

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

**In the Matter of:**

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

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**NOTICE OF FILING**

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By and through the undersigned counsel, Farmdale Water District (“Farmdale District”) gives notice of filing its 2025 Progress Report in the above-captioned proceeding.

Dated: July 1, 2025

Respectfully submitted,

/s/ Tina C. Frederick  
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## **CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was submitted electronically to the Public Service Commission on July 1, 2025, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

/s/ Tina C. Frederick  
Tina C. Frederick

**Farmdale Water District**  
**Qualified Infrastructure Improvement Plan**  
**Annual Progress Report**  
**July 2025**

**STATEMENT AND PURPOSE**

On September 4, 2024, in its decision in Case No. 2022-00347,<sup>1</sup> the Commission ordered Farmdale District to file an updated QIIP on or before December 31, 2024. Farmdale District filed its updated QIIP into the record of this proceeding on December 27, 2024. In its Response to Commission Staff's Second Post-hearing Request for Information, item 3d in Case No. 2022-00347, Farmdale District committed to filing an Annual Progress Report of its water loss reduction efforts being made pursuant to its QIIP by July 7, 2025, or at an earlier date to be determined by the Commission. This Annual Progress Report is being filed pursuant to that commitment, which has not been superseded by further Order of the Commission. The time period covered by this Progress Report is January 2023 through June 27, 2025.

The Commission first ordered Farmdale District to develop a QIIP following its decision in Case No. 2020-00021,<sup>2</sup> in which it authorized Farmdale District to

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<sup>1</sup> *Electronic Alleged Failure of Farmdale Water District, and its Individual Commissioners Scottie Wooldridge, Jon Dailey, and Eddie Harrod to Comply with KRS 278.030, 807 KAR 5:006, Section 4(4), 807 KAR 5:006, Section 26 and 807 KAR 5:066*, Case No. 2022-00347 (Ky. PSC Sep. 4, 2024).

assess a monthly surcharge of \$3.00 on each active meter for a period of 48 months or until \$380,000 was assessed, whichever occurred first, for the purpose of providing funds to be used on infrastructure projects designed to reduce Farmdale District's unaccounted-for water loss. Farmdale District filed its initial QIIP with the Commission on February 21, 2023, in Case No. 2020-00217, and filed a Supplemental QIIP on February 29, 2024 (the "February 2024 QIIP"). The most recent QIIP was filed December 27, 2024 (the "December 2024 QIIP").

As stated in its December 2024 QIIP, Farmdale District considers its priority projects to reduce water loss to be:

1. Customer meter replacement;
2. Replacement of asbestos cement ("AC") water line;
3. Relocation of the waterline along Benson Creek; and
4. Assignment of customer meters to zone meters.

Each project is discussed in the remaining sections.

### **CUSTOMER METER REPLACEMENT**

Because many of its meters are over 10 years old and have not been tested, Farmdale District considers customer meter replacement to be its top infrastructure improvement priority. Additionally, the Commission ordered Farmdale District to

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<sup>2</sup> *Electronic Alternative Rate Adjustment Filing of Farmdale Water District*, Case No. 2020-00021, (Ky. PSC July 7, 2020).

replace or test for accuracy all of its customer meters that are 10 years old or older by August 31, 2025.<sup>3</sup> On January 24, 2025, the Commission granted a Motion made by Farmdale District and entered an Order in Case No. 2020-00217, granting Farmdale District authorization to use Surcharge Funds to purchase 1,000 new Neptune customer meters and 1,000 transceivers to enable radio-reading of the meters.<sup>4</sup> As explained in its motion, Farmdale District chose this meter and transceiver combination because it is compatible with equipment already in Farmdale District's system and it is the same customer meter and transceiver combination currently used by the water division of the Electric and Water Plant Board of the city of Frankfort, Kentucky ("Frankfort Plant Board"). Farmdale District and Frankfort Plant Board have executed an Assistance Agreement,<sup>5</sup> under the terms of which Frankfort Plant Board is assisting Farmdale District with meter installation and meter reading.

As explained in Farmdale District's May 21, 2025 Motion in this proceeding, following receiving the Commission's January 24, 2025 Order, Farmdale District

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<sup>3</sup> Case No. 2022-00347 (Ky. PSC Sep. 4, 2024) Order at Ordering paragraph 12.

<sup>4</sup> See: *Motion for Authority to Use Surcharge Funds*, Case No. 2020-00217, filed December 18, 2024, The cost for the meters and transceivers is **\$258,590**. Half of the transceivers are single port and half are dual port. Farmdale District's system utilizes both single and dual port transceivers.

