) hours of usage occurs in fighting a fire, the owner of the property on which the fire occurs may be billed for all water usage in excess of the four hours.

d. Except as noted paragraph d above, a fire department may withdraw water from the District’ water distribution system to fight a fire or train firefighters at no charge provided it maintains an estimate of the amount of water used for such purposes during each calendar month and reports the amount of this usage to the District on the “Fire Department – Water Usage Report Form” no later than the tenth day of the following calendar month. Negative reports of water usage are required. In lieu of a written report, a fire department may submit its report telephonically or in the form of a response to a telephone inquiry from an authorized District representative.

e. A fire department that fails to submit the required report in a timely manner shall be assessed the cost of water withdrawn from the District’s system. A non-reporting fire department shall be presumed to use 0.3 percent of the District’s total water sales for the calendar month in which it fails to submit a report. A non-reporting fire department may present evidence of its actual usage to rebut the presumption and the District shall adjust the presumed usage accordingly. In addition, a fire department that fails to submit the required monthly report in a timely manner shall be assessed a penalty of \$50.00 for each failure.



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Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

f. A non-reporting fire department shall be billed for its water usage for firefighting or fire training purposes at the District's lowest usage rate block.

g. The District may install fire hydrants for private fire protection purposes. The location, installation, and responsibility for the maintenance of such facilities shall be subject to negotiation between the District and the Applicant/Customer.

**13. MONITORING OF CUSTOMER USAGE**

At least once annually, the District will monitor each Customer's usage as follows:

a. The customer's annual usage for the most recent 12-month period will be compared with the annual usage for the 12 months immediately preceding that period.

b. If the annual usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all customers, no further review will be done.

c. If the annual usages differ by 100 percent or more and cannot be attributed to a readily identified common cause, the District will compare the Customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.

(T)

d. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the District will contact the Customer by telephone or in writing to determine whether, there have been changes such as different number. of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line.

e. Where the deviation is not otherwise explained, the District will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.

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**RULES AND REGULATIONS**

f. The District will notify the Customer of the investigation, its findings, and any refunds or back billing in accordance with the Commission's regulations.

g. In addition to the annual monitoring, the District will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

**14. RIGHTS AND RESPONSIBILITIES**

**a. Customers Requiring Uninterrupted Supply**

(1) The District will endeavor to give reasonable service but does not guarantee a sufficient or consistent pressure or an absolutely uninterrupted supply of water, and Customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply must be assured, such as for steam boilers, domestic hot water systems, gas engines, etc.

(2) The District is not responsible for accidents or damages to fixtures or devices that take a supply of water directly from the service pipes and depend upon the hydraulic pressure of the District's pipe system for supplying water under working pressure.

**b. Interruptions in Water Supply**

(1) The District reserves the right at any time to shut off the water in the Mains without notice in case of accident or emergency, or for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for fire protection or other emergencies whenever the public welfare may so require in accordance with Commission Rules. Notwithstanding any other provision in these Rules or any contract or agreement between the District and any Customer, when, in the District's judgment, sufficient supplies of water are not available to the District, for any reason, to meet all existing and reasonably anticipated demands for service or to preserve and replenish its storage in amounts sufficient to provide fire



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AREA Clay, Leslie, Perry Counties, Ky

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Original SHEET NO. 23

Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

protection on its system, the District shall have the right to restrict, limit, curtail or interrupt water service to or water usage by any Customer or Customers.

(2) The temporary shutting off of water from any Premises for any cause, whether non-payment of bills, leaking pipes, fixtures, etc. shall not cancel a contract for water supply service except at the option of the Company or upon notice from the Customer.

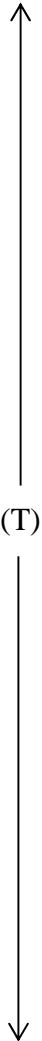
c. District's Liability

(1) The District is not liable or responsible to any person or persons for any loss or damage from any excess or deficiency in the pressure, volume, or supply of water, due to any cause whatsoever. The District will use reasonable care and diligence to prevent interruptions and fluctuations in the service but does not guarantee that such will not occur.

(2) The District will make every effort to maintain a pressure on its distribution system that is required for reasonable service and is compliant with federal and state requirements but does not guarantee to furnish at all times any given quantity of water at any given pressure for fire uses or for general purposes.

