

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC SOUTHERN MADISON	)	
WATER DISTRICT UNACCOUNTED-	)	CASE NO.
FOR WATER LOSS REDUCTION		
PLAN, SURCHARGE AND		23-00070
MONITORING		

**RESPONSE TO COMMISSION STAFF’S THIRD REQUEST FOR DATA**

In Case No. 2023-00070 Southern Madison Water District (“SMWD”) was ordered to file with the Public Service Commission a comprehensive qualified infrastructure improvement plan (“QIIP”), including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge. SMWD hereby responds to the Third Request for Information regarding the QIIP.

As an update, SMWD continues implementing elements of the plan of the presented QIIP. SMWD implemented the leak loss plan in reliance on the surcharge funds but has been spending down its reserve infrastructure fund until the QIIP is approved by the Commission to utilize funds from the Surcharge Account.

**RESPONSE TO THIRD REQUEST:**

- 1. Refer to the attachment to Southern Madison District’s response to Commission Staff’s Second Request for Information (Staff’s Second Request) entitled, Independent Contractor Work Performed and Paid Since September 2023. Explain why G.T. Construction, Inc., was hired as the contractor for all off the work evidenced by the invoices provided, and whether any of the work that was performed could have been performed by Southern Madison District personnel.***

GT Construction is a local contractor familiar with this water district, has been utilized in the past with good results and has proven to be reliable, dedicated and productive in both locating and repairing the leaks. Prices are comparable to other contractors in this area. The contractor was hired because the personnel at SMWD has no additional work hours to accept addition work load to repair the leak on a mass scale as needed. The personnel is already

working overtime hours to address current and new calls regarding leaks. Current budget does not allocate room for additional staffing as permanent full-time employees at this time. Likewise, supervisor capacity is limited and focused on daily operations and new leak calls. There are no man hours available to locate and repair the larger leak issues as the personnel are already at maximum workload. SMWD intends to continue to use contractors until the larger leaks are repaired. Once this is behind the district, there is no anticipation that additional personnel are needed.

2. **Explain whether there is any ownership, control, interest other relationship or contractual agreement between Southern Madison District’s Board of Commissioners, including its individual Commissioners, Southern Madison District staff, and G.T. Construction, Inc., to perform this type of work. If so, please provide any documentation evidencing such ownership, control, interest, other relationship or contractual agreement.**

Other than the contracts to perform these services for the SMWD, there is no relationship between G.T. Construction Inc. (nor its shareholders or owners) and Southern Madison District’s Board of Commissioners, including its individual Commissioners, Southern Madison District staff. SMWD Superintendent is aware of no conflicts of interest to disclose.

3. **Refer to Southern Madison District’s response to Staff’s Second Request, Item 3.**

- (a) **Explain whether the provided amount for “allotment for repairs”, of \$253,7883.00 is a typographical error and provide the correct amount allotted for repairs.**

There is a typographical error. The correct amount is \$253,780.00

- (b) **Explain whether the provided amount in numerical paragraph (2) regarding the line repair at Kenneth Rose Road of \$14,8880.00 is a typographical error and provide the correct amount estimated for this project.**

There is a typographical error. The correct amount is \$14,880.00

Additional information: SMWD has changed out and replaced 1227 old meters to the new automatic read meters starting in January 2024 to current. SMWD is hopeful some of those funds will be reimbursed from the surcharge funds on deposit. SMWD asserts that readings are more accurate with the new equipment and reducing the uncollected water use being paid for water purchased from Berea Municipal Water and thereby reducing the ‘leaks’ calculation.

## **Conclusion**

Southern Madison Water District’s water loss on average is well above 15% and has been for several years. Repairs and replacement materials are always needed as the water system ages. Over time, wear and tear can cause meters moving parts to

stick, infrastructure break-down and other disrepair recording less water than consumed and/or creating non-revenue water and/or non-revenue water that returns back to the feeder system. It is imperative that SMWD upgrade the Master Meters to provide higher accuracy of meter readings. SMWD will continue to find and fix leaks to ensure that the SWMD's water loss will decline so long as it is able to afford additional contractor hours. SMWD will also look for new technology and innovative tools that will help locate these leaks. These contractors, capital purchases, tools and equipment will allow SMWD to be more efficient when pinpointing the leaks. The funds from this surcharge will provide additional investment in the Southern Madison Water District infrastructure.

SMWD is aware that Public Service Commission approval is required before any expenditures are made and the surcharge funds must remain in a separate bank account until such approval to spend is granted. SWMD will seek said approval with specificity as to the purchase, cost and plan of action for each expense.

This plan was drafted by and will be executed under the guidance of Wayne Robinson as the Manager of Southern Madison Water District and Wayne Robinson hereby certifies that the information submitted is to the best of his knowledge, information and belief after reasonable inquiry.

Respectfully,

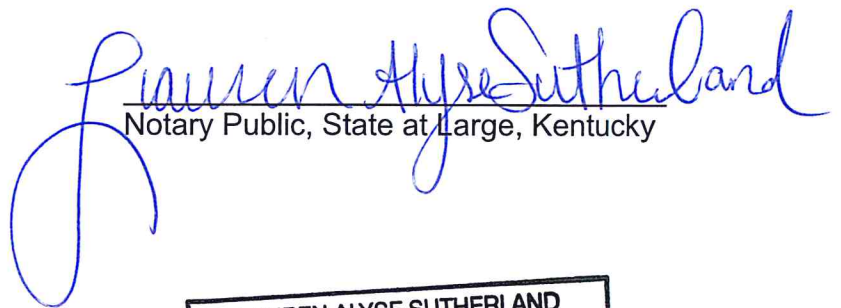


Wayne Robinson  
SMWD Manager

Commonwealth of Kentucky

County of Madison

Wayne Robinson as manager of Southern Madison Water District subscribed and swore to the above statements under oath and affirmed the above on this the 8<sup>th</sup> day of October, 2024 and attests that that exhibits attached hereto are accurate to the best of his knowledge and belief.



Notary Public, State at Large, Kentucky