<sup>5</sup> The Assistance Agreement was filed into the record of Case No. 2024-00202 on December 17, 2024; the Assistance Agreement was filed as Attachment 1 to Farmdale District's Motion filed December 18, 2024 in Case No. 2020-00217.

discovered that it had **1,405** meters in its system that needed to be replaced. This exceeded the 1,000 meters that the Commission had authorized Farmdale District to purchase using Surcharge Funds. At the same time, the federal government announced large tariffs would soon be placed on goods imported from Canada. Because Neptune manufactures some of its products in Canada, Farmdale District quickly ordered an additional 600 meters using the existing price quote to avoid a possible very large increase in the meter price. Farmdale District has purchased **1,600** new Neptune meters at a total cost of **\$267,600**. Farmdale District purchased 195 more meters than it required to complete the replacement of its older meters because it saw a need to have meters available for new installations and for future meter replacements. Farmdale District reasonably expects the cost of the meters to increase in coming months.

As of June 27, 2025, Farmdale District has installed **743** new Neptune meters to replace meters that were over 10 years old, and untested. This leaves **662** meters to be replaced prior to August 31, 2025, the date by which the Commission has ordered Farmdale District to either replace or test all meters in its system that have been in service for at least 10 years. Farmdale District's Board of Commissioners has approved the use of overtime to ensure all meters that are out of compliance with the meter testing regulations are replaced by the deadline. Additionally, the Frankfort Plant Board is assisting Farmdale District with meter replacement.

To summarize, as of June 27, 2025, Farmdale District has spent \$267,600 purchasing new meters. This is **\$100,350 more** than Farmdale’s estimate of \$167,250. The increase is due to more meters needing to be replaced than originally calculated, and the decision to purchase 195 extra meters for future use. Farmdale District has replaced 743 of the 1,405 meters that are out of compliance with the testing regulations, and 662 remain to be replaced before August 31, 2025.

As of June 27, 2025, Farmdale District has not paid the Frankfort Plant Board for the transceivers installed with the meters. Farmdale District will wait until the Commission rules on its May 21, 2025 Motion for Alternate Use of Surcharge Funds before paying for the transceivers.

Frankfort Plant Board has conducted a network study to determine which portions of Farmdale District’s service area can be read by Frankfort Plant Board’s existing base stations. The results indicate that a large portion of Farmdale District’s meters can be read by the Frankfort Plant Board, and trial meter reading is currently taking place.

### **ASBESTOS CEMENT WATERLINE REPLACEMENT**

Farmdale District is approximately **50 percent complete** with its current AC Line Replacement Project for which it obtained a 40-year \$2,458,000 Rural Development (“RD”) Loan. The project replaces 34,600 linear feet of AC line along Lawrenceburg Road, US 127, Jones Lane, Old Harrodsburg Road, Old

Lawrenceburg Road, Nineveh Road and Mulholland Road. As of June 27, 2025, **16,851 linear feet** of AC line has been replaced. Farmdale District anticipates this project will be finished by the **end of calendar year 2025** and that all of the costs of the project will be funded by the aforementioned RD Loan.

The engineering plans to replace the remaining 32,900 linear feet of AC line in Farmdale District's distribution system were developed at the time the current project was planned. The remaining AC lines are located along Green Wilson Road, Highway 151, Avenstoke Road, Demerson Lane, Hickory Ridge Road, and Crawford Road. Farmdale District's engineer estimates the cost to complete this portion of the project will be approximately **\$3.2 million** based on the cost of the current project. Farmdale District has instructed its engineer to file an updated WRIS Project Profile for this project and to start the process of applying for an RD loan to fund the project. Farmdale District previously obtained some of the easements necessary for this project and will resume its efforts to obtain easements once funding is available for the project. If funding and all the necessary easements can be secured in calendar years 2025 and 2026 for this project, Farmdale District anticipates all of its AC line will be replaced by the **final quarter of 2028**.

### **THE BENSON CREEK PROJECT**

The Benson Creek Project is **complete**. As Farmdale District has explained previously, the waterline along the bank of Benson Creek needed to be relocated



because it was in an area prone to washing out during heavy rain events. At one time, Farmdale District believed the problem could be addressed by erecting a retaining wall, but once the actual location of the line was determined by Frankfort Plant Board, it became clear that the best protection for the line would be to move it to the opposite side of the road from the creek bank. In its December 2024 QIIP, Farmdale District estimated that this project would be complete by the end of the second quarter of 2025. The project was completed ahead of schedule and was placed into service on **April 3, 2025**. The only remaining item to be completed in relation to this project is driveway repair for a few affected customers and paving the roadway in the area of excavation.

The total cost of the Benson Creek Project, not including the cost of driveway repair, was **\$24,451.42**. Farmdale District is not seeking to use Surcharge Funds for any of the costs associated with the Benson Creek Project. Farmdale District previously sought, and the Commission previously granted, authority for Farmdale District to reimburse its operating account \$7,861.42 for expenses associated with the Benson Creek Project, but as explained more fully in its Motion filed in this proceeding on May 21, 2025, Farmdale District no longer plans to use its Surcharge Funds on the Benson Creek Project.