(3) The District is not responsible for accidents or damages to boilers, hot water tanks, etc., resulting from the discontinuance of service, nor by reason of the breaking of any main, water pipe, fixture or appliance whether owned by the District or Customer. No person shall be entitled to damages or have any portion of a payment refunded for any interruption of service. The District will exercise every care in this matter. In the event of the necessity of turning off water, every reasonable effort will be made to notify the Customer.

(4) The District is not an insurer of property or persons and does not undertake to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise. It agrees to furnish such supply of water as is available. It shall be free and exempt from any



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MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2010  
MONTH / DATE / YEAR

ISSUED BY /s/ Timothy Helton  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 24

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

claims for damages on account of any injury to property or persons by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever.

d. No person shall turn the water on or off at any street valve, District stop, curb stop or other street connection, or at meter setting or meter vault, or disconnect, remove or bypass any meter without the District's consent. The District has the right to prosecute for any damage resulting from any unauthorized tampering with District property.

e. No electric wires shall be grounded on the District's mains or on any District Service Lines or pipes or fixtures of any kind which have a metallic connection with the District's mains. The District retains the right to prosecute for any damage resulting violation of this Rule. Water furnished to any Customer, except if sold to a water utility for resale, is for the Customer's use only and such water shall not be resold by the Customer to any other person, firm, or corporation on the customer's premises or for use on any other premise. A Customer may allocate the amount billed to the customer to any other person, firm, or corporation provided the sum of such allocations does not exceed the total amount billed.

f. A Customer shall grant or convey, or shall cause to be granted or conveyed, to the District a perpetual easement and right of way across any property that he or she owns or controls wherever said easement or right of way is necessary for the District's water facilities and lines necessary to furnish services to the Customer.

g. Customer shall notify the District immediately should his or her service be unsatisfactory for any reason or should he or she discover any defects, problems, trouble, or accidents affecting the District's water system.

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(N)  
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AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 25

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**15. WATER MAIN EXTENSIONS**

Upon request of applicant(s) for a water main extension, the District shall determine the total length and cost of the proposed extension (exclusive of meter connections). Applicants shall deposit with the District the total cost of the extension less the cost of fifty (50) feet of the extension for each applicant for service. Unless the applicants otherwise agreed in writing, each applicant shall deposit an equal portion of the required amount. The deposit shall not relieve an applicant from his or her obligation to pay a connection/tap-on fee for a meter connection to the extension. For a period of ten (10) years following completion of the water main extension, the District shall annually refund to the applicants collectively an amount equal to the cost of fifty (50) feet of the extension for each additional customer who directly connected to the water main extension service during the year. The total amount refunded shall not exceed the amount deposited with the District. At the end of the ten-year period, any portion of deposited funds that have not been refunded shall become the District's property. Applicants making deposits shall be responsible for maintain a current address on file with the District to ensure prompt and correct payment of any refund. Applicants must contract to use the water service for a minimum of one (1) year.



**16. LEAK ADJUSTMENTS**

- a. A rate equal to the lowest block rate for residential customers will be applied to all water usage resulting from a leak in a residential customer's service line between the meter and the premises.
- b. Leak adjustments will be granted to residential customers only.
- c. A request for leak adjustment must be in writing on a Leak Adjustment Request Form and made prior to the payment of the bill for which the adjustment is sought.
- d. Customer must provide a plumber's statement or list of materials showing that the leak has been repaired. Plastic pipe for repair of underground water service lines must be certified

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AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 26

Hyden-Leslie County Water District

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**RULES AND REGULATIONS**

to withstand a working pressure of 200 pounds per square inch or greater and be CTS pipe. The use of radiator clamps, King Nipples or equivalent will not be accepted.

e. After verification of repairs by the District, the water usage resulting from the leak will be determined by comparing the Customer's usage during the leak billing period to his or her average usage for the past twelve (12) billing periods. Water usage in excess of the average customer usage will be billed at lowest block rate for residential customers. If a customer applying for a leak adjustment has not been a customer of the District for 12 consecutive months, the average residential usage will be used to determine the amount of the adjustment.

f. An adjustment may cover a maximum of two billing periods.

g. A customer may apply and receive a leak adjustment only once during a 24-month period.

h. Customer remains responsible for the full amount of bill pending review of his or her request and his or service will be discontinued for non-payment if not paid in full. If service is discontinued, the full amount plus a reconnection fee must be paid before service will be restored and any adjustment made, will be credited to the account.

