

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)	CASE NO. 2024-00202
WITH A PROXIMATE UTILITY)	
PURSUANT TO KRS 74.361 OR)	
ABANDONMENT PURSUANT TO)	
KRS 278.020(6) AND KRS 278.021)	

DIRECT TESTIMONY
OF
RANDALL S. (SCOTTIE) WOOLDRIDGE, CHAIRMAN
FARMDALE WATER DISTRICT

Filed: February 18, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FRANKLIN)

The undersigned, Randall S. Wooldridge., being duly sworn, deposes and states: that he is Chairman of the Board of Commissioners for the Farmdale Water District in Frankfort, Kentucky; that he has personal knowledge of the matters set forth in the foregoing testimony; and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Randall S. Wooldridge
Randall S. Wooldridge

Subscribed, sworn to, and acknowledged before me, a Notary Public in and
for said County and State, this 18th day of February 2025.

Janice K. Sanders
Notary Public

Commission Number: KYNP62966

My Commission Expires:

12-14-26

Introduction

Q. Please state your name, position with Farmdale Water District, and business address.

A. My name is Randall Scott Wooldridge, but I am known primarily as “Scottie” Wooldridge. I am the Chairman of the Board of Commissioners at Farmdale Water District. My business address is 100 Highwood Drive, Frankfort, Kentucky 40601. In my testimony I will refer to Farmdale Water District as “Farmdale District” or the “District.”

Q. How long have you been Chairman of the Board?

A. I have been on the Board nearly four years.

Q. When were you first appointed to Farmdale’s Water District’s Board?

A. I was appointed in May of 2021.

Q. Please describe your vocational background.

A. In my testimony I will refer to my former employer, the Water Division of the Electric and Water Plant Board of Frankfort, Kentucky, as the “Plant Board.” I was hired at the Plant Board in 1990 to work in the Water Division as a field crew member. Prior to coming to the Plant Board, I farmed and did construction work. In my early years with the Plant Board, I installed meters, smaller distribution lines, and service lines. I also investigated customer complaints and located water lines. I enjoyed the work at the Plant Board and

1 advanced my way up to working on larger construction projects. Eventually,
2 I became foreman of the construction crew that was responsible for installing
3 all lines over two inches in diameter. In this position, I worked hands-on, but
4 was also responsible for maintaining a budget, planning the work of others,
5 and supervising and inspecting the work of employees. I worked for the Plant
6 Board for 28 years, the last 10 years or so as foreman of the larger-line
7 construction crew.

8 **Q. Describe how your experience working for the Water Division at the**
9 **Electric and Water Plant Board of the City of Frankfort, Kentucky has**
10 **impacted your service as Chairman of the Board at Farmdale.**

11 A. I spent 28 years working in every aspect of the water business. I understand
12 the challenges involved with chasing leaks in the system and the importance
13 of properly maintaining water storage tanks and other infrastructure. I also
14 understand what tools and equipment are needed to effectively address leaks
15 and make repairs to the system. Following my retirement, I maintained
16 relationships with many individuals at the Plant Board. On behalf of Farmdale
17 District, I have sought the Plant Board's assistance with meter testing and have
18 asked for use of certain equipment that the Plant Board owns, and Farmdale
19 needs from time-to-time, but that it is not financially feasible for Farmdale
20 District to purchase, such as a vac truck. These relationships with individuals

1 at the Plant Board and viewing the relationship between Farmdale District and
2 the Plant Board as something greater than the relationship of a wholesale
3 water customer to its provider is something that I bring to my role as Chairman
4 of Farmdale District's Board of Commissioners.

5 **Purpose of Testimony**

6 **Q. What is the purpose of your Written Testimony?**

7 A. The purpose of my testimony is two-fold, first, I will describe to the
8 Commission how Farmdale District's Board has responded to the
9 Commission's opening of Case No. 2024-00202 to investigate the possibility
10 of merging Farmdale District with another utility or declaring that Farmdale
11 District has been abandoned. Second, I will provide information to support
12 Sharmista Dutta, P.E.'s testimony wherein she stated that the Plant Board is
13 the best partner to assist Farmdale in improving its financial and operational
14 position.

