

**ANNUAL SURCHARGE STATUS REPORT
PSC CASE NO. 2023-0083**

INFRASTRUCTURE IMPROVEMENT PLAN

AND

WATER LOSS PREVENTION AND LEAK DETECTION PROGRAM

**WHITLEY COUNTY WATER DISTRICT #1
19 S HIGHWAY 25W
WILLIAMSBURG, KY 40769**

APRIL 2025

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1.0 Introduction

Purpose

The primary purpose of this document is to fulfill item 12. in the KY Public Service Commission April 14, 2023 order in Case No. 2023-00083 which requires WCWD to file with the Commission “a schedule of the estimated and actual progress of the water loss reduction and repair program and estimated and actual expenditures made with surcharge proceeds for the purpose of evaluating whether adjustments to the program or to the surcharge amount are required.”

General Discussion

Unfortunately there has not been a reduction in the District's water loss in the past year with the water loss from April 2023 – March 2024 being approximately 35% and from April 2024 - March 2025 being approximately 40%. A number of factors including significant staff turnover, especially the resignation of the field manager and death of the bookkeeper/payroll clerk in an automobile accident have greatly restricted the amount of time and effectiveness of the District's water loss reduction efforts. Staffing has now stabilized with the newer field personnel gaining experience and knowledge in water loss prevention. Another activity that greatly hindered the water loss prevention efforts was developing the USEPA mandated service line inventory, which required significant office and field hours including overtime hours. The inventory was completed in mid-October 2024. With these issues behind us, the District is committed to dedicating more man hours and resources to water loss efforts in the coming year.

The District has a standing request for assistance from the Kentucky Rural Water Association and they help as their workload permits. Last year they came on three separate occasions, multiple days each time.

There have been no expenditures using the funds in the Surcharge Account to date (April 14, 2025) and \$242,142.46 has been collected and deposited in the Surcharge Account. The District has so far paid for the water loss efforts including finding and repairing leaks and line breaks, master meter reading, billing analyses, etc. and development of the Infrastructure Improvement Plan and Water Loss Prevention and Leak Detection Program with general operating funds.

Funds from the Kentucky Infrastructure Authority Cleaner Water Grant were used to replace approximately 8,770 feet of old water lines in the Wafford-Blakes Fork-New Zion area, which staff believe were significant contributors to the District's

water loss. This work was completed in late 2024 so additional time will be required to determine how much effect it has on the water loss.

2.0 Water Loss Reduction and Repair Program Progress

As stated above no progress has been made in reducing the District's water loss with the water loss in the past year being higher than it was in the preceding year.

Originally Anticipated Implementation Schedule

The routine procedures portion of the plan, i.e., communications, master meter reading and recording, on-going data analysis, etc., which did not require capital expenditures and leak detection procedures were implemented prior to the PSC order and are on-going.

The less expensive capital improvement items, i.e. internal master meters, portable flow meter, additional by-pass meters, and gate valve replacement were expected to be acquired/installed on the following schedule:

Five internal master meters by October 1, 2023.

Portable flow meter by November 1, 2023.

Additional by-pass meters December 1, 2023 through June 1, 2024.

Gate valve replacement July 1, 2024 through April 1, 2027.

The planned major system improvements in the Infrastructure Improvements Plan were originally anticipated to be on the following schedule:

Funding Application Submittal	February 1, 2024
Funding Approval	May 1, 2024
Design and Permitting	October 1, 2024
Construction Start	January 1, 2025
Completion of Construction	January 1, 2026

Progress to Date

The routine procedures portion of the plan, i.e., communications, master meter reading and recording, on-going data analysis, etc., which did not require capital expenditures and leak detection procedures were implemented prior to the PSC order and are on-going.

Less expensive capital improvements:

Five Internal Master Meters ordered on April 17, 2025 with anticipated delivery by June 21, 2025.

Portable flow meter ordered on April 17, 2025 with anticipated delivery by June 21, 2025.

None of the additional By-pass meters have been installed.

None of the replacement gate valve have been installed.

The major system improvements:

Approximately 8,770 feet of old water lines in the Wafford-Blakes Fork-New Zion area were replaced in 2024.

Funding was appropriated by the Kentucky Legislature in March 2025 to replace the majority of the remaining old water lines in the major capital improvements project included in the Infrastructure Improvement Plan. These funds should be available in July 2025.

Funding Application Submittal	February 1, 2024
Funding Approval	May 1, 2024
Design and Permitting	October 1, 2024
Construction Start	January 1, 2025
Completion of Construction	January 1, 2026

Revised Anticipated Implementation Schedule

The routine procedures portion of the plan, i.e., communications, master meter reading and recording, on-going data analysis, etc., which did not require capital expenditures and leak detection procedures were implemented prior to the PSC order and are on-going.

Less expensive capital improvements:

Five Internal Master Meters installation by September 1, 2025.

Portable flow meter delivery by June 21, 2025.

Additional by-pass meters installation September 1, 2025 through April 1, 2027.

Gate valve replacement September 1, 2025 through April 1, 2027.

The major system improvements:

Funding Available	July 1, 2025
Design and Permitting	January 1, 2026
Construction Start	April 1, 2026
Completion of Construction	April 1, 2027

3.0 Surcharge Expenditures

Expenditures To-Date

To-Date no funds have been drawn from the Surcharge Account.

Pending Expenditures

Internal zone meters ordered on April 17, 2025 at a cost of \$21,580.00.

Portable flow meter ordered on April 17, 2025 at a cost of \$7,885.00.

The District may also decide to seek reimbursement of the \$8,751.30 fee paid to Kenvirons for development of the Infrastructure Improvement Plan.

Anticipated Future Expenditures

Installation of the internal zone meters including meter vault, electric service, etc. is estimated to cost approximately \$10,000 each.

The additional bypass meters are estimated to cost approximately \$2,000 each including installation.

The gate valve replacements including installation are estimated to range from a low of \$1,000 each to a high of \$8,050 depending on the size of the valve and the installation method. On the low end would be a 3" valve installed in conjunction with a leak repair and the high end would be for an 8" insert-a-valve by an outside contractor.

Major System Improvement Project (Note: No surcharge Funds will be used):

Estimated Costs

Administrative	\$ 50,110
Legal Expenses	\$ 25,000
Land, Appraisals, Easements	\$ 25,000
Planning	\$ 18,000
Engineering and Inspection	\$ 370,400
Construction	\$ 3,255,900
Contingency	\$ 325,590

Total	\$ 4,070,000
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Funding

KIA WWATERS Grant	\$ 3,290,000	Committed 3-28-25
KIA Fund B Loan	\$ 780,000	Pending
Total	\$ 4,070,000	