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(N)  
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AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 27

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**17. BILL FORMAT**

105- [REDACTED] -00 08/30/19  
RD  
07/10/19 THRU 08/09/19

SVC	PREVIOUS	CURRENT	USAGE	CODE
WTR	87730	87730	0	
WATER			21.58	
UTIL TAX			.65	
911 FEE			4.00	

ACCOUNT SERVICE AT DATES

BILL DATE 08/30/19  
NET BILL 26.23  
GROSS BILL 28.39  
DUE AFTER 09/10/19

OFFICE CLOSED SEPT. 1, 2019

RETURN SERVICE TO: 105- [REDACTED] -00

GROSS DUE AFTER 28.39  
NET DUE NOW 26.23

NMR UTF

**18. FORMS**

- a. Water Contract
- b. Payment Plan Agreement
- c. Leak Adjustment Request Form

(N)  
(N)  
(N)  
(N)

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AREA Clay, Leslie, Perry Counties, Ky

PSC KY NO. 4

Original SHEET NO. 28

Hyden-Leslie County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

- d. Request to Turn-On Service (N)
- e. Request to Turn-Off Service (N)
- f. Fire Department – Water Usage Report Form (N)

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# EXHIBIT 5

## **THEFT OF WATER SERVICE POLICY**

### **I. General Policy:**

Theft of water service is a serious offense that may adversely affect the operations and financial health of a water utility. It can cause substantial loss of pressurized water for a water system, damage public hydrants, and result in the release of hazardous chemicals affecting public health. It can also deprive a water system of revenues necessary to provide adequate and reasonable service. It is the policy of this water utility to actively search for instances of theft of water service, and when discovered, to aggressively pursue those engaging in the theft so as to recoup the lost revenue resulting from the theft and to deter further thefts of service. It is the responsibility of every officer and employee of this water utility to be vigilant and to report any instance of water theft.

### **II. Legal Authorities:**

- A. KRS 515.060(1)(a): A person is guilty of theft of services when he or she intentionally obtains services by deception or threat or by false token or other means to avoid payment for the services which he knows are available only for compensation.
- B. KRS 515.060(3): In any prosecution for theft of water service where the utility supplying the service had installed a meter or other device to record the amount of service supplied, proof that: (a) The meter or other device has been altered, tampered with, or bypassed in a manner so as to prevent or reduce the recording thereof; or (b) Service has been, after having been disconnected by the utility supplying service, reconnected without authorization of the utility shall be prima facie evidence of the intent to commit theft of service by the person or persons obligated to pay for service supplied through the meter or other device.
- C. KRS 515.060(4)
  - 1. Theft of service if the value of service is less than \$500 is a Class A misdemeanor punishable term of imprisonment between ninety (90) days and twelve (12) months.
  - 2. Theft of service is a Class D felony punishable term of imprisonment between one year and five years if the value of service is between \$500 and \$10,000.
  - 3. Theft of service if the value of service over \$10,000 is a Class D felony punishable term of imprisonment between one year and five years.
- D. 807 KAR 5:006, Section 15(1)(g): A utility may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft. Within twenty-four (24) hours after termination, the utility shall send written notification to the customer of the reasons for termination

and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission.

### **III. Tampering of Service**

- A. The tampering with utility equipment shall be considered as evidence of theft of service. Upon discovery of tampering, water utility employees shall follow the procedures set forth below.
- B. For the purposes of this policy, “tampering” shall include, but not be limited to:
  - 1. Opening the valves or meters that have been turned off by water utility personnel;
  - 2. Breaking, picking, or damaging locks;
  - 3. Bypassing the meter in any way;
  - 4. Unauthorized withdrawal of unmetered water from hydrants by persons other than water utility employees or authorized officials of a recognized fire department for any purpose other than testing, flushing of hydrants or firefighting;
  - 5. Use of sprinkler system for any purpose other than fire protection;
  - 6. Removing, disabling, or adjusting meter registers;
  - 7. Connecting to or intentionally damaging water lines, valves or other appurtenances;
  - 8. Moving the meter or extending service without the water utility’s permission; or
  - 9. Any intentional act of defacement, destruction, or vandalism to District property or an act that affects water utility property.