## **ASSIGNMENT OF CUSTOMER METERS TO ZONE METERS**

As initially discussed in the February 2024 QIIP, Farmdale District plans to assign existing customer water meters to zone meters. This will allow the District to compare the actual water sold in a zone to the reading on the zone meter, and in turn, will allow the District to determine water loss in a particular zone. Farmdale District has assigned the customer water meters in the Benson Valley area to the Moss Lane zone meter and has assigned the customer meters in the Brentwood subdivision and Tamworth Lane area to the Tamworth zone meter. Farmdale District anticipates assigning all customer meters to zone meters by the end of calendar year 2025.

Farmdale District has not included zone meter installation, isolation valve installation, or pressure-reducing valve stations in its QIIP, but has included these items in its seven-year capital plan because they will aid the effort to reduce unaccounted-for water loss, will assist in the efficient repair of leaks once leaks are located, and are otherwise necessary for Farmdale District to provide adequate, efficient, and reasonable service. Should the Commission authorize Farmdale District to collect additional Surcharge Funds in the rate proceeding Farmdale

District recently filed with the Commission, Surcharge Funds could potentially be used for these projects as well.<sup>6</sup>

### **ZONE METER INSTALLATION AND RELOCATION**

Because Farmdale District has discovered that some of its zone meters are not optimally placed within its system, Farmdale District plans to relocate one of its zone meters in 2025 at an estimated cost of \$15,000. Farmdale District will use unrestricted reserve funds for this purpose. Farmdale District is currently waiting on parts to relocate this zone meter. The parts have been on order for several weeks. Farmdale District also plans to add one zone meter to its system in 2026 and one in 2027 using unrestricted reserve funds, or surcharge funds if approved. The estimated cost to add each zone meter is \$15,000.

### **ISOLATION VALVE INSTALLATION**

In order to reduce the number of customers out of service due to a given leak, Farmdale District plans to install additional isolation valves in its distribution system in each of the next seven (7) years. These isolation valves permit Farmdale District to reduce the amount of its system it must take out of service to repair a leak. Having an adequate number of appropriately spaced isolation valves in a distribution system

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<sup>6</sup> *Electronic Application of Farmdale Water District for a Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2025-00192 (Ky. PSC filed June 18, 2025).

can result in only a mile or two of line being taken out of service to fix a leak instead of five (5) or more miles of line being taken out of service.

In February 2025, Farmdale District installed an isolation valve on Highway 151 that enables it to shut off service to approximately 40 customers instead of approximately 280 to address a leak in this area. In March 2025, Farmdale District installed an isolation valve on Johnson Road that allows the District to shut off service to approximately 40 customers instead of approximately 400. Farmdale District has used the Johnson Road isolation valve twice since it was installed. It was used once in the process of repairing a leak and it worked very well and enabled the District to make the repair with fewer customers experiencing service interruptions. It was also used during the flooding which occurred in April 2025. Use of the isolation valve reduced the number of customers experiencing an interruption in service during the flood.

### **PRESSURE REDUCING VALVE STATIONS**

Farmdale District has identified two areas of its system that would benefit from additional pressure reducing valves and plans to spend approximately \$30,000 over calendar years 2025, 2026, and 2027 adding these pressure reducing valves. Both of the areas of Farmdale District's system in which it plans to install pressure reducing valves are located in the area of the AC line replacement project that is

currently in progress. Farmdale District must wait until the AC line replacement is finished before installing the pressure reducing valves.

### **WATER LOSS**

Farmdale District reported an annual water loss of 28.6584 percent in 2024.<sup>7</sup> This is a significant reduction from 2022 when Farmdale District reported water loss of 43.3603 percent.<sup>8</sup> Reported water loss for January 2025 through May 2025 is presented below:

<b>Month</b>	<b>Water Loss Percentage</b>	<b>Report Filed Case No. 2020-00217</b>
January 2025	33.61	3/12/25
February	28.85	4/10/25
March	40.25	5/14/25
April	23.38	6/10/25
May	26.26	To be filed on or about 7/15/25

Farmdale District anticipates that completing its meter replacement project and the AC line replacement that is currently in progress will result in lower water loss on a consistent basis. Because Farmdale District requires funds to continue its

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<sup>7</sup> *Farmdale Water District's Financial and Statistical Report to the Kentucky Public Service Commission for Year-ended December 31, 2024* (2024 Annual Report) at 57.

<sup>8</sup> *Farmdale Water District's Financial and Statistical Report to the Kentucky Public Service Commission for Year-ended December 31, 2022* (2022 Annual Report) at 57.

water loss reduction efforts, it has requested a monthly water loss reduction surcharge of \$2.73 per meter in its recent Alternative Rate Filing.<sup>9</sup>

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<sup>9</sup> *Electronic Application of Farmdale Water District for a Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2025-00192 (Ky. PSC filed June 18, 2025).