

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

**In the Matter of:**

<b>AN ELECTRONIC</b>	<b>)</b>	
<b>INVESTIGATION INTO</b>	<b>)</b>	
<b>FARMDALE WATER DISTRICT</b>	<b>)</b>	
<b>TO DETERMINE THE</b>	<b>)</b>	
<b>FEASIBILITY OF MERGER</b>	<b>)</b>	<b>CASE NO. 2024-00202</b>
<b>WITH A PROXIMATE UTILITY</b>	<b>)</b>	
<b>PURSUANT TO KRS 74.361 OR</b>	<b>)</b>	
<b>ABANDONMENT PURSUANT TO</b>	<b>)</b>	
<b>KRS 278.020(6) AND KRS 278.021</b>	<b>)</b>	

**DIRECT TESTIMONY**  
**OF**  
**EDDIE HARROD, TREASURER**  
**FARMDALE WATER DISTRICT**

**Filed: February 18, 2025**

## VERIFICATION

**COMMONWEALTH OF KENTUCKY     )**  
   **) SS:**  
**COUNTY OF FRANKLIN            )**

The undersigned, Eddie Harrod, being duly sworn, deposes and states: that he is Treasurer 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.

*Eddie Harrod*  
Eddie Harrod

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

James K. Sander  
Notary Public

Commission Number: KYNP62966

My Commission Expires:

12-14-26

1 **Introduction**

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

4 A. My name is Eddie Harrod; my business address is 100 Highwood Drive,  
5 Frankfort, Kentucky 40601. I am the Treasurer of the Board of  
6 Commissioners for Farmdale Water District. In my testimony I will refer to  
7 Farmdale Water District as “Farmdale District” or the “District.”

8 **Q. How long have you served on the Board of Commissioners at Farmdale**  
9 **Water District?**

10 A. I was originally appointed in September 2022 to finish the unexpired term of  
11 a former Commissioner. I was reappointed to a full four-year term in May  
12 2023.

13 **Q. What is your vocational and professional background?**

14 A. I retired in 2014 from my position as Division Director of Equipment for the  
15 Kentucky Transportation Cabinet. I am a life-long Franklin County resident.  
16 I have farmed pretty much all of my life and continue to do so after retiring  
17 from state government. I also serve on the Franklin County Conservation  
18 District Board of Supervisors. I am active in soil and water conservation  
19 efforts.

1   **Q.   What skills and experience do you bring to Farmdale Water District's**  
2       **Board?**

3   A.   As Division Director of Equipment I managed 46 employees and a \$56 million  
4       budget. I understand how important it is to keep costs within budget, and I  
5       have a great deal of experience hiring and supervising employees. I bring  
6       years of experience making hiring decisions, planning work schedules to  
7       avoid unnecessary overtime, and evaluating the best way to accomplish an  
8       objective and stay within budget. I am also no stranger to hard physical labor,  
9       having worked my way up in the Transportation Cabinet from a laborer to a  
10      Division Director.

11   **Q.   What is the purpose of your testimony?**

12   A.   The purpose of my testimony is to provide the Commission with my  
13      perspective of the challenges Farmdale District has overcome, the challenges  
14      that still face the District, and why I believe our Board can successfully  
15      overcome those challenges and manage the District in the best interests of its  
16      customers.

17   **Q.   What are some challenges you believe Farmdale Water District has**  
18       **already overcome?**

19   A.   In the past we had a great deal of turnover in our field crew. When I was first  
20      appointed to the Board, the District did not have a drug-testing policy. We

1 implemented one and lost field crew members due to positive drug screens  
2 and because some employees refused to drug test. Then it became very  
3 difficult to replace field employees because applicants could not pass a drug  
4 screen. I believe that word has spread that Farmdale District simply will not  
5 tolerate drug use and we have had much better luck hiring and keeping field  
6 staff recently. We are getting better applicants for open positions. A lot of the  
7 credit for that should go to our Field Manager, Chris Ralph, who sets a good  
8 example and also advocates for training for our field staff. Recently he  
9 brought to our attention an opportunity to send some of our field staff to the  
10 Ford Meter Box company in Wabash, Indiana for training. The District uses  
11 many Ford products such as meter boxes, tapping sleeves, meter pit covers,  
12 and connection. The only cost associated with this training is the  
13 transportation to Wabash, Indiana. As a Board we believe in investing in our  
14 Field Manager as well. We have approved the cost and time for him to  
15 participate in Kentucky Rural Water Association's Utility Management  
16 Institute. He will attend two-day training sessions every other month in 2025.  
17 I believe that by hiring capable people and investing in their training,  
18 Farmdale District has turned the tide of a dwindling field staff.

19 We have not completely addressed our excessive water loss, but I am  
20 very encouraged by the fact that prior to the start of our most recent

1 construction project, we saw three consecutive months of water loss below 15  
2 percent. Water loss began to rise again as our lines were hit numerous times  
3 by the construction crew replacing our AC lines. I also believe the way our  
4 Board has reacted to the Commission announcing it was going to investigate  
5 merging Farmdale District with another district is an example of us meeting a  
6 challenge.

