

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC INVESTIGATION INTO THE FINANCIAL)	
AND OPERATING CAPACITY OF BLACK MOUNTAIN)	CASE NO.
UTILITY DISTRICT)	2023-00235

**SUPPLEMENTAL RESPONSES TO COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION TO BLACK MOUNTAIN UTILITY DISTRICT DATED
DECEMBER 6, 2023**

Filed: March 22, 2024

BLACK MOUNTAIN UTILITY DISTRICT

PSC CASE NO. 2023-00235

SUPPLEMENTAL RESPONSE TO FIRST REQUEST FOR INFORMATION

PSC'S REQUEST FOR INFORMATION DATED 12/6/23

REQUEST 7

RESPONSIBLE PARTIES: Grant Cooper

Request 7. List all trainings attended for each of the current commissioners.

Response 7. Please see attached for the certificates received from the trainings attended by Brandon Shepherd, Dwayne Williams, Shawn Miller, Bill Clem, Grant Cooper and Troy Gaw (Black Mountain's accountant).

This Certificate of Attendance is

Being Presented to

Dwayne | Williams

Upon Completion of

12 Hours

of Water Training Instruction at the

Kentucky Public Service Commission

2023 Water Training Seminar

October 10-11, 2023

Kentucky Public Service Commission

Signed this 20th day of October, 2023



*Kent Chandler, Chairman
Kentucky Public Service Commission*

*This Certificate of Attendance
is Being Presented to
Brandon Shepherd
Upon Completion of
12 Hours
of Water Training Instruction at the
Kentucky Public Service Commission
2023 Water Training Seminar
October 10-11, 2023
Kentucky Public Service Commission
Signed this 20th day of October, 2023*



*Kent Chandler, Chairman
Kentucky Public Service Commission*

This Certificate of Attendance

is Being Presented to

Bill Clem

Upon Completion of

12 Hours

of Water Training Instruction at the

Kentucky Public Service Commission

2023 Water Training Seminar

December 5-6, 2023

Kentucky Public Service Commission

Signed on this 20th day of December, 2023



Kent Chandler, Chairman
Kentucky Public Service Commission

This Certificate of Attendance

is Being Presented to

Grant Cooper

Upon Completion of

12 Hours

of Water Training Instruction at the

Kentucky Public Service Commission

2023 Water Training Seminar

December 5-6, 2023

Kentucky Public Service Commission

Signed on this 20th day of December, 2023



Kent Chandler, Chairman
Kentucky Public Service Commission

This Certificate of Attendance

is Being Presented to

Shawn Miller

Upon Completion of

12 Hours

of Water Training Instruction at the

Kentucky Public Service Commission

2023 Water Training Seminar

December 5-6, 2023

Kentucky Public Service Commission

Signed on this 20th day of December, 2023



Kent Chandler, Chairman
Kentucky Public Service Commission

This Certificate of Attendance

is Being Presented to

Troy Gaw

Upon Completion of

12 Hours

of Water Training Instruction at the

Kentucky Public Service Commission

2023 Water Training Seminar

December 5-6, 2023

Kentucky Public Service Commission

Signed on this 20th day of December, 2023



Kent Chandler, Chairman
Kentucky Public Service Commission

BLACK MOUNTAIN UTILITY DISTRICT

PSC CASE NO. 2023-00235

SUPPLEMENTAL RESPONSE TO FIRST REQUEST FOR INFORMATION

PSC'S REQUEST FOR INFORMATION DATED 12/6/23

REQUEST 9

RESPONSIBLE PARTIES: Grant Cooper

Request 9. Provide all written policies passed by the Board within the last 12 months.

Response 9. Please see attached for the Financing Policy that was approved by the Board since the responses to data requests were filed in this proceeding.

BLACK MOUNTAIN UTILITY DISTRICT FINANCING POLICY

Article I: Purpose

The purpose of the financing policy is to assist Black Mountain Utility District in determining when it is necessary to seek Public Service Commission approval on any financing that may be subject to KRS 278.300.

