COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEGED FAILURE OF)
FARMDALE WATER DISTRICT, AND)
ITS INDIVIDUAL COMMISSIONERS)
RICHARD TANNER, DONALD MORSE,)
AND SCOTTIE WOOLRIDGE, AND) CASE NO. 2022-00347
MANAGER JAMIE ROBERTS TO)
COMPLY WITH KRS 278.030, 807 KAR)
5:006, SECTION 4(4), 807 KAR 5:006,)
SECTION 26 AND 807 KRS 5:066)

RESPONSE OF

FARMDALE WATER DISTRICT

TO

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

DATED FEBRUARY 2, 2023

FILED: FEBRUARY 17, 2023

COMMONWEALTH OF KENTUCKY

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SECTION 26 AND 807 KRS 5:066)

RESPONSE OF FARMDALE WATER DISTRICT TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Comes Farmdale Water District ("Farmdale") for its Response to Commission

Staff's First Request for Information, and states as shown on the following pages.

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Damon R. Talley Felisa S. Moore Stoll Keenon Ogden PLLC 300 West Vine Street, Suite 2100 Lexington, Kentucky 40507 Telephone: (859) 231-3000 Fax: (859) 253-1093 damon.talley@skofirm.com felisa.moore@skofirm.com *Counsel for Farmdale Water District*

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SECTION 26 AND 807 KRS 5:066)

CERTIFICATION OF RESPONSE OF FARMDALE WATER DISTRICT TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

This is to certify that I have supervised the preparation of Farmdale Water District's Responses to Commission Staff's First Request for Information. The response submitted on behalf of Farmdale Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: February 17, 2023

Randall & Wooldn

Randall S. Wooldridge, Chairman Farmdale Water District

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on February 17, 2023; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

Damon R. Talley

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 1

Responding Witnesses: Randall S. Wooldridge, Chairman and Jamie Roberts, Manager

Q-1(a). Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, page 4, paragraph 13.

(a). Describe any measures Farmdale District has undertaken to remedy its water loss.

A-1(a). **KRWA Assistance.** In late 2019, 2020 and 2021, the Kentucky Rural Water Association ("KRWA") spent considerable time at Farmdale District and with Farmdale District personnel: (1) to gain an understanding of Farmdale District's system; (2) to instruct the personnel in how to isolate and locate water leaks; (3) to divide the distribution system into four separate zones to make it easier for Farmdale personnel to monitor water usage (and loss) in these zones; and (4) to install a portable flow meter in the area of the highest unaccounted for water. In addition, it analyzed billing records, water usage records, and zone meter reading data. It did not find any anomalies in the billing records. KRWA personnel have occasionally returned to assist with leak detection. Recently, KRWA was called back to assist with leak detection. A KRWA representative has been

working at Farmdale District with Farmdale personnel 2 or 3 days this week on leak detection.

South Benson Road Project. Farmdale District has also completed the long overdue South Benson Road Project. The purpose of this Project was to transfer customer services from the old 3-inch diameter water line, which runs alongside South Benson Road, to a newer 6-inch diameter water line located on the opposite side of South Benson Road. Apparently, there were insufficient funds to transfer these service connections to the 6-inch diameter water line at the time it was constructed. Farmdale District obtained partial funding from the Franklin Fiscal Court to complete this Project. Thirty-four (34) customer connections were transferred and the old 3-inch water line, which frequently developed leaks and was repaired numerous times over the past few years, was abandoned.

Eliminating Slow 6-inch Meter. Within the past few months, Farmdale District tested a 6-inch meter which serves its largest customer, Stewart Home School, and found that the meter was only registering 74% of the water passing through it. Because the Stewart Home School is served by other meters, Farmdale District was able to bypass using this defective meter. It is too early to determine the favorable impact of this action because the Stewart Home School has had some large leaks on its side of the meter since then.

Other Major Leaks Repaired. Two other large leaks have occurred in recent weeks and were repaired. On Lawrenceburg Road a 6-inch diameter A/C pipe "blowed" apart and had to be repaired. Also, in early January of 2023, two (2) major leaks occurred on consecutive days and had to be repaired along another portion of South Benson Road. In this area, the water line runs along a creek. On January 2, 2023, a major leak was discovered and repaired. A heavy rain occurred on January 3, 2023; the creek flooded; and the water line failed when the high waters washed away the dirt supporting the water line. A large leak occurred and had to be repaired at night while it was still raining.

