Big Sandy Water District 18211 State Route 3 Catlettsburg, KY 41129 (606) 928-2075 or (606) 928-0524 Fax (606) 928-8454 bdistrict@windstream.net

May 11, 2023

Ms. Linda C. Bridwell, P.E. Executive Director Kentucky Pubic Services Commission P.O. Box 615 Frankfort, KY 40602-0615

> RE: Case No. 2022-00301 Big Sandy Water District

Dear Ms. Bridwell:

Please see the attached summaries for the Water Loss Surcharge Fund. In its latest order, the Commission authorized Big Sandy District to use surcharge proceeds, up to \$136,989.00, to fund the replacement of a damaged and leaking main located in a stream-crossing. Specifically, the District requested to use \$88,576 out of the surcharge proceeds to partially fund the replacement and \$48,412.93 to be temporarily used but will be redeposited once the allocated KIA grant is received by the District.

On February 2, 2023 the District took out a Promissory Note from City National Bank for \$116,350.00 and paid \$20,639.00 out of its General Fund to pay for the emergency repairs needed in the stream-crossing. After receiving authorization from the Commission on April 14, 2023, the District paid off the Promissory Note in full totaling \$116,668.35.

At this time, the District has not received any further documentation or reimbursements from KIA. The District will file copies of any correspondence regarding the Cleaner Water Program grant funds within seven days of any decision or disbursement made by KIA when it becomes available.

The District will capitalize the costs associated with this infrastructure replacement so that it can be appropriately depreciated.

If you have any questions or concerns, please do not hesitate to contact me for further information.

Sincerely,

James Blanton

Big Sandy Water District

James Blanker

General Manager