### **IV. Procedures Upon Discovery of Tampering**

- A. Existing Customer
  - 1. Upon discovering any tampered metering equipment, the water utility field employee will photograph that equipment, note any unusual aspects of the connection, and then notify the General Manager. Field employee also should note the number of persons residing or working in the structure and any uses of water that would be indicative of the customer’s water usage.
  - 2. If sufficient evidence is present to determine that the meter has been tampered, the General Manager will issue a work order to terminate water service to the customer.

3. If there is reasonable belief that employees will be physically confronted by the customer when terminating service, the General Manager should request that law enforcement be present when the termination of service occurs.
4. Prior to terminating the service, the field employee making the disconnection will thoroughly photograph the meter vault and meter equipment. As soon as possible following the termination of service, all involved employees will prepare written statements describing the events that led to discovery of the tampered equipment, how the equipment was tampered, and the termination of service. If possible, these statements should be made under oath.
5. While Public Service Commission regulations allow a water utility 24 hours to provide written notice to the customer of the reasons for termination of service and the right to challenge the termination, the General Manager should ensure that written notice is given as soon as possible.
6. Estimated usage. General Manager shall review the customer's billing records and determine if a significant decrease in usage occurred that would be indicative of tampered meter equipment. General Manager will also compare customer's usage to customers with similar characteristics (e.g., number and type of household members) and consider the known uses of water at the location. If possible, water utility employees should interview neighbors to obtain information regarding number of persons residing in the terminated customer's household and any unusual or excessive uses of water. If a change in usage patterns since the last inspection of the metering equipment, the average monthly usage for the period prior to the last inspection will be considered the customer's normal usage and the amount of stolen water may be estimated based upon the difference between the normal usage and usage when the significant decrease in usage occurred. The General Manager shall prepare a written memorandum explaining how the estimated usage was determined.
7. After determining the amount of the unbilled water usage resulting from the tampered meter equipment, the General Manager will ensure a bill is issued to the customer for the unbilled service. The bill will include any service investigation fees, cost to repair or replace any equipment damaged by the tampering, contractor expense, and any penalties that may be assessed any the water utility's tariff. It will require payment within 60 days of the bill's issuance.

B. Non-Customer Tampering

1. Upon discovering any tampered equipment or an unauthorized connection, the water utility field employee will photograph that equipment or connection, note any unusual aspects of the connection, and then notify the General Manager. Field employee also should note the number of persons

residing or working in the structure and any uses of water that would be indicative of water usage. If possible, the field employee or other water utility employee will interview persons residing in the adjoining properties to ascertain the identity and number of the persons residing in the structure, the period of time in which they have resided in the structure, and any other relevant information.

2. The General Manager will issue a work order to disconnect the unauthorized connection.
3. The General Manager should report the theft to law enforcement upon discovering the theft and before disconnecting the unauthorized connection ensure a record of the theft. If there is a reasonable belief that employees will be physically confronted by persons residing in the structure, the General Manager should request that law enforcement be present when the unauthorized connection is disconnected.
4. Prior to the disconnection, the field employee making the disconnection will thoroughly photograph the meter vault and meter equipment. As soon as possible following the disconnection, all involved employees will prepare written statements describing the events that led to discovery of the unauthorized connection, the unauthorized connection, and the disconnection of unauthorized service. If possible, these statements should be made under oath.
5. Estimated usage. If the persons receiving unauthorized water service are prior customers, the General Manager will review their billing records to determine their average monthly usage. If the unauthorized user was not prior customers of the water utility, it will be assumed that the unauthorized user used an amount of water equal to average customer class daily usage. General Manager will also consider the number and type of household members and any known uses of water at the location. The number of days in which the unauthorized usage occurred will be based of evidence obtained from employee observations, interviews of neighboring property owners, and any other relevant sources of information. The General Manager shall prepare a written memorandum explaining how the estimated usage was determined.
6. After determining the amount of the unbilled water usage resulting from the tampered meter equipment, the General Manager will ensure a bill is issued to the customer for the unbilled service. The bill will include any service investigation fees, cost to repair or replace any equipment damaged by the tampering, contractor expense, and any penalties that may be assessed any the water utility's tariff. It will require payment within 60 days of the bill's issuance.