Farmdale District is negotiating with the Franklin Fiscal Court to cost-share in the construction of a concrete retaining wall approximately 250 feet long and six (6) feet tall to protect the water line from the flooding creek waters.

Q-1(b). Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, page 4, paragraph 13.

- (b). Provide Farmdale District's plan to remedy water loss to a level below 15 percent, including a plan for financing necessary repairs or improvements.
- A-1(b). Farmdale District's plan to reduce its unaccounted for water loss to a level below 15% is still being developed. Realistically, it must first reduce its water loss to a level below 25% and consistently keep it there. Then, it can take the next step to reduce it to a level below 15%.

Meter Replacement. Replacing its meters which are 11 years old is now a top priority for the Farmdale District. Because of increasing meter testing over the past year and because more and more of the meters are failing to register or are otherwise defective, Farmdale District believes that a significant portion of its unaccounted for water loss is because of meters which are registering "slow." Farmdale District has already replaced approximately 400 of its old meters with new Master Meter brand meters. These new meters cost **\$308.64** each. Farmdale District plans to request permission from the Commission to utilize some of the Water Loss Reduction Surcharge Funds to purchase new retail meters. It will install these meters with its own personnel.

Q-1(c). Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, page 4, paragraph 13.

(c). Provide the estimated cost of implementing a water loss remediation plan that will bring water loss under 15 percent.

A-1(c). Unknown. It is premature to even guess the estimated cost of implementing a water loss remediation plan that will reduce water loss to under 15%.

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 2

Responding Witness: Jamie Roberts

Q-2. Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, page 4, paragraph 16. Provide copies of any pressure charts generated since June 10, 2022.

A-2. See Attachment 2 for the pressure chart for the month of July 2022. Although a pressure recorder has been in place each month except for part of late December when the temperatures were so cold, Farmdale District cannot provide copies of any of the other pressure charts. After the July pressure reading data was uploaded to the Manager's computer, he printed a copy of the information (pressure chart) before he saved the file. In the following months, the Manager uploaded the pressure reading data to his computer and saved the file each month. Unfortunately, he did not print the pressure chart for each month before he saved the file. When he attempted to print pressure charts for each month in order to file them with this Response, he could not print legible copies of the pressure charts. The pressure charts look like "gibberish" with strange symbols.



Serial Number:

Absolute Pressure

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 3

Responding Witness: Jamie Roberts

- Q-3. Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, page 4, paragraph 17. Provide copies of any interruption logs generated since June 10, 2022.
- A-3. See Attachment 3 for the interruption logs generated since June 10, 2022. The Manager did not start keeping an interruption log until July 1, 2022. The Manager has a spiral notebook that he uses to generate the interruption logs.

7-7-22 6" Line on Lawrenberg Rd Busted und a tree in front of CCTOU dug out Band it turned Back on was of 4 hours took samples to lab came Back good 7-10-22 Ninevah RJ 3300 T_MS the Before PRV Broke a Blowoff. off had it welded Back on water came Back on then later after 10pm went Bad a valle or somthing got Service Salue & coming 7-11-22 to fix 7-13-22 Threed of Brentlawn do to a two inch line Break pipe shifted when B.P. hooked to it put a rewperce in with a Black sheeve Thrace water Back on did Simply 7-13-22 Larwece St. shut down do to service line Break was constil with a knock on sattle with Black Fron pipe had to put New pipe in with a red Sattle

8-3-22 Had a 21' Line Break on 151 Concrede truck ranguer, it and Broke it only Chouse was ontof water on the off shoot of 151 insi 8-12-22 Contractors Hit Line on silver creek Borein Had to shut off to fix it with a Band was a 4" Line 826-22 Broken Line on Bon Son valley 6 in Cut up road to fix it Ems 9-31-9-1-22 7pn-130Am Greenwilson 802 Break Water turned off doto Bredk. on AC line fixed with Band it was AC Bale that Busted 9-7.22 Michael Blv. 3" like off due to a suffle leaking put & Bandoven and Hole and retapped with New Suttle Turned on and Flushed doing Sumples

