

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**AN ELECTRONIC)
INVESTIGATION INTO)
FARMDALE WATER DISTRICT)
TO DETERMINE THE)
FEASIBILITY OF MERGER)
WITH A PROXIMATE UTILITY)
PURSUANT TO KRS 74.361 OR)
ABANDONMENT PURSUANT TO)
KRS 278.020(6) AND KRS 278.021)**

**Case No.
2024-00202**

**RESPONSE OF
FARMDALE WATER DISTRICT
TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED DECEMBER 16, 2024**

Filed: January 2, 2025

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BEFORE THE PUBLIC SERVICE COMMISSION

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Case No.
2024-00202

**RESPONSE OF FARMDALE WATER DISTRICT TO COMMISSION
STAFF’S SECOND REQUEST FOR INFORMATION**

Farmdale Water District (the “District”) submits its Response to
Commission Staff’s Second Request for Information.



Damon R. Talley
Stoll Keenon Ogden PLLC
P.O. Box 150
Hodgenville, KY 42748-0150
Telephone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Tina C. Frederick
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3951
Fax: (859) 259-3597
tina.frederick@skofirm.com

Counsel for Farmdale Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on January 2, 2025 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

A handwritten signature in blue ink that reads "Damon P. Talley". The signature is written in a cursive style with a horizontal line underneath it.

Counsel for Farmdale Water District

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:


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**Case No.
2024-00202**

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

This is to certify that I have supervised the preparation of Farmdale Water District's Response to Commission Staff's Second Request for Information as required by 807 KAR 5:001, Section 4(12)(d)(2)(b). 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: January 2, 2025


Randall S. Wooldridge, Chairman
Farmdale Water District

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff’s First Request for Information

Question No. 2-1

Responding Witness: Randall S. Wooldridge

Q 2-1. Refer to Farmdale District’s response to Commission Staff’s First Request for Information (Staff’s First Request), Item 2. Provide the number of Farmdale District employees. In the response, note the title of the position, if the position is full-time or part-time, the hourly salary rate, and the responsibilities.

A 2-1. Farmdale District currently has seven (7) employees. The requested information concerning position descriptions, hourly salary rates, and number of employees in each position appears in the chart below. The position responsibilities are discussed following the chart.

Position Description	Full or Part-time	Hourly Salary Rate	Number of Employees in Position
Manager of Field Operations	Full-time	\$ 24.50	1
Senior Field Worker	Full-time	\$ 19.00	1
Field Worker	Full-time	\$ 18.00	1
Part-time Field Worker	Part-time	\$ 30.00	1
Office Manager	Full-time	\$ 27.97	1
Office Clerk	Full-time	\$ 16.00	2

The Job Descriptions for Farmdale District staff are as follows:

Manager of Field Operations – Maintains a **Certified Drinking Water Operator** credential appropriate for the operation of the District in accordance with the Kentucky Division of Water (“DOW”) regulations; responsible for maintaining records required by the DOW and the Kentucky Public Service Commission (“Commission”); supervises the work of Field Staff; repairs leaks in the District’s system and instructs and supervises Field Staff in leak detection, repair, and reduction; performs other duties as assigned by the Board.

Senior Field Worker – Oversees Field Workers in maintenance of water lines and meters; reads zone meters and purchased water meters daily; assists in leak detection and repair work; performs other duties as assigned by the Manager of Field Operations.

Field Worker – Performs maintenance on water lines and meters; does initial and final meter reads for the District’s new and departing customers; performs any other duties as assigned by Manager of Field Operations or Senior Field Worker.

Part-Time Field Worker – Performs radio reading of the District’s meters.

Office Manager – Responsible for overseeing day-to-day operation of the District’s office; duties include maintaining billing, payroll, and financial records; serves as a back-up for the Office Clerk; receives customer complaints; acts as the District’s contact with its auditor; performs other duties as assigned by the Board.

Office Clerk – Receives customer payments; makes deposits; establishes new accounts; performs other duties as assigned by Office Manager.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-2

Responding Witness: Randall S. Wooldridge

Q 2-2. Refer to Farmdale District's response to Staff's First Request, Item 2. Explain what is meant by "Loss of identity" and "higher water bills."

A 2-2. The loss of identity referred to in Farmdale's Response to Staff's First Request, item 2 is the loss of Farmdale Water District as a distinct entity in the event Farmdale District is acquired by another utility and ceases operations. Farmdale District's customers would then be customers of a different entity (the acquiring utility). The acquiring utility will probably close the Farmdale District office and customers will be forced to call a 1-800 phone number to access a customer service representative in a location remote from Farmdale District's service area. This would mean Farmdale District's customers will lose the convenience and personal service that they have enjoyed for decades.

The possibility of higher water bills mentioned in Farmdale's Response to the same item refers to the possibility that an acquiring entity might have higher customer rates than Farmdale District.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-3

Responding Witness: Randall S. Wooldridge

Q 2-3. Provide the status of Farmdale District's current capital projects. Include in the response whether the funding has been finally approved, the total amount of funding, estimated cost of the project, and if the project is currently in progress, a progress update.

A 2-3. Farmdale District is approximately 25 percent complete with its current AC Line Replacement Project for which it obtained a 40-year \$2,458,000 Rural Development ("RD") Loan. The project replaces 34,600 linear feet of AC line long Lawrenceburg Road, US 127, Jones Lane, Old Harrodsburg Road, Old Lawrenceburg Road, Nineveh Road and Mulholland Road. Farmdale District anticipates this project will be finished by the **end of calendar year 2025** and that all of the costs of the project will be funded by the aforementioned RD Loan.

The Commission has ordered Farmdale District to replace all of its customer meters that are 10 years old or older or to complete periodic meter testing of such meters by August 31, 2025.¹ To comply with this deadline,

¹ Case No. 2022-00347 (Ky. PSC Sep. 4, 2024) Order at Ordering paragraph 12.

Farmdale District has ordered 1,000 customer meters and 1,000 transceivers necessary to enable radio-reading of the meters at a cost of **\$258,590²** and will utilize the assistance of Frankfort Plant Board, and an outside contractor, if necessary, to complete meter installation by **August 31, 2025**. Farmdale District is seeking the Commission's authority to use Surcharge Funds to pay for the meters and transceivers.³ Should the Commission grant Farmdale District's Motion for Authority to Use Surcharge Funds that was filed on December 18, 2024, there will be \$69,685 of Surcharge Funds remaining and Farmdale District will seek Commission approval to apply those funds to meter installation costs.

Farmdale District is relocating a waterline which runs along the bank of Benson Creek because it is prone to washing out in heavy rain events. To date Farmdale District has spent \$7,861 on pipe and materials for the project. Farmdale District is seeking Commission authority to use Surcharge Funds to cover the cost of the pipe and materials.⁴ The total estimated cost of the project, including labor is anticipated to be

² \$167,250 for meters, \$42,985 for single port transceivers, and \$48,355 for dual port transceivers

³ See: *Motion for Authority to Use Surcharge Funds*, Case No. 2020-00217, filed December 18, 2024, The cost for the meters and transceivers is **\$258,590**. Half of the transceivers are single port and half are dual port. Farmdale District's system utilizes both single and dual port transceivers

⁴ See: *Motion for Authority to Use Surcharge Funds*, Case No. 2020-00217, filed December 18, 2024.

approximately \$44,000. This project is scheduled to be completed in the first quarter of 2025.