Article II: KRS 278.300 Requirements

A utility must seek Public Service Commission approval before issuing any securities or evidences or indebtedness or before it assumes any obligations or liability with respect to any securities or evidences of indebtedness of any other person. KRS 278.300 does not apply to notes issued by the utility for a proper purpose, doesn't violate any law and are payable at periods of not more than two (2) years from the date thereof. It also does not apply to like notes, payable at a period of not more than two (2) years from the date thereof, that are issued to pay or refund in whole or in part any such notes, or to renewals of such notes from time to time not to exceed an aggregate of six years from the date of issue of the original note. The statute also does not apply to notes by the state, or to any notes subject to the supervision or control of the federal government or any agency thereof.

Article III: Procedures

1. Review of Securities or Evidences of Indebtedness

Each new security or evidence of indebtedness shall be presented to the board for review regardless of the term for payback. The board shall review to determine if the note needs to be approved by the Public Service Commission before entering into said note.

In addition to any new security or evidence of indebtedness, each renewal of an existing security or evidence of indebtedness shall also be presented to and reviewed by the board to determine if Public Service Commission approval is required.

2. Legal Counsel Review

Once the board has reviewed each security and evidence of indebtedness, if any questions or concerns exist, the board will present any questions and concerns to legal counsel for guidance on whether or not Public Service Commission approval is required.

3. Application to Public Service Commission

If the board or legal counsel determine that Public Service Commission approval is required, the board will authorize the general manager and legal counsel to prepare and submit an application to the Public Service Commission for approval under KRS 278.300. If there is still a question on whether or not approval is needed, the board will authorize the general manager and legal

counsel to prepare and submit a motion for a declaratory order to determine whether or not an application for approval under KRS 278.300 is necessary.

4. Copy of KRS 278.300 to be Provided

The board will be provided a copy of KRS 278.300 and any amendments thereto at least once annually to review.

Article III: Records of Proceedings

The minutes of each board meeting where a security or evidence of indebtedness is discussed shall contain the following:

- a) the names of each board member that is present at the meeting;
- b) the security or evidence of indebtedness that is being discussed, including the amount of time the note will be paid back;
- c) a statement regarding whether or not the board has any questions or concerns that need to be presented to legal counsel;
- d) the record of the vote, if any, to file an application with the Public Service Commission for approval.

A copy of this policy will be given to each board member and the general manager along with a copy of KRS 278.300 at the time of implementation.

278.300 Issuance or assumption of securities by utilities.

- (1) No utility shall issue any securities or evidences of indebtedness, or assume any obligation or liability in respect to the securities or evidences of indebtedness of any other person until it has been authorized so to do by order of the commission.
- (2) Application for authority to issue or assume securities or evidences of indebtedness shall be made in such form as the commission prescribes. Every such application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller, or other executive officer having knowledge of the matters set forth and duly designated by the utility. Every such application shall be placed at the head of the docket of the commission and disposed of promptly within sixty (60) days after it is filed with the commission, unless it is necessary for good cause to continue the application for longer time than sixty (60) days, in which case the order making the continuance shall state fully the facts that make it necessary.
- (3) The commission shall not approve any issue or assumption unless, after investigation of the purposes and uses of the proposed issue and the proceeds thereof, or of the proposed assumption of obligation or liability, the commission finds that the issue or assumption is for some lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.
- (4) The commission may grant or deny the application in whole or in part, or may grant it with such modifications and upon such terms and conditions as the commission deems necessary or appropriate. The order of the commission shall specify that the securities or evidences of indebtedness, or the proceeds thereof, shall be used only for the lawful purposes specified in the application, and both the application of the utility and the order of the commission shall state in general terms the purpose of the issuance or assumption.
- (5) A copy of any order made and entered by the commission under this section, duly certified by the executive director of the commission, shall be sufficient evidence for all purposes of full and complete compliance by the utility with all procedural and other matters required precedent to the entry of the order.
- (6) Securities and evidences of indebtedness issued and obligations and liabilities assumed by a utility, for which, under the provisions of this section, the authorization of the commission is required, shall comply with the terms and conditions of the order of authorization entered prior to the issue or assumption, and where the order has been fully complied with the validity of the issue or assumption shall not be affected by a failure to comply with any provision of this section or rule of the commission relating to procedure or other matters preceding the entry of the order of authorization or order supplemental thereto.
- (7) The commission may require periodical or special reports from the utility issuing any security or evidence of indebtedness. The report shall show, in such detail as the commission requires, the disposition made of such securities or evidences of

indebtedness, and the application of the proceeds thereof.