10-3-22 Green milson off sattle Broke off at 176 G. W. Had to shut down and put vew one on and line up for new service line 11-23-11 455 Jones LN Lot 25 23+24 Leak shut water of A to fix 4" main 12-13-22 Had to turn of hute of farmer's LN strewberry , apple and Plum and cherry LN to fix a 1" Live had a Too to the meter's the setter's where Bent so some over use pipe and put Gator srips with a shutoff on top well the grips blow off Replaced Line with New setters

Jav 273 Had to shut of water down south Benson throw Hunting woods + Avonstack Had a leak at a 90 we fix it with New piece of Pipe and a 90 then Had Heavy down pour witch Caused the creck Nexto it to flood and washed the dist away and made it Break agin had to shut Back off till the water went down late the Day of Jan. 3rd. worked on it most of the night put it all Back together and coverd it Back up with class A sand and Dirt.

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 4

Responding Witness: Randall S. Wooldridge

- Q-4. Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, pages 4-5, paragraph 18. Provide Farmdale District's plan to comply with 807 KAR 5:066, Section 16(1), including a determination of need for additional personnel hours and a plan for financing additional personnel hours.
- A-4. Farmdale District's plan to comply with the meter testing or replacement regulation, 807 KAR 5:066, Section 16(1), is still under development. Farmdale District does not have a meter test bench nor is any of its current employees certified to perform the testing. It probably does not have adequate space in its small garage area to install a meter test bench even if it were to purchase one and were able to get one of its employees certified to operate the meter test bench.

It has been shipping the meters to CITCO Water (formerly C. I. Thornburg) to have them tested. Because a considerable number of the meters are testing slow and because the wire that transmits the reading information to the radio transmitter is damaged on many of meters, Farmdale District believes that it is better to simply replace these meters rather than test all of the meters.

Farmdale District plans to request permission from the Commission to use some of the Water Loss Reduction Surcharge Funds to purchase new meters. Farmdale District has added some new employees in the past year and now has four (4) full-time "outside" staff.

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 5

Responding Witness: Jamie Roberts

- Q-5. Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, pages 5-6, paragraph 20. State whether all Farmdale District employees have been provided with a copy of the Safety Program.
- A-5. All Farmdale District's employees have been provided with a copy of the Safety Program. In addition, each employee has signed an acknowledgement form indicating that he or she has read the Safety Program. See Attachment 5 for a copy of each of the signed acknowledgement forms.

Employer Name_MikE HIE AH Employer Signature_Mile Headt

Date: 11/18/22 Time 10:00 a.m./p.m.

mployer Name Farmdale bates District	-
ate: 11-18-22 Time 10:19 (a.m./p.m.	

Employer Name Employer Signature

Date: 11/18/22 Time 9:54 a.m.)p.m.

Employer Name Deavon Johnsto	n

Date: 11-18-22 Time 9'.50 a.m.)p.m.

anix loberts Employe Name Employer Signature

Date: <u>//-18-22</u> Time <u>932</u> amp.m.

Employer Name	MARK	MADDOX	
Employer	Mark	Maddas	

Date: ///8,22 Time 9,17 (a.m/p.m.

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 6

Responding Witness: Randall S. Wooldridge

- Q-6. Refer to Farmdale District's January 20, 2023 response to the Commission's November 7, 2022 Order, page 6, paragraph 21. Provide any correspondence with Kentucky Rural Water Association since November 7, 2022.
- A-6. There has been no correspondence between Farmdale District and the Kentucky Rural Water Association ("KRWA") since November 7, 2022. There have been numerous phone calls between Farmdale's legal counsel and KRWA and phone calls from the Chairman of Farmdale District to KRWA.

Since November 7, 2022, Jason Pennell with KRWA has provided assistance and offered advice for correcting deficiencies noted in the Commission's November 7, 2022 Order. Other KRWA employees have also stopped by Farmdale District to answer specific questions. In addition, KRWA has been providing leak detection assistance in the past few weeks. As a matter of fact, Tim Blanton from KRWA is at Farmdale District today providing leak detection assistance.

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 7

Responding Witness: Randall S. Wooldridge

- Q-7. Provide any plans for financing any improvements or provision of additional personnel hours necessary to comply with any Commission regulations (other than those set forth in your responses to items above), including a determination of need for additional personnel hours and a plan for financing additional personnel hours.
- A-7. Currently, Farmdale District does not believe that it is necessary to add any additional personnel since it has already expanded the size of its staff. As stated previously, Farmdale District plans to request permission from the Commission to utilize some of the Water Loss Reduction Surcharge Funds to purchase new meters.