See the Capital Improvement Plan and Updated Qualified Infrastructure Improvement Plan filed in this proceeding on December 27, 2024, for information concerning potential future capital projects.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff’s First Request for Information

Question No. 2-4

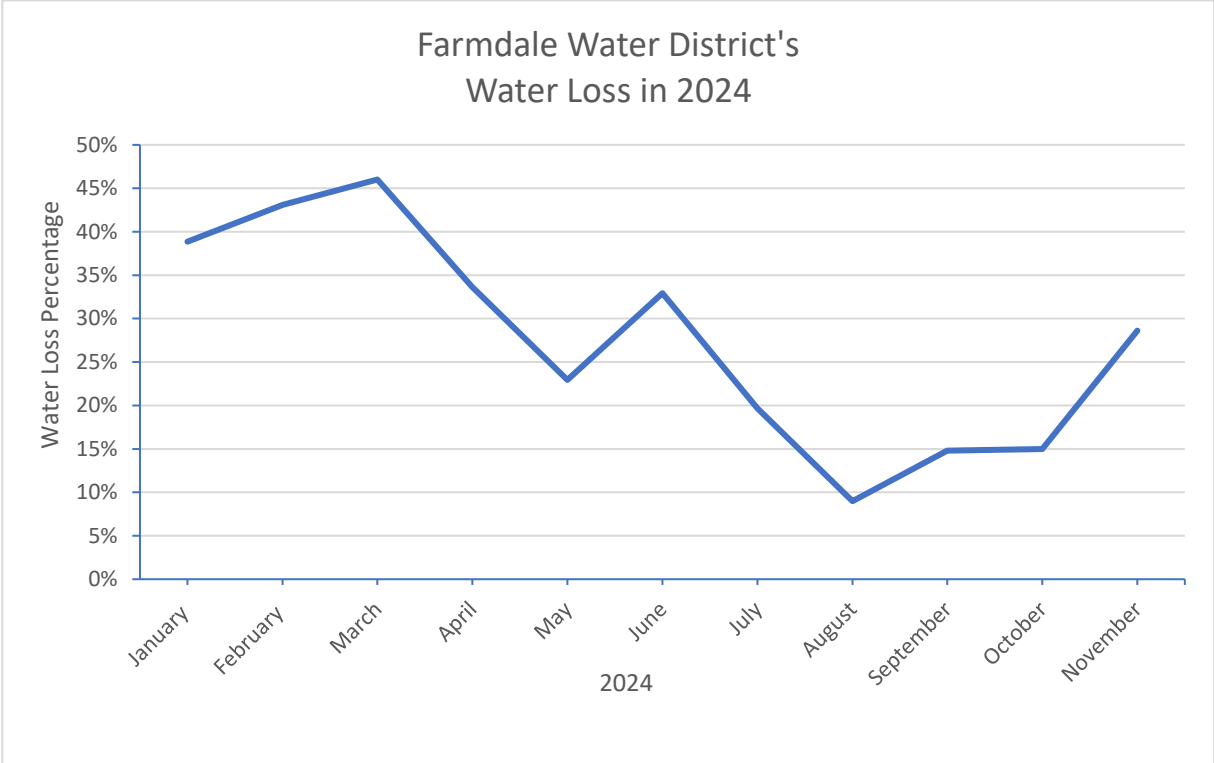
Responding Witness: Randall S. Wooldridge

Q 2-4. Provide the water loss for Farmdale District for each month of calendar year 2024.

A 2-4. Farmdale District’s average monthly water loss for the first 11 months of 2024 is 28.13 percent. The water loss percentages for January through November are recorded below:

Month	Water Loss Percentage
January	38.86
February	43.09
March	46.01
April	33.62
May	22.94
June	32.94
July	19.66
August	8.98
September	14.79
October	14.99
November	28.61

The graph on the following page depicts Farmdale District's water loss from January through November 2024. Monthly Water Loss Reports are attached to this response as **Attachment 2-4**. Farmdale District has been making progress in reducing its unaccounted-for water loss. Farmdale District located and repaired two major leaks in its system in July 2024 and saw several months of drastically reduced water loss prior to the commencement of the AC-Line Replacement Project. The contractors working on that project have hit Farmdale District's lines several times and that has caused an increase in water loss. Farmdale District is hopeful that once the AC-Line Replacement Project is finished that water loss will once again fall below 15 percent.



Notes:

1. This chart will be updated to include December 2024’s water loss once the December Water Loss information becomes available in late January 2025.
2. November’s Water Loss was significantly higher because the contractor working on the AC-Line Replacement Project struck Farmdale District’s existing water lines numerous times causing several leaks.

Attachment 2-4
Water Loss Reports
2024

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: January Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	20,671,720
4	TOTAL PRODUCED AND PURCHASED	20,671,720
5		
6	WATER SALES	
7	Residential	9,725,200
8	Commercial	2,845,100
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	12,570,300
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	62,000
20	Fire Department	6,850
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	68,850
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	1,850,000
27	Line Leaks	55,000
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) <u>Unknown</u>	6,127,570
31	TOTAL WATER LOSS	8,032,570
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	38.86%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: February Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	19,161,070
4	TOTAL PRODUCED AND PURCHASED	19,161,070
5		
6	WATER SALES	
7	Residential	8,533,500
8	Commercial	2,346,900
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	10,880,400
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	23,000
20	Fire Department	1,500
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	24,500
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	1,320,500
27	Line Leaks	10,000
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) <u>Uknown</u>	6,925,670
31	TOTAL WATER LOSS	8,256,170
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	43.09%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	18,369,610
4	TOTAL PRODUCED AND PURCHASED	18,369,610
5		
6	WATER SALES	
7	Residential	7,842,600
8	Commercial	2,014,600
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	9,857,200
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	58,500
20	Fire Department	1,600
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	60,100
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	990,500
27	Line Leaks	40,200
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) <u>Unknown</u>	7,421,610
31	TOTAL WATER LOSS	8,452,310
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	46.01%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: April Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	17,944,360
4	TOTAL PRODUCED AND PURCHASED	17,944,360
5		
6	WATER SALES	
7	Residential	9,513,200
8	Commercial	2,319,300
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	11,832,500
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	78,500
20	Fire Department	1,250
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	79,750
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	58,500
27	Line Leaks	
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) <u>Unknown</u>	5,973,610
31	TOTAL WATER LOSS	6,032,110
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	33.62%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	20,904,855
4	TOTAL PRODUCED AND PURCHASED	20,904,855
5		
6	WATER SALES	
7	Residential	11,729,100
8	Commercial	4,170,200
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	15,899,300
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	202,000
20	Fire Department	8,000
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	210,000
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	
27	Line Leaks	48,000
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) <u>Unknown</u>	4,747,555
31	TOTAL WATER LOSS	4,795,555
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	22.94%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: June Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	21,448,700
4	TOTAL PRODUCED AND PURCHASED	21,448,700
5		
6	WATER SALES	
7	Residential	11,564,500
8	Commercial	2,630,100
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	14,194,600
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	128,000
20	Fire Department	2,000
21	Other Usage (explain) DBP Flushing	58,000
22	TOTAL OTHER WATER USED	188,000
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	138,000
27	Line Leaks	
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) Unknown	6,928,100
31	TOTAL WATER LOSS	7,066,100
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	32.94%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	18,162,700
4	TOTAL PRODUCED AND PURCHASED	18,162,700
5		
6	WATER SALES	
7	Residential	11,383,400
8	Commercial	2,864,300
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	14,247,700
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	58,500
20	Fire Department	21,150
21	Other Usage (explain) DBP Flushing	265,000
22	TOTAL OTHER WATER USED	344,650
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	
27	Line Leaks	645,000
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) Unknown	2,925,350
31	TOTAL WATER LOSS	3,570,350
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	19.66%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: August Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	16,862,500
4	TOTAL PRODUCED AND PURCHASED	16,862,500
5		
6	WATER SALES	
7	Residential	12,067,600
8	Commercial	3,178,600
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	15,246,200
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	58,500
20	Fire Department	9,350
21	Other Usage (explain) DBP Flushing	35,000
22	TOTAL OTHER WATER USED	102,850
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	330,000
27	Line Leaks	9,500
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) Other "Unknown" Loss	1,173,950
31	TOTAL WATER LOSS	1,513,450
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	8.98%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: September Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	17,222,100
4	TOTAL PRODUCED AND PURCHASED	17,222,100
5		
6	WATER SALES	
7	Residential	9,882,800
8	Commercial	2,433,300
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain) _____	
14	TOTAL WATER SALES	12,316,100
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	98,300
20	Fire Department	9,600
21	Other Usage (explain) <u>DBP Flushing</u>	2,250,300
22	TOTAL OTHER WATER USED	2,358,200
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	
27	Line Leaks	2,130,590
28	Excavation Damages	350,000
29	Theft	
30	Other Loss (explain) <u>Unknown</u>	67,210
31	TOTAL WATER LOSS	2,547,800
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	14.79%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	17,633,300
4	TOTAL PRODUCED AND PURCHASED	17,633,300
5		
6	WATER SALES	
7	Residential	11,006,200
8	Commercial	1,966,700
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	12,972,900
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	1,950,250
20	Fire Department	
21	Other Usage (explain) DBP Flushing	67,000
22	TOTAL OTHER WATER USED	2,017,250
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	1,956,450
27	Line Leaks	25,500
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) Unknown	661,200
31	TOTAL WATER LOSS	2,643,150
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	14.99%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Farmdale Water District

For the Month of: November Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	
3	Water Purchased	16,279,300
4	TOTAL PRODUCED AND PURCHASED	16,279,300
5		
6	WATER SALES	
7	Residential	8,033,470
8	Commercial	1,983,330
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	10,016,800
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	1,540,300
20	Fire Department	250
21	Other Usage (explain) <u>DBP Flushing</u>	65000
22	TOTAL OTHER WATER USED	1,605,550
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	1,489,600
27	Line Leaks	87,000
28	Excavation Damages	
29	Theft	
30	Other Loss (explain) <u>Unknown Loss</u>	3,080,350
31	TOTAL WATER LOSS	4,656,950
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	28.61%

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-5

Responding Witness: Randall S. Wooldridge

Q 2-5. Refer to Farmdale District's response to Staff's First Request, Item 4. Provide an update to the discussions held on October 29, 2024.