15 **Farmdale District's Response to Investigation**

16 **Q. What was Farmdale District's response to the Commission opening an**
17 **investigation into the possibility of merging Farmdale District with**
18 **another utility or considering Farmdale District to be effectively**
19 **abandoned.**

1 A. We were generally shocked that the Commission would consider finding that
2 Farmdale District has been abandoned. Nothing could be further from the
3 truth. Farmdale District's office has always been open to serve customers. The
4 District has even hired additional office staff to ensure that customer wait
5 times do not get out of hand and that there is sufficient staff to keep up with
6 the business needs of the District. Farmdale District has experienced turn-
7 over in its field staff, but it has never been without field employees to perform
8 necessary tasks. The Field Manager has been in his position for roughly a
9 year and a half and he has been able to stabilize the field staff turn-over. The
10 District has two full-time field employees besides the Field Manager and those
11 employees have demonstrated the ability to learn and perform their job duties
12 well.

13 In addition to the efforts of the employees, the three individuals
14 currently serving on the Board all devote considerable time and effort on
15 behalf of Farmdale District. We maintain a regular schedule of Board
16 meetings and review the District's finances, water loss, and operational needs.
17 In addition to that all three of us have assisted our employees with repairing
18 line breaks. Our Board Secretary, Jonathan Dailey, is actively working with a
19 representative from the Bluegrass Area Development District to identify grant
20 writing opportunities for the District.

1 Farmdale Water District has not been abandoned. Admittedly, we have
2 felt a bit over our heads at times. However, now that Chris Ralph is serving
3 as Field Manager, our AC line replacement project is underway, and we have
4 obtained the Commission's approval to use the Surcharge Funds to replace
5 our aging meters, I believe all the Board members have gained confidence and
6 are ready to move forward. We have not abandoned Farmdale District.

7 **Q. What are your thoughts concerning Farmdale District merging with**
8 **another utility?**

9 A. I believe merger with another utility would be advisable if Farmdale District
10 was not capable of paying its bills and continuing to provide its customers
11 with safe, clean, water in adequate amounts. In that circumstance, I believe it
12 would be wise for Farmdale District to merge with a larger utility that has
13 more resources than Farmdale District. I do not believe it would be in the best
14 interest of Farmdale District's current customers for Farmdale District to
15 merge with a utility that has even more limited resources than Farmdale
16 District. If I believed that Farmdale District was on a path leading to
17 insolvency or failure of the District's water system, I would have advocated
18 merger with a larger, better-financed utility long before the Commission
19 opened this investigation. I do not believe, however, that Farmdale District is
20 on a path leading to insolvency or system failure.

1 I believe that for a very long time the decisions concerning Farmdale
2 District's operations were made by one person, a former Chairman of the
3 Board, and when that person passed away, it took considerable time for the
4 Board and the District's management to "find its feet." This situation was
5 made worse by some actions of the District's former manager. These
6 situations have been resolved. The manager has been replaced by a competent
7 person and the current Board members are actively overseeing the District's
8 finances and operations.

9 Farmdale District's Board is evaluating the sufficiency of the District's
10 rates and taking steps to comply with the Commission's order concerning a
11 rate case. Because Farmdale District's last rate adjustment was in 2020, and it
12 was based on 2018 financial data, Farmdale District contracted with Kentucky
13 Rural Water Association ("KRWA") last year to conduct a "rate check-up" to
14 determine whether Farmdale District's rates were sufficient. The check-up
15 revealed that the District's rates were sufficient at the time, but the consultant
16 who conducted the check-up recommended repeating the study once complete
17 financial data from 2024 was available.

18 The Commission has ordered Farmdale District to make an Alternative
19 Rate Filing ("ARF") by August 31, 2025, using 2024 as the test year. Farmdale
20 District has again contracted with KRWA to conduct the rate study and to file

1 the ARF. Farmdale District has made its auditor aware that the 2024 Annual
2 Financial and Statistical Report must be complete by the regulatory deadline
3 of March 31, 2025, in order for KRWA to have time to prepare the ARF.

