

COMMON WEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC BIG SANDY WATER)	
DISTRICT'S UNACCOUNTED-FOR WATER)	CASE NO. 2022-00301
LOSS REDUCTION PLAN, SURCHARGE, AND)	
MONITORING)	

RESPONSE ON PROGRESS AND EXPENDITURES OF WATER LOSS DETECTION AND REPAIR PROGRAM

Big Sandy Water District ("the District") received an order on September 13, 2022 for the approval of a monthly surcharge of \$6.42 to be billed to its customers every month for 60 months to fund its unaccounted-for water loss reduction efforts. The District began billing its customers on November 1, 2023 and has collected \$289,054.89 in Surcharge funds. The District has also gained \$332.91 in interest.

On April 14, 2023, the Commission granted the District's request to use a portion of its Surcharge funding to repair a leak on a six-inch main line in a remote area of Lawrence County, KY. This main line supplies water to approximately 350 customers. It was uncertain how long the leak had been active, but approximately 648,000 gallons was leaking each month. The District was approved to use \$88,576.00 of Surcharge funding to pay for the project and to borrow up to \$48,412.93 from the Surcharge account, which is the same amount that's been granted to the District by the Kentucky Infrastructure Authority (KIA) Cleaner Water Grant Funds. The District withdrew \$116,668.35 to finance the project. Once KIA has reimbursed the District, \$28,092.35 will be deposited back into the Surcharge account. There has not been any update on when these funds will be received.

On May 30, 2023, the District received an order from the Commission on how the Surcharge funds may be spent. The District purchased a 2023 F350 truck on July 1, 2023 totaling \$66,558.00. Because this amount exceeded the approved amount by the Commission, the District replenished the Surcharge account \$1,558.00 out of its general fund. The Commission also granted use of Surcharge funding to purchase 1,000 meters, a listening device, and leak logging devices. The District plans to order a portion of the meters this month to start replacing meters that are ten years or older still in the ground. The leak detection equipment will also be ordered before the end of the year. To date, the Surcharge account holds \$107,801.51 in funding.

In the Commission's order, it also approved Big Sandy Water District to hire a full-time employee to work exclusively on water loss detection and repair. The District has not hired this employee at this time as the District will be seeking an individual with knowledge and understanding of the District's waterlines and the area it serves. The District will also allow funds in the Surcharge Account to accrue before hiring this individual.

In November of 2022, the District reported a water loss percentage of 38.8%. The District's latest report for July 2023 usage shows a percentage of 35.9% water loss. This small decrease is just the start of what's to come for the District. Once water loss equipment is put to use, and a full-time employee is hired to work on only water loss, the District hopes to see this percentage drop even further at an increased rate. It was estimated the water loss would drop slowly the first year after receiving Surcharge Funding as not much could be accomplished with the proceeds. The District predicts after purchasing the water loss detection devices, meters, and hiring its full-time employee to work exclusively on water loss detection and repair, the percentage is estimated to drop by 5%-8%.

Furthermore, the District also plans to revamp the Infrastructure Improvement Plan to add zone meters, a GIS system, and other devices to decrease the water loss.

Respectfully,

A handwritten signature in cursive script that reads "James Blanton".

James Blanton
General Manager
Big Sandy Water District