A 2-5. Following the workshop held on October 29, 2024, Farmdale District focused its efforts on strengthening its relationship with the Electric and Water Plant Board of the city of Frankfort, Kentucky ("Frankfort Plant Board"). Of the water utilities currently serving Franklin County, Kentucky, Farmdale District believes the Frankfort Plant Board is in the best position to assist Farmdale District. The Frankfort Plant Board is situated geographically to be of assistance to Farmdale District, as Frankfort Plant Board's service territory surrounds Farmdale District to the north and the east. Peaks Mill Water District ("Peaks Mill") is further away from Farmdale District and Peaks Mill's service territory expands past the northern Franklin county line into Owen county. This geographic distance presents challenges in sharing equipment and work crews between the two water districts, although Farmdale District is willing to partner with Peaks

Mill and provide assistance to Peaks Mill as Farmdale District is able to do so.

Because of its size, Frankfort Plant Board employs an engineer and other staff members that can provide professional assistance to Farmdale District as needed without Farmdale District needing to contract with a variety of consultants. Farmdale District and Frankfort Plant Board have recently executed an Assistance Agreement and a Mutual Aid Agreement to formalize this arrangement. Both agreements were filed into the record of this proceeding on December 17, 2024.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-6

Responding Witness: Randall S. Wooldridge

Q 2-6. Refer to Farmdale District's response to Staff's First Request, Item 4.

- a. Explain what is meant by "Mutual Aid Agreement" in this context**
- b. Explain whether a "Mutual Aid Agreement" would include financial assistance and how that assistance would be budgeted by each party.**

A 2-6a. Generally, a Mutual Aid Agreement is an agreement between two or more utilities setting the terms by which each utility agrees to come to the aid of one of the utilities in an emergency situation or crisis.

A2-6b. No. Mutual Aid Agreements generally do not include providing financial assistance, only equipment and labor assistance in times of emergency.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-7

Responding Witness: Randall S. Wooldridge

Q 2-7. Refer to Farmdale District's response to Staff's First Request, Item 5. Explain what Farmdale District views as the difference between a joint operating agreement and a mutual aid agreement.

A 2-7. A Joint Operating Agreement is an agreement between two or more utilities in which all of the utilities agree to be operated and managed by a "lead utility" which oversees the day-to-day operation of all of the utilities that are parties to the agreement. Each utility maintains its own board and rate structure and each utility pays the lead utility its share of the operating expenses. The joint operation and management of Butler County Water System, Inc, Simpson County Water District, and Warren County Water District is an example of a Joint Operating Agreement in use.

In contrast, a Mutual Aid Agreement does not deal with the day-to-day operations of a utility, but with meeting the need for assistance in extraordinary circumstances and in times of emergency. A Mutual Aid

Agreement sets the terms under which two or more utilities agree to come to the aid of one another in emergency situations or times of crisis.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff’s First Request for Information

Question No. 2-8

Responding Witness: Randall S. Wooldridge

Q 2-8. Provide the number of customers served by Farmdale District in the area west of Hwy 151 to the Franklin County line and south of I-64.

A 2-8. Farmdale District has identified 96 customers in this area as shown in the table below:

Road	Number of Customers
Hickory Ridge Road	39
Avenstoke Road	42
Earth Haven	5
Crawford Road	8
Tuttle Lane	2
Total	96

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-9

Responding Witness: Randall S. Wooldridge

Q 2-9. Confirm that Farmdale District intends to meet the 2024 Annual Report filing deadline. If not confirmed, explain why not.

A 2-9. Confirmed. Farmdale District intends to meet the March 31st filing deadline for its 2024 Annual Report. To that end, Farmdale District's treasurer has informed the Certified Public Accountant who prepares Farmdale District's annual report not to request an extension of time to file the report, but to file the 2024 Annual Report by the regulatory filing deadline of March 31, 2025.

Farmdale District also intends to meet the August 31, 2025 deadline established by the Commission in its final Order in Case No. 2022-00347 for Farmdale District to file an application for a rate adjustment using 2024 financial data.¹

Because it was concerned its rates might be insufficient, Farmdale District contracted with Kentucky Rural Water Association (KRWA) on July 5, 2024, to perform a "rate check-up" and, if a rate increase was

¹ Case No. 2022-00347 (Ky. PSC Sep. 4, 2024) Order at Ordering paragraph 14.

justified, to prepare a complete Water Rate Study and file an Alternative Rate Filing Application (“ARF”) with the Commission. A copy of the KRWA Proposal and acceptance by Farmdale District is attached to this response as **Attachment 2-9a**. Phase 1 of the Proposal describes the scope of KRWA’s services and the cost for the rate check-up. Phase 2 of the Proposal describes the scope of KRWA’s services and the cost for the full Water Rate Study and ARF Application.

Before KRWA could perform the rate check-up, the Commission issued an Order in Case No. 2024-00223 on August 15, 2024: (a) granting Farmdale District a Certificate of Public Convenience and Necessity to construct the AC Line Replacement Project; (b) authorizing Farmdale District to enter into the proposed RD loan to finance the Project; and (c) approving the proposed rate adjustment required by RD. The KRWA rate check-up used 2023 as the Test Year, but made three (3) proforma adjustments: (1) it increased the annual amount of water sales revenue to reflect the new water rates approved by the Commission; (2) it increased the principal and interest expense and the “working capital” amount to reflect the annual debt service on the new RD Loan; and (3) it increased the annual depreciation expense to include the depreciation expense associated with the AC Line Replacement Project. A copy of the rate check-

up report, which was issued in early October 2024, is attached to this response as **Attachment 2-9b**

The rate check-up indicated that Farmdale District's rates at the time of the report were sufficient. However, Farmdale District agrees with the Commission that Farmdale District's rates may not remain sufficient to meet Farmdale District's needs for the next few years. For this reason, at its October 4, 2024 Board meeting, Farmdale District authorized KRWA to proceed with Phase 2 of its Proposal (full Rate Study and prepare and file the ARF Application). KRWA has agreed to prepare the ARF Application using 2024 as the Test Year and file the Application on or before August 31, 2025 for the same price quoted in its May 2024 Proposal accepted by Farmdale District on July 5, 2024. See the email exchange between Farmdale District's attorney Damon Talley and Robert Miller on October 4 and 5, 2024, which is attached to this response as **Attachment 2-9c**.

Attachment 2-9a
KRWA Proposal



Proposed Rate Study

Farmdale Water District

Prepared by: **Kentucky Rural Water Association**
May 2024

Kentucky Rural Water Association (KRWA) will perform a rate checkup for Farmdale Water District. If the checkup indicates that water rate study is needed, KRWA will prepare the study using methodologies acceptable to Kentucky Public Service Commission (KY PSC) upon approval of this proposal.

Scope of Work

This work will include completing the following items:

Phase 1: Rate Checkup

- ✓ Preparation of Schedule of Adjusted Operations, Revenue Requirement Calculations, Proposed Rate Schedules, and Billing Analyses.
- ✓ Preparation of a written summary report.

Phase 2: Water Rate Study

- ✓ Modify Rate Checkup data to reflect adjustments required by KY PSC.
- ✓ Attendance at one meeting with Board of Commissioners for presentation of report.
- ✓ Submission of Alternative Rate Filing Application to KY PSC.
- ✓ Coordination and submission of responses to KY PSC Staff Requests for Information.
- ✓ Preparation of response to KY PSC Staff Report.
- ✓ Preparation of updated Tariff sheets.

This proposal does not include attendance at public hearings and other meetings.

Qualifications

The rate study will be performed by an experienced contractor selected by KRWA.

Estimated Start and Completion Times

The rate checkup will begin within approximately 30 days of approval of this proposal. If the rate study is needed, it will begin within approximately 90 days of approval of this proposal. Completion time is determined by KY PSC but is typically within 270 days of approval of this proposal.