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 8

Responding Witness: Randall S. Wooldridge

- Q-8. State whether Farmdale District is seeking any grants or loans to finance projects to further compliance with Commission regulations. If so, provide copies of any applications or correspondence pertaining to those grants or loans.¹
- A-8. A-8. On November 21, 2022, Farmdale District was awarded a Cleaner Water Program Grant (from Round 2 grant funds) in the amount of \$113,084 to be utilized to finance projects to further compliance with Commission regulations. See Attachment 8 for a copy of the Conditional Commitment Letter.

¹ See KRS 61.878 for exceptions to the statutory requirement that all records submitted to a public agency, such as the Commission, be available for public inspection. See also 807 KAR 5:001E, Section 13(2) for the procedures to file information subject to a request for confidential protection with the Commission.



KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear Governor 100 Airport Road Frankfort, Kentucky 40601 (502) 573-0260 https://kia.ky.gov

Sandy Williams

Executive Director

November 21, 2022

Clifford Toles Chair Farmdale Water District 100 Highwood Dr Frankfort, KY 40601

KENTUCKY INFRASTRUCTURE AUTHORITY CONDITIONAL COMMITMENT LETTER KIA Grant Number 22CWW024 WRIS Project Number WX21073017

Dear Official,

Congratulations on receiving an award of Kentucky Cleaner Water Program (the "CWP") Round 2 grant funds for your Project! The Kentucky Infrastructure Authority (the "Authority") approved the grant request to the Farmdale Water District (the "Grantee") in the amount of \$113,084 for the Farmdale Water District Water Line Upgrade project. We look forward to working with you to successfully complete your Project!

Please be aware that these Round 2 CWP Grant Project funds are provided through the American Rescue Plan Act of 2021, Coronavirus State Fiscal Recovery Fund and must be obligated by December 31, 2024 and fully expended by December 31, 2026. Any funds not obligated by December 31, 2024 or expended by December 31, 2026 will be forfeited and will not be available for the project.

An Assistance Agreement will be executed between the Authority and the Grantee upon satisfactory performance of the conditions set forth in Attachment A. Funds will be available for disbursement only after execution of the Assistance Agreement.

During the course of implementing your project, please inform the Authority of any changes in the project scope and financing plan as soon as possible.



An Equal Opportunity Employer M/F/D

Clifford Toles November 21, 2022 Page 2

We wish you every success for this project, which will benefit both your community and the Commonwealth as a whole.

Sincerely,

Sandy Williams)

Sandy Williams, Executive Director

Attachments

cc: Chris A Stewart, Project Administrator Clifford Toles, Farmdale Water District Joseph Forrest Grider, Haworth, Meyer & Boleyn, Inc. Karyn Leverenz, ADD Coordinator Don Schierer, KIA Grant Analyst File

Please sign and return a copy of this letter indicating your acknowledgement and acceptance of the commitment and its terms and conditions incorporated by reference and in the Attachments and Exhibits.

This Worlduge

Accepted

1-23- 2028

Date

CASE NO. 2022-00347

Response to Commission Staff's First Request for Information

Question No. 9

Responding Witnesses: Randall S. Wooldridge & Legal Counsel

- Q-9. Refer to the Commission's November 7, 2022 Order, pages 3-4. State what actions Farmdale District has taken to develop a qualified infrastructure improvement plan (QIIP) that complies with the Commission's July 7, 2020 Order in Case No. 2020-00217.²
- A-9. Since December 9, 2022 when Farmdale District's Commissioners first became aware of the Commission's November 7, 2022 Order, Farmdale District has not devoted much substantive time to developing a Qualified Infrastructure Improvement Plan ("QIIP"). Its legal counsel has summarized the past efforts of the prior Farmdale District's commissioners and KRWA to develop a QIIP. The current Farmdale District Board is planning to seek professional help from its consulting engineering firm, HMB Professional Engineers, to develop a QIIP.

² Case No. 2020-00217, *Electronic Farmdale Water District's Unaccounted-For Water Loss Reduction Plan Surcharge and Monitoring* (Ky. PSC July 7, 2020).