4 In short, I do not believe that merging Farmdale District with another
5 utility is necessary at this time because the District is providing adequate and
6 reasonable service and is taking the steps to maintain the financial and
7 operational ability to continue doing so in the future.

8 **Q. What challenges is Farmdale District facing and how do you plan to meet**
9 **those challenges?**

10 A. Farmdale District is still facing challenges. At this point, Farmdale District is
11 in need of assistance in applying for grants to finish the replacement of the
12 rest of AC line in the system and in evaluating the best approach to meter
13 replacement and meter reading moving forward. After a great deal of
14 discussion and consideration, Farmdale District has decided to replace its
15 older meters with Neptune meters and Sensus transceivers to enable radio-
16 reading of the meters. This is the same meter and transceiver combination
17 that the Plant Board uses, and the Plant Board may assume responsibility of
18 reading Farmdale District's meters.

19 Because of the small size of our field staff, Farmdale District also needs
20 field assistance from time-to-time with major line breaks. Farmdale District

1 has had a cooperative relationship for a long time with the Plant Board. I have
2 maintained friendly and cooperative relationships with a number of
3 individuals employed by the Plant Board, and I have not been shy about asking
4 for help. Sometimes all I have asked for is just to “bounce” an idea or thought
5 off of another person to get the opinion of someone else knowledgeable about
6 water service. However, sometimes I have asked for help with larger projects
7 such as meter testing, excavation, and main break repair. The staff at the Plant
8 Board has always been willing to help.

9 Recently, the Board of Directors at the Plant Board agreed to formalize
10 the cooperative relationship between it and Farmdale. The two utilities
11 executed a Mutual Aid Agreement and an Assistance Agreement. The
12 Assistance Agreement is for five years, and it spells out the areas in which the
13 Plant Board will provide assistance to Farmdale. The Plant Board has agreed
14 to assist Farmdale District with installing the new Neptune meters and may
15 assume responsibility for reading the meters.

16 Farmdale District’s Board is very pleased and excited because, under
17 the terms of the Assistance Agreement, the Plant Board’s Director of Water,
18 Sharmista Dutta, P.E., met with our Field Manager, Chris Ralph, and
19 developed a seven-year capital spending plan to help guide our decisions
20 moving forward. I have the utmost respect and regard for Ms. Dutta’s

1 engineering skill and talent. I trust her to help guide Farmdale District's
2 leadership in making sound decisions about the replacement and maintenance
3 of the District's infrastructure. Ms. Dutta is also working with our Board to
4 help identify grant opportunities to fund the replacement of Farmdale
5 District's remaining AC lines.

6 I believe that the terms of the Assistance Agreement and Mutual Aid
7 Agreement with the Plant Board provide Farmdale District with access to the
8 assistance that it needs to continue moving forward. The Plant Board and
9 Farmdale District both serve Franklin County; we share over 15 miles of
10 service territory boundary; a crew from one system can join a crew from the
11 other system to work on a project with minimal travel. Likewise, if our Field
12 Manager or the Board have a question for Ms. Dutta, her office is only about
13 seven miles from Farmdale's office. The close proximity of the two utilities
14 enables collaboration.

15 The Plant Board is much larger than Farmdale District, and because of
16 this it has resources Farmdale District does not. However, through the terms
17 of the Assistance and Mutual Aid agreements, Farmdale District has access to
18 these resources when needed. For these reasons, I believe the Plant Board is
19 uniquely situated to provide Farmdale District with the assistance it currently
20 needs. This is not a merger arrangement, because Farmdale District will

1 continue to operate as a water district and the Board of Commissioners at
2 Farmdale still have the ultimate responsibility for managing the District.
3 However, this arrangement provides Farmdale District with assurance that
4 help is available when it is needed.

5 **Q. Does this conclude your testimony?**

6 **A. Yes, it does.**