Proposed Cost

Phase 1 Fixed Fee	\$1,200.00
Phase 2 Not to Exceed	<u>\$8,235.00</u>
Total Not to Exceed	\$9,435.00

Accepted by:

Scottie Woodberry

Date:

7-5-24

Attachment 2-9b
Rate Check-up Report

PHASE 1: WATER RATE CHECKUP

FARMDALE WATER DISTRICT

October 4, 2024

Prepared by

Deron Allen and Robert Miller



Kentucky Rural Water Association

1151 Old Porter Pike • Bowling Green, KY 42101 • 270.843.2291 • www.krwa.org

EXECUTIVE SUMMARY

Farmdale Water District requested that Kentucky Rural Water Association perform a water rate checkup to assist in determining whether the District's current rates are sufficient to recover all revenue requirements (Phase 1) or if the District will need to have a detailed rate study prepared to support a rate application to Kentucky Public Service Commission (Phase 2).

A water rate checkup performs many of the same analyses that would be included in a detailed rate study, *except*:

- Adjustments to operating expenses to reflect known and measurable changes since the test year,
- Adjustments to medical insurance expenses to reflect limits on by KYPSC on employer participation, and
- Adjustments to depreciation expenses to conform with useful lives allowed by KYPSC.

The water rate checkup is complete, and the results are presented in this report.

The Phase 1 checkup is based on financial information from the Annual Report filed with KYPSC for the year ending December 31, 2023. The Schedule of Adjusted Operations (SAO) lists the revenues and expenses and applies certain adjustments:

- The adjustment to revenues is to recognize the difference between the audited amounts and computed amounts based upon the rates that were authorized in the recent USDA Rural Development loan agreement.
- The adjustments to expenses are to exclude amounts for purchased water and power for water loss above the 15% limit established by KYPSC.
- The adjustment to depreciation recognizes the additional depreciation expense for assets constructed with funds from the USDA loan.
- The adjustment to non-utility income excludes one-time grant funding for a capital project. Total pro forma operating revenues for the District's system are \$1,821,188 and total pro forma operating expenses are \$1,231,078.

The study also shows the computations for Revenue Requirements. The total Revenue Required from Sales of Water is computed by adding total proforma operating expenses, depreciation, taxes, debt service, and debt service coverage and subtracting non-rate revenues. The total Revenue Required from Sales of Water comes to \$1,448,913. This is a decrease from existing pro forma sales of \$139,720 and indicates that no overall rate increase is needed.

It would be appropriate to proceed with Phase 2 and have a detailed rate study prepared to determine if there have been substantial known and measurable changes to operating expenses since the test year, to adjust medical insurance expenses to reflect limits on by KYPSC on employer participation, and to ensure that depreciation expenses to conform with useful lives allowed by KYPSC. It is likely that the detailed rate study would confirm that no rate modifications are necessary.

Computations from this study are included in the Schedule of Adjusted Operations and Revenue Requirements. Current and recommended water rates, a comparison of existing and proposed bills, and current and proposed billing analysis are also included.

**Schedule of Adjusted Operations
Farmdale Water District**

	2023			
	Test Year	Adjustments	Proforma	Description of Adjustments
<u>Operating Revenues</u>				
Water Sales	1,324,370	264,263	1,588,633	Adjust to reflect updated water rates
Forfeited Discounts	46,862		46,862	
Miscellaneous	184,493	-	184,493	
Rents from water property	1,200		1,200	
Total Operating Revenues	1,556,925	264,263	1,821,188	
<u>Operating Expenses</u>				
Salaries and Wages-Employees	260,651	-	260,651	
Salaries and Wages-Directors	14,600	-	14,600	
Employee Pensions and Benefits	65,659	-	65,659	
Purchased Water	762,868	(207,456)	555,412	Exclude amount above 15% water loss
Purchased Power	23,980	(6,521)	17,459	Exclude amount above 15% water loss
Materials and Supplies	56,608	-	56,608	
Contractual Services-Accounting	29,702	-	29,702	
Contractual Services-Legal	40,296	-	40,296	
Contractual Services-Water Testing	6,219	-	6,219	
Transportation	13,241	-	13,241	
Insurance-General Liability	21,727	-	21,727	
Insurance-Workers Compensation	5,948	-	5,948	
Bad Debt	18,450	-	18,450	
Miscellaneous Expense	125,106	-	125,106	
Total Operating Expenses	1,445,055	(213,977)	1,231,078	
<u>Other Expenses</u>				
Depreciation	143,906	39,328	183,234	Add Depreciation from A/C Line Replacement Project
Taxes	75,076	-	75,076	
Total Other Expenses	218,982	39,328	258,310	
<u>Other Income</u>				
Interest Income	11,433	-	11,433	
Non-Utility Income	121,889	(113,084)	8,805	Exclude one-time grant funding for capital project
Total Other Income	133,322	(113,084)	20,238	
Net Income	26,210	325,827	352,037	

Schedule of Revenue Requirements
Farmdale Water District

Schedule of Revenue Requirements				
Farmdale Water District				
Pro Forma Expenses				
	Total Operating Expenses			1,231,078
	Total Other Expenses			258,310
	Average Annual Principal and Interest Payments			176,931
	Debt Service Coverage			35,386
	Total Revenue Requirement			1,701,706
Exclusions from Revenue Requirement				
	Forfeited Discounts			46,862
	Miscellaneous			184,493
	Rents from water property			1,200
	Total Other Income			20,238
	Total Exclusions from Revenue Requirement			252,793
	Revenue Required From Sales of Water			1,448,913
Less:	Revenue from Sales with Present Rates			1,588,633
	Required Revenue Increase			(139,720)
	Overall Percent Increase			0.00%

Table A

Farmdale Water District Water Loss Adjustment

Produced		
Purchased		265,039
Total Produced and Purchased		265,039
Sold		152,519
Uses:		
WTP	-	
Flushing	267	
Fire	107	
Other	315	
Total Other Water Used		689
Losses:		
Tank Overflows	-	
Line Breaks	10,735	
Line Leaks	34,734	
Unknown	66,362	
Total Losses:		111,831
Sold, Used, and Lost		265,039

42.19%	water loss percentage
15.00%	allowable in rates
27.19%	adjustment percentage

Costs Subject to Water Loss Adjustment		Adjustment
Purchased Water	\$ 762,868	\$(207,455.60)
Purchased Power	\$ 23,980	\$ (6,521.16)
Chemicals	\$ -	\$ -
Total	\$ 786,848	\$(213,976.76)

Computation of Water Loss Surcharge

Total Adjustment	\$ 213,976.76
/ Number of Bills	32,994
Monthly Surcharge Amount if Rate Increase > 0	\$ 6.49
Monthly Surcharge Amount if Rate Increase < or = 0	\$ -

Table B
DEBT SERVICE SCHEDULE
 Farmdale Water District
 FY 2025 - 2029

	2025		2026		2027		2028		2029		TOTALS
	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	
USDA Loan 2016	31,500	49,203	32,500	48,188	34,000	47,125	35,500	46,016	37,000	44,859	405,891
USDA Loan 2025	38,000	58,377	38,000	57,475	39,000	56,572	40,000	55,646	41,000	54,696	478,766
Total	69,500	107,580	70,500	105,663	73,000	103,697	75,500	101,662	78,000	99,555	884,657
	Average Annual Principal & Interest										\$ 176,931
	Average Annual Coverage										\$ 35,386

Table C
Depreciation Expense
Farmdale Water District

	Existing Depreciation Expense		\$ 143,906
	A/C Line Replacement Project	\$ 2,458,000	
	Project Life in Years	62.5	
	Additional Depreciation Expense		\$ 39,328
	Total Depreciation Expense		\$ 183,234

TABLE D
CURRENT AND PROPOSED RATES
Farmdale Water District

5/8 x 3/4 inch meter tap

<u>Monthly Charge</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
First 2,000 Gallons (Minimum Bill)	\$ 23.93	\$ 23.93	\$ -	0.00%
Next 8,000 gallons per thousand gallons	\$ 8.66	\$ 8.66	\$ -	0.00%
Next 140,000 gallons per thousand gallons	\$ 7.67	\$ 7.67	\$ -	0.00%
Over 150,000 gallons per thousand gallons	\$ 6.68	\$ 6.68	\$ -	0.00%

1" meter Tap

<u>Monthly Charge</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
First 5,000 Gallons (Minimum Bill)	\$ 49.90	\$ 49.90	\$ -	0.00%
Next 5,000 gallons per thousand gallons	\$ 8.66	\$ 8.66	\$ -	0.00%
Next 140,000 gallons per thousand gallons	\$ 7.67	\$ 7.67	\$ -	0.00%
Over 150,000 gallons per thousand gallons	\$ 6.68	\$ 6.68	\$ -	0.00%