- (8) This section does not apply to notes issued by a utility, for proper purposes and not in violation of law, that are payable at periods of not more than two (2) years from the date thereof, or to like notes, payable at a period of not more than two (2) years from date thereof, that are issued to pay or refund in whole or in part any such notes, or to renewals of such notes from time to time, not exceeding in the aggregate six (6) years from the date of the issue of the original notes so renewed or refunded.
- (9) Nothing in this section implies any guarantee of securities or evidences of indebtedness by the state, or any obligation on the part of the state with respect thereto, and nothing in this section limits the power of any court having jurisdiction to authorize or cause receiver's certificates or debentures to be issued according to the rules and practice obtaining in receivership proceedings in courts of equity.
- (10) This section does not apply in any instance where the issuance of securities or evidences of indebtedness is subject to the supervision or control of the federal government or any agency thereof, but the commission may appear as a party to any proceeding filed or pending before any federal agency if the issuance of the securities or evidences of indebtedness will materially affect any utility over which the commission has jurisdiction.
- (11) This section also does not apply to the issuance of securities or evidence of indebtedness by a utility principally engaged in transportation of gas by pipeline in interstate commerce and subject to the supervision, control or jurisdiction of the federal government or any agency, board or commission thereof.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 166, sec. 3, effective July 15, 1994. -- Amended 1982 Ky. Acts ch. 82, sec. 34, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 379, sec. 37, effective April 1, 1979. -- Amended 1972 Ky. Acts ch. 9, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3952-24.

BLACK MOUNTAIN UTILITY DISTRICT
PSC CASE NO. 2023-00235
RESPONSE TO FIRST REQUEST FOR INFORMATION

PSC'S REQUEST FOR INFORMATION DATED 12/6/23

REQUEST 15

RESPONSIBLE PARTIES: Grant Cooper

Request 15. Provide all monthly water loss reports from January 2023 to present. Consider this an ongoing request.

Response 15. January 2024 and February 2024 water loss reports were filed in Case No. 2023-00202 which has been incorporated into the record of this proceeding.

BLACK MOUNTAIN UTILITY DISTRICT

PSC CASE NO. 2023-00235

SUPPLEMENTAL RESPONSE TO FIRST REQUEST FOR INFORMATION

PSC'S REQUEST FOR INFORMATION DATED 12/6/23

REQUEST 16

RESPONSIBLE PARTIES: Grant Cooper

Request 16. Provide the meter testing reports, leak detection reports and all Board minutes from January 2023 to present. Consider this an ongoing request.

Response 16. Please see the Excel spreadsheet being uploaded separately for the leak detection information. Please see attached for the Board minutes.

BOARD MEETING DECEMBER 12, 2023

Present: Shawn Miller, Chad Brock, Bill Clem, Dewayne Williams, Troy Gaw, Grant Cooper, Ken Taylor and Marcella Fuson.

The meeting was called to order by Chairman Shawn Miller at 6:05 p.m.

The minutes for the November 14th meeting were given to each board member. Dewayne Williams made a motion to accept the minutes. Bill Clem seconded the motion. All in favor.

Grant said Evarts has no water. David McGill is going to deliver water.

-Patty Niday at camp creek said the lines are uncovered from last time. Chad said since the mines has been there it always washes the cover away on the left-hand side. He said they put big rock in there and it still does that. Grant mention to re-route to her service line. May have to cut the road. Grant will call Otis from Harlan.

Grant said the water loss for Wallins was up 28% because they had three leaks, Closplint had a vacant meter that burst and water was pouring out of it full force. Coxtton had two-line breaks, Sukey ridge had two leaks but water loss came down. He said the PVC needs to be changed 294 psi before got it down some. Kenvir is good. Rosspoint is coming down, Colidron is good, Putney came down 22% and Ages came down.

Grant said the attorney fees \$2,079-\$2,173

The fire departments are required to turn in a monthly statement on the water they use. We have to have it on paper, written and signed.

Grant presented financing policy, infrastructure improvement plan w/ reduction plan and surcharge spending plan to board all was approved

Grant said he was sending troy the collected surcharge amount that needs put in the account. Troy will get every Monday to put it in there and move it around on Mondays.