7 **Q. Please explain how Farmdale District's Board has reacted to the**  
8 **Commission's merger investigation?**

9 A. Well, we got busy and started investigating merger possibilities as well. Our  
10 Board met with every entity that approached us following the Commission  
11 opening the merger investigation. We met with a representative from  
12 Kentucky American Water; we attended a training that the Franklin County  
13 Judge Executive's office organized with Kentucky Rural Water Association;  
14 we met with representatives from the Frankfort Plant Board; and we examined  
15 the Annual Statistical and Financial Reports on the Commission's website for  
16 the water districts and associations serving Franklin County. What we  
17 concluded was that merging with any of the local water districts would not  
18 really benefit Farmdale District much because the other districts are facing the  
19 same challenges we are and for the most part they are located some distance  
20 from our territory.

1 Even sharing equipment and loaning employees for a large project is  
2 made somewhat difficult by distance. For instance, Peaks Mill District's  
3 territory is mostly in the northern portion of Franklin County and stretches  
4 into Owen County. Farmdale District is located in southern Franklin County  
5 and is separated from Peaks Mill District by the Frankfort Plant Board's  
6 territory. Farmdale District employees would have to drive through the Plant  
7 Board's territory to get to Peaks Mill District's territory. This did not seem  
8 like a good merger arrangement to our Board members.

9 Elkhorn Water District did not attend the training sponsored by the  
10 Judge Executive, so our Board assumed Elkhorn District was not interested in  
11 any merger opportunity. Elkhorn is much smaller than Farmdale with fewer  
12 than 1,000 customers. U.S. 60 Water District is managed by North Shelby  
13 Water Company. North Shelby Water Company is a non-profit water  
14 association; its Board is elected by its members, not appointed by the Franklin  
15 County Judge Executive. As far as Farmdale District is aware the joint  
16 management arrangement between U.S. 60 Water District and North Shelby  
17 is working well and the Board of North Shelby is not interested in merging  
18 with Farmdale District. No one with either U.S. 60 or North Shelby has  
19 approached Farmdale District to discuss the issue.

1 Farmdale District has always had a cooperative relationship with the  
2 Frankfort Plant Board. This relationship became even more important to  
3 Farmdale once Scottie Wooldridge became Chairman of the Board. Scottie  
4 worked for the Plant Board for 28 years and has maintained excellent  
5 relationships with the staff and management at the Plant Board. He has asked  
6 for assistance from the Plant Board for a number of projects and they have  
7 always helped us as much as they possibly could. Our Board approached the  
8 Frankfort Plant Board and asked if we could formalize this arrangement. We  
9 were very happy that the Board of Directors at the Plant Board was very  
10 supportive of the idea when their engineer Sharmista Dutta, P.E. approached  
11 them about it.

12 We now have a five-year Assistance Agreement in place that spells out  
13 things with which the Plant Board will assist Farmdale District. We also have  
14 a Mutual Aid Agreement in place to document that we can call on the Plant  
15 Board in times of emergency. I believe these arrangements provide Farmdale  
16 District with more resources than a merger with another water district could  
17 provide. Ms. Dutta has already helped our Field Manager develop a seven-  
18 year capital spending plan to guide our long-range planning.

19 **Q. What are some of the goals Farmdale District's Board has identified?**



1 A. First and foremost, we must continue to address water loss. All of our Board  
2 members and our management agree on that. Every leak that is identified and  
3 fixed saves the District money. I believe replacing our older meters will also  
4 go a long way toward getting our water loss down. In our first day of installing  
5 new meters, the crew replaced 60 meters. This is encouraging. We are also  
6 replacing a great deal of the old AC line in our system. Our engineer believes  
7 this will help get our water loss down as well. We are looking for funding  
8 possibilities to replace the rest of the AC line. Our Secretary, Jonathan Dailey,  
9 is working with the Bluegrass Area Development District to identify funding  
10 sources. As a Board, we want the community we serve to have a positive  
11 opinion of Farmdale Water District. We want to be responsive to our  
12 customers' needs and provide clean, safe, water at a fair price

13 **Q. Why do you believe the Board of Commissioners at Farmdale Water**  
14 **District is capable of managing the District long term?**

15 A. I believe in our Board because we are three individuals who share common  
16 goals. All three of us want the same thing – to improve Farmdale District by  
17 reducing water loss and maintaining adequate staffing and resources to meet  
18 the needs of our customers. We each bring something a little different to the  
19 table. Scottie knows and understands the water business. He has planned and  
20 worked on water construction projects for most of his adult life. We have all

1 managed employees. I have a background in purchasing and procurement and  
2 I always kept my division within budget, so I bring that fiscal discipline to the  
3 Board. Jonathan is very interested in making sure we consider every possible  
4 funding source, and he is following through on that and setting up a timeline  
5 for applications.

6 We are working with Kentucky Rural Water Association to complete a  
7 rate study and to file the rate case that the Commission has ordered us to file  
8 by August 31, 2025. I believe that the three of us working together with our  
9 Field Manager and the assistance of the Frankfort Plant Board when needed,  
10 can manage the affairs of the District well.

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

12 **A.** Yes, it does.