4" meter tap

<u>Monthly Charge</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
First 50,000 Gallons (Minimum Bill)	\$ 400.01	\$ 400.01	\$ -	0.00%
Next 50,000 gallons per thousand gallons	\$ 7.67	\$ 7.67	\$ -	0.00%
Next 50,000 gallons per thousand gallons	\$ 7.67	\$ 7.67	\$ -	0.00%
Over 150,000 gallons per thousand gallons	\$ 6.68	\$ 6.68	\$ -	0.00%

Monthly Water Loss Reduction Surcharge

<u>Monthly Charge</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
Per Customer	\$ -	\$ -	\$ -	0.00%

TABLE E
CURRENT AND PROPOSED BILLS
Farmdale Water District

5/8 x 3/4 inch meter tap

Gallons per Month	Existing	Proposed	Change	Percentage
	Bill	Bill		
-	\$ 23.93	\$ 23.93	\$ -	0.00%
2,000	\$ 23.93	\$ 23.93	-	0.00%
4,000	\$ 41.25	\$ 41.25	-	0.00%
6,000	\$ 58.57	\$ 58.57	-	0.00%
8,000	\$ 75.89	\$ 75.89	-	0.00%
10,000	\$ 93.21	\$ 93.21	-	0.00%
15,000	\$ 131.56	\$ 131.56	-	0.00%
20,000	\$ 169.91	\$ 169.91	-	0.00%
25,000	\$ 208.26	\$ 208.26	-	0.00%
30,000	\$ 246.61	\$ 246.61	-	0.00%
40,000	\$ 323.31	\$ 323.31	-	0.00%
50,000	\$ 400.01	\$ 400.01	-	0.00%
75,000	\$ 591.76	\$ 591.76	-	0.00%
100,000	\$ 783.51	\$ 783.51	-	0.00%
200,000	\$ 1,501.01	\$ 1,501.01	-	0.00%
500,000	\$ 3,505.01	\$ 3,505.01	-	0.00%

1" meter Tap

Gallons per Month	Existing	Proposed	Change	Percentage
	Bill	Bill		
-	\$ 49.90	\$ 49.90	\$ -	0.00%
2,000	\$ 49.90	\$ 49.90	-	0.00%
4,000	\$ 49.90	\$ 49.90	-	0.00%
6,000	\$ 58.56	\$ 58.56	-	0.00%
8,000	\$ 75.88	\$ 75.88	-	0.00%
10,000	\$ 93.20	\$ 93.20	-	0.00%
15,000	\$ 131.55	\$ 131.55	-	0.00%
20,000	\$ 169.90	\$ 169.90	-	0.00%
25,000	\$ 208.25	\$ 208.25	-	0.00%
30,000	\$ 246.60	\$ 246.60	-	0.00%
40,000	\$ 323.30	\$ 323.30	-	0.00%
50,000	\$ 400.00	\$ 400.00	-	0.00%
75,000	\$ 591.75	\$ 591.75	-	0.00%
100,000	\$ 783.50	\$ 783.50	-	0.00%
200,000	\$ 1,501.00	\$ 1,501.00	-	0.00%
500,000	\$ 3,505.00	\$ 3,505.00	-	0.00%

4" meter tap

Gallons per Month	Existing	Proposed	Change	Percentage
	Bill	Bill		
-	\$ 400.01	\$ 400.01	\$ -	0.00%
2,000	\$ 400.01	\$ 400.01	-	0.00%
4,000	\$ 400.01	\$ 400.01	-	0.00%
6,000	\$ 400.01	\$ 400.01	-	0.00%
8,000	\$ 400.01	\$ 400.01	-	0.00%
10,000	\$ 400.01	\$ 400.01	-	0.00%
15,000	\$ 400.01	\$ 400.01	-	0.00%
20,000	\$ 400.01	\$ 400.01	-	0.00%
25,000	\$ 400.01	\$ 400.01	-	0.00%
30,000	\$ 400.01	\$ 400.01	-	0.00%
40,000	\$ 400.01	\$ 400.01	-	0.00%
50,000	\$ 400.01	\$ 400.01	-	0.00%
75,000	\$ 591.76	\$ 591.76	-	0.00%
100,000	\$ 783.51	\$ 783.51	-	0.00%
200,000	\$ 1,869.17	\$ 1,869.17	-	0.00%
500,000	\$ 3,873.17	\$ 3,873.17	-	0.00%

Table F
Billing Analysis With 2023 Usage and Existing Rates
Farmdale Water District

COMPONENT	BILLS	GALLONS	REVENUE						
Total Sales	32,994	155,108,400	\$ 1,588,633						
Less Adjustments			\$ -						
Total			\$ 1,588,633						
Annual Report			\$ 1,324,370						
Difference			\$ 264,263	Adjustment to SAO Billed Revenues					
			19.95%						
01 Residential 3/4				First	Next	Next	Over		
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	2,000	8,000	140,000	150,000	Total	
First	2,000	9,049	10,959,700	10,959,700	-	-	-	10,959,700	
Next	8,000	20,441	83,430,300	40,882,000	42,548,300	-	-	83,430,300	
Next	140,000	1,008	17,650,500	2,016,000	8,064,000	7,570,500	-	17,650,500	
Over	150,000	6	1,939,500	12,000	48,000	840,000	1,039,500	1,939,500	
		30,504	113,980,000	53,869,700	50,660,300	8,410,500	1,039,500	113,980,000	
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE				
First	2,000	30,504	53,869,700	\$ 23.93	\$ 729,961				
Next	8,000		50,660,300	\$ 8.66	\$ 438,718				
Next	140,000		8,410,500	\$ 7.67	\$ 64,509				
Over	150,000		1,039,500	\$ 6.68	\$ 6,944				
		30,504	113,980,000		\$ 1,240,131				
02 Residential 1"				First	Next	Next	Over		
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	5,000	5,000	140,000	150,000	Total	
First	5,000	321	717,000	717,000	-	-	-	717,000	
Next	5,000	153	1,095,200	765,000	330,200	-	-	1,095,200	
Next	140,000	126	2,851,900	630,000	630,000	1,591,900	-	2,851,900	
Over	150,000		-	-	-	-	-	-	
		600	4,664,100	2,112,000	960,200	1,591,900	-	4,664,100	
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE				
First	5,000	600	2,112,000	\$ 49.90	\$ 29,940				
Next	5,000		960,200	\$ 8.66	\$ 8,315				
Next	140,000		1,591,900	\$ 7.67	\$ 12,210				
Over	150,000		-	\$ 6.68	\$ -				
		600	4,664,100		\$ 50,465				
11 Res 3/4 w/trailer				First	Next	Next	Over		
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	4,000	8,000	140,000	152,000	Total	
First	4,000	2	7,800	7,800	-	-	-	7,800	
Next	8,000	45	313,600	180,000	133,600	-	-	313,600	
Next	140,000	1	13,200	4,000	8,000	1,200	-	13,200	
Over	152,000		-	-	-	-	-	-	
		48	334,600	191,800	141,600	1,200	-	334,600	
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE				
First	4,000	48	191,800	\$ 47.86	\$ 2,297				
Next	8,000		141,600	\$ 8.66	\$ 1,226				
Next	140,000		1,200	\$ 7.67	\$ 9				
Over	152,000		-	\$ 6.68	\$ -				
		48	334,600		\$ 3,533				
12 Res 1" w/1 trailer				First	Next	Next	Over		
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	10,000	5,000	140,000	155,000	Total	
First	10,000	10	53,700	53,700	-	-	-	53,700	
Next	5,000	11	133,400	110,000	23,400	-	-	133,400	
Next	140,000	3	61,800	30,000	15,000	16,800	-	61,800	
Over	155,000		-	-	-	-	-	-	
		24	248,900	193,700	38,400	16,800	-	248,900	
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE				
First	10,000	24	193,700	\$ 99.80	\$ 2,002				
Next	5,000		38,400	\$ 8.66	\$ 333				
Next	140,000		16,800	\$ 7.67	\$ 129				
Over	155,000		-	\$ 6.68	\$ -				
		24	248,900		\$ 2,463				