Troy said on the financial report he renamed expenses and moved them around. Bond payments, aged bills not paid ect.

Ken Taylor said grant money will be about two-three weeks before the draw down.

Dewayne Williams made a motion to accept the financial reports, Chad Brock seconded the motion. All in favor.

Bill Clem made a motion to go into executive session at 7:16 to discuss employee benefits. Dewayne seconded the motion. All in favor.

They came out of executive session at 8:46. Bill Clem made a motion to except the 2024 budget and give every employee a 5% raise across the board. Chad Brock seconded the motion. All in favor.

Dewayne Williams made a motion to pay the monthly bills. Bill Clem seconded the motion. All in favor.

Dewayne Williams made a motion to adjourn the meeting at 8:50 p.m. Chad Brock seconded the motion. All in favor.

BLACK MOUNTAIN UTILITY DISTRICT

REG BOARD MEETING

FEB 13, 2024

- ATTENDANCE: CHAD BROCK, SHAWN MILLER, BILL CLEM, BRANDON SHEPHERD, DEWAYNE WILLIAMS, TROY GAW, GRANT COOPER AND SHIRLEY LEITCH
- SHAWN MILLER CALLED MEETING TO ORDER, ROLL CALL
- APPROVED LAST MONTHS BOARD MEETING MINUTES, 2ND BY DEWAYNE, ALL IN FAVOR
- COMMERCIAL BANK REPRESENTATIVE WE HERE TO PRESENT A CHECK DEPOSITING PROCESS.
- GRANT TALKED ABOUT OUR NEW DEPOSIT PROCESS WE ARE USING NOW. MUCH BETTER.
- CUSTOMER WANDA NOE PRESENTED HER ISSUE WITH A HIGH USAGE, GRANT WILL HAVE A NEW METER INSTALLED AND MONITOR HER USAGE.
- GRANT DISCUSSED WATER LOSS IS UP, PRIMARY DUE TO THE BAD WEATHER, BUSTED LINES AND METERS FREEZING UP. 21 METERS BUSTED AND 5 PRV. WE CAN NOW START CHANGING THE BAD METER OUT. HAD TO TURN OFF SOME CUSTOMERS OFF TO FIX PROBLEMS. IN GREENHILL AREA, WE LOST A 20 FOOT SECTION OF MAIN, HAD TO REPLACE. HARLAN WATER BILL UP AROUND 20,000 OVER LAST MONTH. A LOT OF OVERTIME DURING THIS.
- DISCUSSED SURCHARGE MONEY AND PROCEDURE TO USE IT. MUST HAVE COMPLETE DETAIL OF USAGE OF MATERIALS AND COST OF ITEMS. EACH EMPLOYEE WITH HAVE TO KEEP A RECORD PER JOB AND TURN INTO GRANT ON A DAILY BASICS TO INVOICE. IT CAN BE REIVSED.
- BROUGHT UP ISSUE WITH GREENHILLS PUMP AND DEPTH OF WATER LINES. POSSIBILITY OF GETTING WATER FROM CUMBERLAND TO SUPPLY PUTNEY AREA IF NEEDED. GRANT WILL FOLLOW UP WITH THE CITY OF CUMBERLAND. DISCUSSED HAVING A BIGGER TANK AT ROSSPOINT AREA AROUND THE HIGH SCHOOL.
- MATT FOX IS WANTED TO BECOME A WHOLESALER FOR INTERMONT APARTMENTS-WE WOULD NOT BE RESPONSIBLE FOR ANYTHING OTHER THAN SITTING A MASTER METER.
- GRANT DISCUSSED THE EMPLOYEE SCHEDULING TO HELP OUT WITH THE OVERTIME.
- TROY DISCUSSED THE FINANCIALS. HE SAID WE WERE LOOKING OK. SHAWN MADE MOTION TO PAY BILL, 2ND BY BRANDON ALL IN FAVOR.
- CHAD MADE MOTION TO ADJOURN, 2ND BY BRANDON.
- MEETING ENDED 8:30 PM

_____ MINUTES TAKEN AND TYPED WITH CORRECTION

_____ ACCEPTED BOARD MINUTES WITH CORRECTION

_____ ACCEPTED BOARD MINUTES AS READ