

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC FARMDALE WATER)
DISTRICT’S UNACCOUNTED-FOR) CASE NO. 2020-00217
WATER LOSS REDUCTION PLAN,)
SURCHARGE AND MONITORING)

**MOTION FOR EXTENSION OF TIME TO FILE ITS
QUALIFIED INFRASTRUCTURE IMPROVEMENT PLAN**

Farmdale Water District (“Farmdale District”) moves for an extension of time through **March 22, 2023** in which to complete and file its Qualified Infrastructure Improvement Plan (“QIIP”). In support of this Motion, Farmdale District states:

1. In its July 7, 2020 Order in Case No. 2020-00021, the Public Service Commission (the “Commission”) directed Farmdale District to file a QIIP within 120 days of the Order. This requirement was also included in the July 7, 2020 Order in Case No. 2020-00217, which was initiated by the Commission to monitor the unaccounted-for water loss reduction plan surcharge granted in Case No. 2020-00021.

2. Farmdale District has filed three previous motions requesting extensions of time to file its QIIP.

3. On December 21, 2020, Farmdale District filed its first motion for extension of time. The Commission granted the extension on December 23, 2020, providing Farmdale District until April 20, 2021 to file its QIIP.

4. On April 19, 2021, Farmdale District filed its second motion for extension of time, requesting until June 21, 2021 to file its QIIP. Then, on June 21, 2021, Farmdale District requested an additional extension of time until August 30, 2021 to file its QIIP. In its November 7, 2020 Order, the Commission granted Farmdale District's request for additional time and directed Farmdale District file its QIIP within 45 days of the Order.

5. On September 2, 2022, Farmdale District filed a Motion to Expend Surcharge Funds to reimburse Farmdale District for three expenses relating to water loss prevention. In its November 7, 2022 Order, the Commission declined to rule on Farmdale District's Motion to Expend Surcharge Funds until after Farmdale District files its QIIP and Annual Progress Report.

6. Farmdale District has not yet developed its QIIP because Kentucky Rural Water Association ("KRWA") has not yet completed and finalized its water audit report, which was ordered in Case No. 2019-00041. As discussed in Farmdale District's Motion for Extension of Time filed on June 3, 2021 in Case No. 2019-00041, Farmdale District has determined that additional time is needed to finalize the report of its comprehensive water audit and to submit the report to the

Commission. During 2021 and the first part of 2022, KRWA employees have made numerous trips to Farmdale District to assist Farmdale District staff in locating large leaks and reducing the size of the areas where the large leaks are located. However, during 2022, KRWA employees have been extremely busy assisting other utility systems, particularly due to the backlog of work resulting from the COVID-19 pandemic, and, during the summer and fall of 2022, assisting the utilities in Eastern Kentucky as a result of the July floods. In addition, the KRWA Circuit Rider, who performed most of the “hands-on” work at Farmdale and is most knowledgeable of Farmdale’s distribution system, has retired. As a result, KRWA has not yet finalized Farmdale District’s comprehensive water audit report. In Farmdale District’s Motion for Extension of Time filed on June 3, 2021 in Case No. 2019-00041, Farmdale District requested until July 30, 2021 in which to finalize the report of its water audit results and submit it to the Commission.

7. The comprehensive water audit report for Case No. 2019-00041 should be completed before the QIIP is filed because one of the results of the water audit will be a comprehensive unaccounted-for water loss reduction plan. The water loss reduction plan will recommend system improvements and priorities for Farmdale District’s Board of Commissioners to consider in developing its QIIP. In its Motion for Extension of Time to Finalize Report and to Submit Results filed on April 20, 2021 in Case No. 2019-00041, Farmdale District stated preliminary findings and the

priority of certain projects based on those preliminary findings. The priority of these projects is likely to change as a result of the comprehensive water audit and what Farmdale District has discovered based on the water audit. Additionally, the comprehensive water audit report may recommend other activities or system improvements to eliminate sources of unaccounted-for water losses.

8. Farmdale District is requesting a 90-day extension of time from today's date (until March 22, 2023) to file its QIIP because Farmdale District will need time after KRWA completes its comprehensive water audit report to develop and file its QIIP.

9. Unfortunately, there has been a complete turnover in the composition of Farmdale District's 3-person Board of Commissioners in the past 18 months. Scott Wooldridge, who was appointed on May 27, 2021, is the longest tenured Commissioner. Another Commissioner, Donald Morse, resigned in the spring of 2022 and was replaced with Jon Dailey on April 22, 2022. The third Commissioner, Clifford Toles, who served as a Commissioner and Chairman of Farmdale District for decades, died on August 20, 2022. On September 23, 2022, Eddie Harrod was appointed to fill the balance of Mr. Toles' unexpired term. These new Commissioners are still struggling to grasp the myriad challenges that they "inherited," including the importance of completing its QIIP.

10. Finally, the Commission opened an investigation on November 7, 2022 (see Case No. 2022-00347), into the failure of Farmdale District, its Commissioners, and its Manager to comply with numerous statutes and regulations enforced by the Commission. The undersigned attorneys are assisting Farmdale District to correct numerous filing and other deficiencies delineated in the Commission's November 7, 2022 Order.

11. Farmdale District has complied with all other requirements contained in the Ordering paragraphs of the Commission's July 7, 2020 Order in Case No. 2020-00217. Farmdale District has been faithfully and timely filing its water loss reports and surcharge activity reports each month, as directed by the Commission in its July 7, 2020 Order. Farmdale District has collected its Surcharge fees and has deposited those fees in a separate, interest-bearing account, which has a balance of **\$197,291.34** as of November 30, 2022. No funds have been spent to date.

WHEREFORE, Farmdale District requests an extension of time through February 22, 2023 in which to complete and file its Qualified Infrastructure Improvement Plan.

Dated: December 22, 2022.

Respectfully submitted,

Felisa S. Moore

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Counsel for Farmdale Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on December 22, 2022, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

Julisa S. Moore

Counsel for Farmdale Water District