13 Res 3/4" w/2 trailers				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	6,000	8,000	140,000	154,000	Total
First	6,000	11	2,400	2,400	-	-	-	2,400
Next	8,000	13	133,100	78,000	55,100	-	-	133,100
Next	140,000	-	-	-	-	-	-	-
Over	154,000	-	-	-	-	-	-	-
		24	135,500	80,400	55,100	-	-	135,500
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	6,000	24	80,400	\$ 71.79	\$ 1,418			
Next	8,000		55,100	\$ 8.66	\$ 477			
Next	140,000		-	\$ 7.67	\$ -			
Over	154,000		-	\$ 6.68	\$ -			
		24	135,500		\$ 1,895			
21 Comm 3/4"				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	2,000	8,000	140,000	154,000	Total
First	2,000	1,006	525,400	525,400	-	-	-	525,400
Next	8,000	357	1,583,700	714,000	869,700	-	-	1,583,700
Next	140,000	105	2,418,400	210,000	840,000	1,368,400	-	2,418,400
Over	154,000	2	1,466,300	4,000	16,000	280,000	1,166,300	1,466,300
		1,470	5,993,800	1,453,400	1,725,700	1,648,400	1,166,300	5,993,800
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	2,000	1,470	1,453,400	\$ 23.93	\$ 35,177			
Next	8,000		1,725,700	\$ 8.66	\$ 14,945			
Next	140,000		1,648,400	\$ 7.67	\$ 12,643			
Over	154,000		1,166,300	\$ 6.68	\$ 7,791			
		1,470	5,993,800		\$ 70,556			
22 Comm 1"				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	5,000	5,000	140,000	150,000	Total
First	5,000	101	158,600	158,600	-	-	-	158,600
Next	5,000	39	282,300	195,000	87,300	-	-	282,300
Next	140,000	121	4,529,300	605,000	605,000	3,319,300	-	4,529,300
Over	150,000	11	2,740,200	55,000	55,000	1,540,000	1,090,200	2,740,200
		272	7,710,400	1,013,600	747,300	4,859,300	1,090,200	7,710,400
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	5,000	272	1,013,600	\$ 49.90	\$ 13,573			
Next	5,000		747,300	\$ 8.66	\$ 6,472			
Next	140,000		4,859,300	\$ 7.67	\$ 37,271			
Over	150,000		1,090,200	\$ 6.68	\$ 7,283			
		272	7,710,400		\$ 64,598			
23 Stewart Home				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	50,000	50,000	50,000	150,000	Total
First	50,000	19	515,500	515,500	-	-	-	515,500
Next	50,000	5	337,000	250,000	87,000	-	-	337,000
Next	50,000	-	-	-	-	-	-	-
Over	150,000	16	21,085,500	800,000	800,000	800,000	18,685,500	21,085,500
		40	21,938,000	1,565,500	887,000	800,000	18,685,500	21,938,000
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	50,000	40	1,565,500	\$ 400.01	\$ 16,000			
Next	50,000		887,000	\$ 7.67	\$ 6,803			
Next	50,000		800,000	\$ 7.67	\$ 6,136			
Next	150,000		18,685,500	\$ 6.68	\$ 124,819			
		40	21,938,000		\$ 153,759			
34 Four Apts				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	8,000	8,000	140,000	156,000	Total
First	8,000	5	37,400	37,400	-	-	-	37,400
Next	8,000	7	65,700	56,000	9,700	-	-	65,700
Next	140,000	-	-	-	-	-	-	-
Over	156,000	-	-	-	-	-	-	-
		12	103,100	93,400	9,700	-	-	103,100
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	8,000	12	93,400	\$ 95.72	\$ 1,149			
Next	8,000		9,700	\$ 8.66	\$ 84			
Next	140,000		-	\$ 7.67	\$ -			
Next	156,000		-	\$ 6.68	\$ -			
		12	103,100		\$ 1,233			

Table G
Billing Analysis With 2023 Usage and Proposed Rates
Farmdale Water District

COMPONENT	BILLS	GALLONS	REVENUE	
Total Sales	32,994	155,108,400	\$ 1,588,633	
Less Adjustments			\$ -	
Total			\$ 1,588,633	
Revenue Requirement			\$ 1,588,633	
Difference			\$ -	Adjustment to SAO Billed Revenues
			0.00%	

01 Residential 3/4

CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	First 2,000	Next 8,000	Next 140,000	Over 150,000	Total
First	2,000	9,049	10,959,700	10,959,700	-	-	-	10,959,700
Next	8,000	20,441	83,430,300	40,882,000	42,548,300	-	-	83,430,300
Next	140,000	1,008	17,650,500	2,016,000	8,064,000	7,570,500	-	17,650,500
Over	150,000	6	1,939,500	12,000	48,000	840,000	1,039,500	1,939,500
		30,504	113,980,000	53,869,700	50,660,300	8,410,500	1,039,500	113,980,000

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
First	2,000	30,504	53,869,700	\$ 23.93	\$ 729,961
Next	8,000		50,660,300	\$ 8.66	\$ 438,718
Next	140,000		8,410,500	\$ 7.67	\$ 64,509
Over	150,000		1,039,500	\$ 6.68	\$ 6,944
		30,504	113,980,000		\$ 1,240,131

02 Residential 1"

CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	First 5,000	Next 5,000	Next 140,000	Over 150,000	Total
First	5,000	321	717,000	717,000	-	-	-	717,000
Next	5,000	153	1,095,200	765,000	330,200	-	-	1,095,200
Next	140,000	126	2,851,900	630,000	630,000	1,591,900	-	2,851,900
Over	150,000		-	-	-	-	-	-
		600	4,664,100	2,112,000	960,200	1,591,900	-	4,664,100

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
First	5,000	600	2,112,000	\$ 49.90	\$ 29,940
Next	5,000		960,200	\$ 8.66	\$ 8,315
Next	140,000		1,591,900	\$ 7.67	\$ 12,210
Over	150,000		-	\$ 6.68	\$ -
		600	4,664,100		\$ 50,465

11 Res 3/4 w/trailer

CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	First 4,000	Next 8,000	Next 140,000	Over 152,000	Total
First	4,000	2	7,800	7,800	-	-	-	7,800
Next	8,000	45	313,600	180,000	133,600	-	-	313,600
Next	140,000	1	13,200	4,000	8,000	1,200	-	13,200
Over	152,000		-	-	-	-	-	-
		48	334,600	191,800	141,600	1,200	-	334,600

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
First	4,000	48	191,800	\$ 47.86	\$ 2,297
Next	8,000		141,600	\$ 8.66	\$ 1,226
Next	140,000		1,200	\$ 7.67	\$ 9
Over	152,000		-	\$ 6.68	\$ -
		48	334,600		\$ 3,533

12 Res 1" w/1 trailer

CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	First 10,000	Next 5,000	Next 140,000	Over 155,000	Total
First	10,000	10	53,700	53,700	-	-	-	53,700
Next	5,000	11	133,400	110,000	23,400	-	-	133,400
Next	140,000	3	61,800	30,000	15,000	16,800	-	61,800
Over	155,000		-	-	-	-	-	-
		24	248,900	193,700	38,400	16,800	-	248,900

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
First	10,000	24	193,700	\$ 99.80	\$ 2,002
Next	5,000		38,400	\$ 8.66	\$ 333
Next	140,000		16,800	\$ 7.67	\$ 129
Over	155,000		-	\$ 6.68	\$ -
		24	248,900		\$ 2,463