C. Referral for Criminal Prosecution/Civil Action

1. If a bill for theft of service remains unpaid 60 days after issuance, then the General Manager will bring the theft to the attention of the Board of Commissioners and request guidance as to whether to refer the matter to the County Attorney (if the theft of service is less than \$500) or the Commonwealth Attorney (if the theft of service is \$500 or more)
2. If the Board of Commissioners authorizes a referral to the appropriate prosecutor, the General Manager will make a written request to that prosecutor to prosecute the persons accused of theft of service. This request shall include copies of documents, statements, photographs and any other relevant evidence.
3. If the appropriate prosecutor declines to prosecute the matter or the Board of Commissioners determines that the matter should not be referred for prosecution, the Board of Commissioners may authorize the water utility's legal counsel to bring a civil action to collect the amount billed, including any penalties permitted under the water utility's tariff.

V. **Unauthorized Use of Fire Hydrants**

- A. KRS 278.170(3): Upon obtaining commission approval of a tariff setting forth terms and conditions of service the commission deems necessary, a utility may grant free or reduced rate service **for the purpose of fighting fires or training firefighters** to any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district. The tariff shall require the water user to maintain estimates of the amount of water used for fire protection and training, and to report this water usage to the utility on a regular basis
- B. Except for fire departments when permitted by the water utility's tariff, only utility personnel are authorized to withdraw water from the water utility's hydrants.
- C. A fire department may withdraw water from the water utility's hydrants if permitted by the water utility's tariff and the withdrawal is solely for firefighting or training firefighters.
- D. Procedure When Unauthorized Withdrawals Are Suspected
  1. The General Manager will issue a work order or otherwise instruct field employees to investigate the allegations and to obtain all relevant information, to include hydrant location, license plate number of any vehicles involved in the withdrawals, offender's name, physical description, estimated usage. If possible, interviews with
  2. After completing investigation, field employee will prepare and submit a written report of investigation to General Manager.

3. General Manager will review the report and, after consultation with water utility's legal counsel, will determine if sufficient evidence to bill the alleged offender's for water service. Prior to the issuance of any bill, the Board of Commissioners will be advised of the investigation and the General Manager's determination as to whether sufficient evidence exists to bill the alleged offender. Any bill for water service will state the estimated water usage and request reimbursement for the cost of water withdrawn without authorization and for the cost to repair or replace any water utility property damaged as a result of the unauthorized withdrawal. The bill will allow the alleged offender no more than 60 days to make full payment.
4. If a bill for unauthorized water withdrawal remains unpaid 60 days after issuance, then the General Manager will bring the matter to the attention of the Board of Commissioners and request guidance as to whether to refer the matter to legal counsel for collection of all unpaid amounts and any penalties that may be assessed under the water utility's tariff.

# EXHIBIT 6



## Hyden Leslie County Water District Water Loss History

	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average
<b>2011</b>	29%	27%	34%	31%	26%	24%	35%	30%	39%	34%	38%	37%	32%
<b>2012</b>	33%	37%	45%	34%	34%	35%	22%	39%	25%	42%	38%	43%	36%
<b>2013</b>	44%	35%	44%	31%	35%	29%	33%	36%	34%	38%	36%	36%	36%
<b>2014</b>	41%	33%	43%	31%	35%	27%	34%	40%	40%	48%	44%	42%	38%
<b>2015</b>	38%	42%	25%	31%	33%	28%	34%	36%	36%	39%	32%	40%	35%
<b>2016</b>	41%	27%	37%	37%	35%	24%	33%	38%	39%	33%	37%	42%	35%
<b>2017</b>	37%	38%	42%	33%	24%	35%	29%	30%	38%	35%	37%	51%	36%
<b>2018</b>	33%	41%	43%	30%	29%	23%	25%	39%	25%	36%	31%	37%	33%
<b>2019</b>	35%	23%	39%	19%	22%	20%	16%	22%	19%	20%	30%	23%	24%
<b>2020</b>	27%	22%	19%	24%	18%	17%	23%	17%					21%