13 Res 3/4" w/2 trailers				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	6,000	8,000	140,000	154,000	Total
First	6,000	11	2,400	2,400	-	-	-	2,400
Next	8,000	13	133,100	78,000	55,100	-	-	133,100
Next	140,000	-	-	-	-	-	-	-
Over	154,000	-	-	-	-	-	-	-
		24	135,500	80,400	55,100	-	-	135,500
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	6,000	24	80,400	\$ 71.79	\$ 1,418			
Next	8,000		55,100	\$ 8.66	\$ 477			
Next	140,000		-	\$ 7.67	\$ -			
Over	154,000		-	\$ 6.68	\$ -			
		24	135,500		\$ 1,895			
21 Comm 3/4"				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	2,000	8,000	140,000	154,000	Total
First	2,000	1,006	525,400	525,400	-	-	-	525,400
Next	8,000	357	1,583,700	714,000	869,700	-	-	1,583,700
Next	140,000	105	2,418,400	210,000	840,000	1,368,400	-	2,418,400
Over	154,000	2	1,466,300	4,000	16,000	280,000	1,166,300	1,466,300
		1,470	5,993,800	1,453,400	1,725,700	1,648,400	1,166,300	5,993,800
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	2,000	1,470	1,453,400	\$ 23.93	\$ 35,177			
Next	8,000		1,725,700	\$ 8.66	\$ 14,945			
Next	140,000		1,648,400	\$ 7.67	\$ 12,643			
Over	154,000		1,166,300	\$ 6.68	\$ 7,791			
		1,470	5,993,800		\$ 70,556			
22 Comm 1"				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	5,000	5,000	140,000	150,000	Total
First	5,000	101	158,600	158,600	-	-	-	158,600
Next	5,000	39	282,300	195,000	87,300	-	-	282,300
Next	140,000	121	4,529,300	605,000	605,000	3,319,300	-	4,529,300
Over	150,000	11	2,740,200	55,000	55,000	1,540,000	1,090,200	2,740,200
		272	7,710,400	1,013,600	747,300	4,859,300	1,090,200	7,710,400
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	5,000	272	1,013,600	\$ 49.90	\$ 13,573			
Next	5,000		747,300	\$ 8.66	\$ 6,472			
Next	140,000		4,859,300	\$ 7.67	\$ 37,271			
Over	150,000		1,090,200	\$ 6.68	\$ 7,283			
		272	7,710,400		\$ 64,598			
23 Stewart Home				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	50,000	50,000	50,000	150,000	Total
First	50,000	19	515,500	515,500	-	-	-	515,500
Next	50,000	5	337,000	250,000	87,000	-	-	337,000
Next	50,000	-	-	-	-	-	-	-
Over	150,000	16	21,085,500	800,000	800,000	800,000	18,685,500	21,085,500
		40	21,938,000	1,565,500	887,000	800,000	18,685,500	21,938,000
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	50,000	40	1,565,500	\$ 400.01	\$ 16,000			
Next	50,000		887,000	\$ 7.67	\$ 6,803			
Next	50,000		800,000	\$ 7.67	\$ 6,136			
Next	150,000		18,685,500	\$ 6.68	\$ 124,819			
		40	21,938,000		\$ 153,759			
34 Four Apts				First	Next	Next	Over	
CONSUMPTION BY RATE INCREMENT	USAGE	BILLS	GALLONS	8,000	8,000	140,000	156,000	Total
First	8,000	5	37,400	37,400	-	-	-	37,400
Next	8,000	7	65,700	56,000	9,700	-	-	65,700
Next	140,000	-	-	-	-	-	-	-
Over	156,000	-	-	-	-	-	-	-
		12	103,100	93,400	9,700	-	-	103,100
REVENUE BY RATE INCREMENT	USAGE	BILLS	GALLONS	RATE	REVENUE			
First	8,000	12	93,400	\$ 95.72	\$ 1,149			
Next	8,000		9,700	\$ 8.66	\$ 84			
Next	140,000		-	\$ 7.67	\$ -			
Next	156,000		-	\$ 6.68	\$ -			
		12	103,100		\$ 1,233			

Attachment 2-9c
KRWA Agreement to Perform
Water Rate Study and
ARF

Tina Frederick

From: Damon R. Talley
Sent: Sunday, October 6, 2024 4:20 PM
To: 'Robert Miller'
Cc: Tina Frederick
Subject: RE: Farmdale Water District

Bob,

This is very satisfactory! I am sure that Farmdale will be delighted.

I suggest that you send a similar email to Farmdale on Monday. Also, Farmdale is expecting an invoice for the Phase 1 work. I assume that you will either prepare the invoice or have the appropriate person at KRWA to send the invoice to Farmdale. Please email the invoice to Farmdale and copy me.

Thanks for all your extra efforts to get the Rate Checkup Report accurate even though Farmdale and I kept providing the information to you in a piece-meal fashion which caused more work for Deron and you.

Damon

Damon R. Talley <i>Attorney</i>	Direct: 270.358.3187 City: Hodgenville
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From: Robert Miller <bob.miller@straightlineky.com>
Sent: Saturday, October 5, 2024 5:16 PM
To: Damon R. Talley <Damon.Talley@skofirm.com>
Cc: Tina Frederick <tina.frederick@skofirm.com>
Subject: Re: Farmdale Water District

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon, Damon.

KRWA is willing to complete the work identified in item #2 in your email below within the existing signed proposal as this is consistent with the scope of work identified as Phase 2 of the proposal.

If that is acceptable to Farmdale Water District, then no new proposal is needed, unless you determine otherwise.

Bob

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-10

Responding Witness: Randall S. Wooldridge

Q 2-10. Electric and Water Plant Board of the city of Frankfort, Kentucky (Frankfort Plant Board) was granted intervention on November 26, 2024. Provide any written communication the district has had with the Frankfort Plant Board since the November date.

A 2-10. Farmdale District's board and management has had frequent in-person and telephone communication with the staff of Frankfort Plant Board since November 26, 2024. This communication culminated in the execution of the Mutual Aid Agreement and Assistance Agreement, which were filed into the record of this proceeding on December 17, 2024. Frankfort Plant Board assisted Farmdale District in repairing a significant leak in its system on November 30, 2024, and a great deal of telephone and in-person communication was involved with that event. However, Farmdale District and Frankfort Plant Board have not engaged in actual written communication during this time.

FARMDALE WATER DISTRICT

Case No. 2024-00202

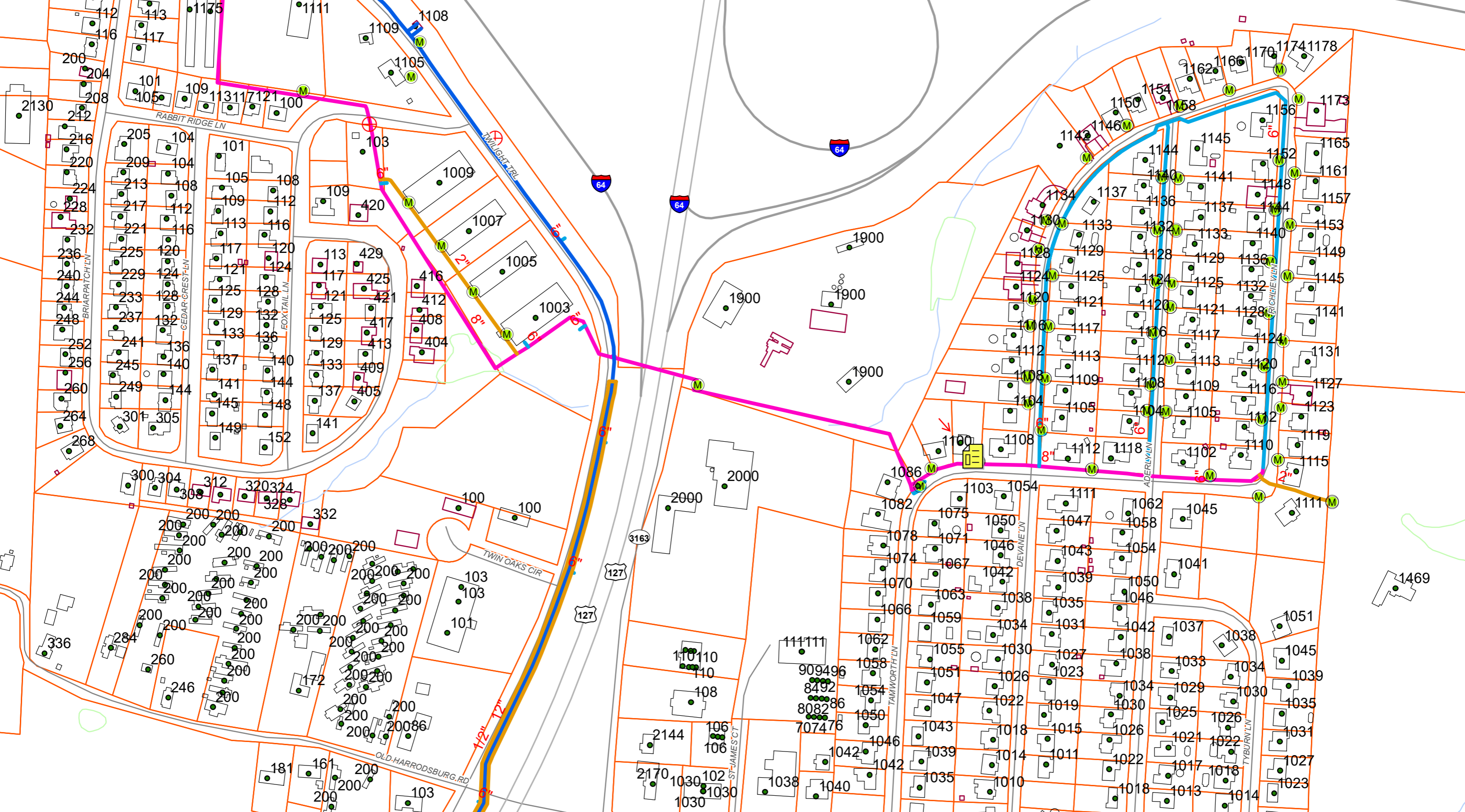
Response to Commission Staff's First Request for Information

Question No. 2-11

Responding Witness: Randall S. Wooldridge

Q 2-11. Provide a map with the location of the Frankfort Plant Board's nearest customer to Farmdale District's territory.

A 2-11. Farmdale District consulted with Frankfort Plant Board before attempting to provide a response to this question. After looking at maps and studying the locations of customers, it appears that the Frankfort Plant Board customer closest to Farmdale District is 1100 Tamworth Lane. There are several Frankfort Plant Board customers in this general vicinity, but the closest appears to be 1100 Tamworth Lane. The map on the following page shows the location of 1100 Tamworth Lane. The area above the 8-inch water line depicted by the hot pink line on the map shows locations of Frankfort Plant Board Meters in this area. They are marked with green dots with the letter "M" in the middle. The area below the hot pink line is part of Farmdale District's service area. There is a red arrow and a note marking the location of 1100 Tamworth Lane.



FARMDALE WATER DISTRICT

Case No. 2024-00202

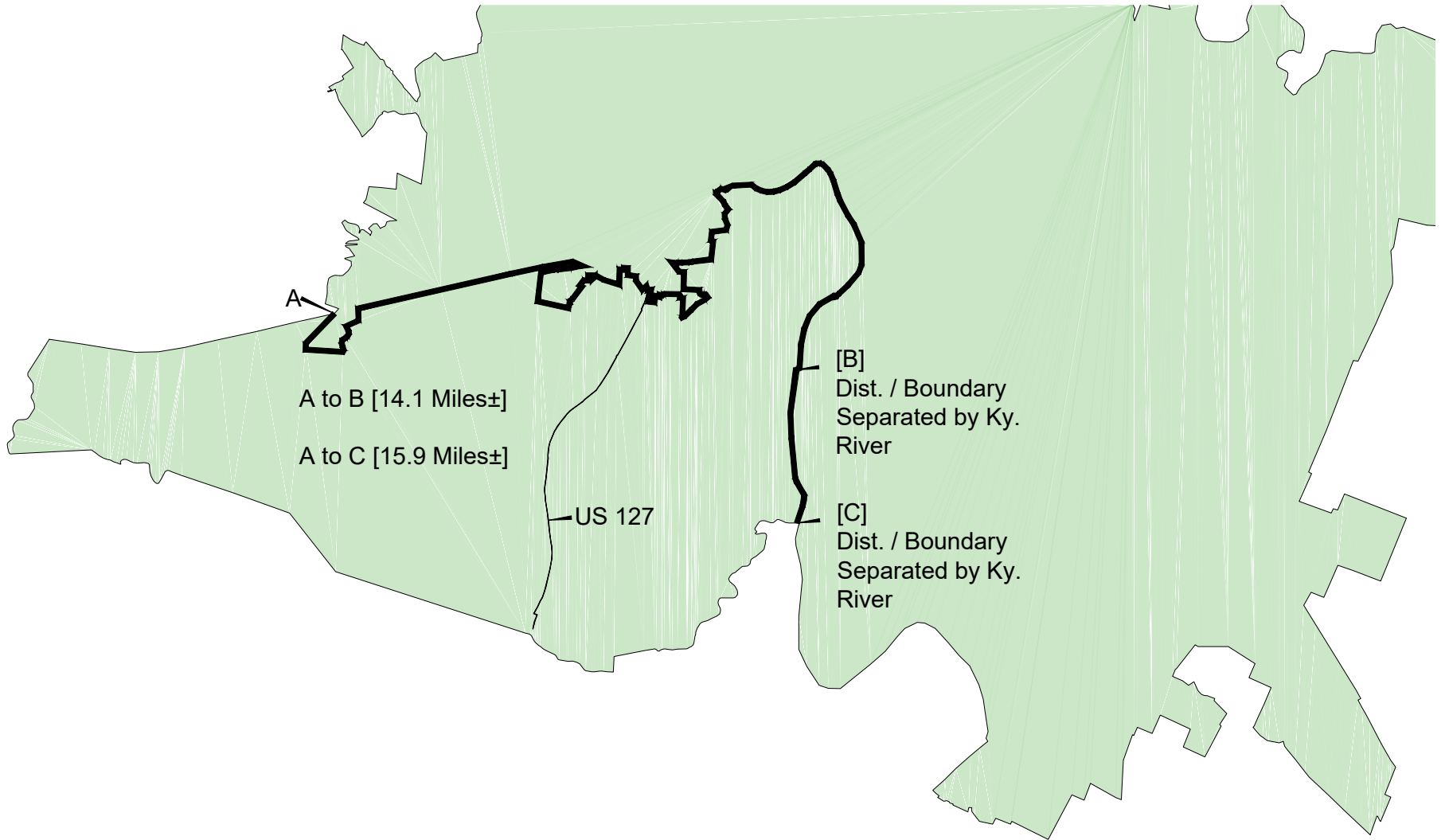
Response to Commission Staff's First Request for Information

Question No. 2-12

Responding Witness: Randall S. Wooldridge

Q 2-12. Provide the total distance in miles of the contiguous Frankfort Plant Board and Farmdale District territorial boundary.

A 2-12. The total distance in miles of the Frankfort Plant Board and Farmdale District's territorial boundary is approximately 15.9 miles. Of this distance approximately 1.8 miles of the boundary is the Kentucky River. A map depicting the boundary appears on the following page.



A

A to B [14.1 Miles±]

A to C [15.9 Miles±]

US 127

[B]
Dist. / Boundary
Separated by Ky.
River

[C]
Dist. / Boundary
Separated by Ky.
River

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-13

Responding Witness: Randall S. Wooldridge

Q 2-13. Provide a list of miles of pipe, type of pipe, age of pipe, and remaining useful life of pipe currently serviced by Farmdale District.

A 2-13. According to the best source of data available, which is the map of Farmdale District's service area developed in 2022 and 2023 with the assistance of Kentucky Rural Water Association, Farmdale District's distribution system contains approximately 79.14 miles of pipe. The majority of the pipe (68.44 miles) in Farmdale District's system is polyvinyl chloride ("PVC") pipe and most of it was installed in the mid-1970's. Most engineers consider PVC pipe to have a useful life of at least 75 years. Farmdale District is aware of the Commission's policy of adopting the National Association of Regulatory Utility Commissioners ("NARUC") depreciation practices for small water utilities, which indicate that all water supply mains, regardless of material composition, have an average useful service life of 50-75 years. The mid-point of the NARUC useful life range for water mains is 62.5 years. Farmdale District's PVC water lines have not reached the end of their (NARUC mid-point) useful lives. The oldest

PVC pipe in Farmdale's system has over 11 years of useful life remaining, if the NARUC mid-point of 62.5 years is used. The vast majority of Farmdale District's PVC pipe has approximately 24 years of useful life remaining if 75 years is considered as the useful life.

Farmdale District is currently replacing approximately half of the 9.72 miles of asbestos cement ("AC") pipe in its system with PVC pipe and is seeking funding to replace the other half. The AC pipe is the oldest pipe in Farmdale's system. It was installed in the late 1960's. Farmdale District is replacing its AC pipe not just because it is older and is approaching the end of its useful life, but because it is believed that the AC pipe is contributing to high unaccounted-for water loss. AC pipe is known to become brittle and susceptible to leaking as it ages. Filed separately as **Exhibit 2-13** is an Excel spreadsheet containing the known information for every pipe segment in Farmdale District's system and a breakdown of pipe by diameter, pipe material, age and distance in feet.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-14

Responding Witness: Randall S. Wooldridge

Q 2-14. Provide the location and hours of the current Farmdale District business office.

A 2-14. Farmdale District's office is located at 100 Highwood Drive, Frankfort Kentucky. The office is open Monday through Friday, 8:00 am until 4:30 pm, excluding holidays. The office is closed for lunch from 12:00 pm to 1 pm each day.

FARMDALE WATER DISTRICT

Case No. 2024-00202

Response to Commission Staff's First Request for Information

Question No. 2-15

Responding Witness: Randall S. Wooldridge

Q 2-15. Refer to Farmdale District's response to Staff's First Request, Item 3, Attachment 3. Update the Attachment to include any area served by Kentucky-American Water Company (Kentucky-American) in Franklin County, Kentucky. If there is not an area served by Kentucky-American in Franklin county, identify the closest area to the district served by Kentucky-American.

A 2-15. Peaks Mill Water District is a wholesale customer of Kentucky-American.

Farmdale Water District is not aware that Kentucky-American provides any retail water service in Franklin county. Farmdale District is under the belief that the closest Kentucky-American retail water service customers to Farmdale District are in Owen county. Kentucky-American provides retail water service to the city of Owenton, Kentucky ("Owenton").

The distance between Farmdale District and Owenton is approximately 40 miles. It takes approximately 50 to 60 minutes to travel this distance along U.S. Highway 127, depending upon the traffic. This route goes through the service territory of the Frankfort Plant Board and Peaks Mill Water District.