# **COMMONWEALTH OF KENTUCKY**

# BEFORE THE PUBLIC SERVICE COMMISSION

# In the Matter of:

ELECTRONIC APPLICATION OF	)
CANNONSBURG WATER DISTRICT	)
FOR A CERTIFICATE OF PUBLIC	)
CONVENIENCE AND NECESSITY	) CASE NO. 2025-00020
AND FINANCING OF THE SHOPES	)
CREEK ROAD AREA WATER	)
SYSTEM IMPROVEMENTS	)
PROJECT	)

# **RESPONSE OF**

# **CANNONSBURG WATER DISTRICT**

TO

CAOMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

DATED MAY 15, 2025

Filed: May 28, 2025

#### **COMMONWEALTH OF KENTUCKY**

#### BEFORE THE PUBLIC SERVICE COMMISSION

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CANNONSBURG WATER DISTRICT	)
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CREEK ROAD AREA WATER	)
SYSTEM IMPROVEMENTS	)
PROJECT	)

# RESPONSE OF CANNONSBURG WATER DISTRICT TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Cannonsburg Water District (the "District") submits its Response to Commission Staff's First Request for Information.

Damon R. Talley

Stoll Keenon Ogden PLLC

112 North Lincoln Boulevard

P.O. Box 150

Hodgenville, Kentucky 42748

Telephone: (270) 358-3187

Fax: (270) 358-9560

damon.talley@skofirm.com

Tina C. Frederick Stoll Keenon Ogden PLLC 300 West Vine Street, Ste 2100 Lexington, Kentucky 40507 Telephone: 859-231-3951

Fax: (859) 253-1093

Tina.frederick@skofirm.com

Counsel for Cannonsburg Water District

#### **CERTIFICATE OF SERVICE**

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on May 28, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

Damon R. Tallev

# SWORN CERTIFICATION AND VERIFICATION

COMMONWEALTH OF KENTUCKY )
) SS:
COUNTY OF BOYD )

The undersigned, Tim Webb, being duly sworn, deposes and states that he, as General Manager for Canonsburg Water District has personal knowledge of the matters set forth in the responses for which he is identified as the witness in Kentucky Public Service Commission Case No. 2025-00020, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Tim Webb General Manager Cannonsburg Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 28 day of May 2025.

Sherry Elaine Gallion Notary Public

My Commission Expires: ///8/2028

Notary ID: KYNP84414

# COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

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ELECTRONIC APPLICATION OF	)
CANNONSBURG WATER DISTRICT	)
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AND FINANCING OF THE SHOPES	)
CREEK ROAD AREA WATER	)
SYSTEM IMPROVEMENTS	)
PROJECT	)

# CERTIFICATION OF RESPONSE OF CANNONSBURG WATER DISTRICT TO COMISSION STAFF'S FIRST REQUEST FOR INFORMATION

This is to certify that I have supervised the preparation of Cannonsburg Water District's Response to Commission Staff's First Request for Information as required by 807 KAR 5:001, Section 4(12)(d)(2)(b). The Response submitted on behalf of Cannonsburg Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: May 28, 2025

Tim Webb, General Manager Cannonsburg Water District

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

# **Question No. 1-1**

**Responding Witness:** Tim Webb, General Manager

- Q 1-1. Refer to Application, Exhibit 21, Estimate of Acquired Property Table. Provide a chart listing the NARUC depreciation life, the date the property will be placed into service, and the date when the first full year of depreciation is expected for each item listed in the exhibit.
- A 1-1. A table containing the requested information is presented on the following page. The actual date the property will be placed into service will depend upon the delivery date of materials. Cannonsburg District reasonably anticipates all components of the project will be placed into service by the end of the third quarter of 2026. The water mains, services, and hydrants will likely be placed into service 30 days or so prior to the pump station being placed into service. However, that is the extent of the expected time lag between placing the "water mains" portion of the project into service and placing the "pump station" portion of the project into service.

# **Property to be Acquired in the Shopes Creek Road Project**

USoA Account No.	Account Description	Estimate	NARUC Life	Est. Date Placed into Service	Year of First Full-Year Depreciation
304	Structures & Improvements	\$ 721,426	35-40 Years Mid-point 37.5 years	9/30/2026	2027
311	Pumping Equipment	\$ 180,000	20 years	9/30/2026	2027
331	Transmission and Distribution Mains	\$2,753,020	50-75 Years Mid-point 62.5 Years	9/30/2026	2027
333	Services	\$ 193,510	30-50 Years Mid-point 40 years	9/30/2026	2027
334	Meters	\$ 24,000	35-45 Years Mid-point 40 Years	9/30/2026	2027
335	Hydrants	\$ 109,044	40-60 Years Mid-point 50 years	9/30/2026	2027

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

# **Question No. 1-2**

**Responding Witness:** Tim Webb, General Manager

Q 1-2. Provide the anticipated journal entries by Uniform System of Accounts (USoA) Account Numbers to record the financing transactions.

# A 1-2. The requested information is presented in the table below:

USoA Account No.	Description	Source of Funds	Debit	Credit
224	Long-Term Debt	KIA Loan F22-030		\$2,304,263
131.2	Cash in Bank	Proceeds from KIA Loan F22-030	\$2,304,263	
432	Capital Contributions	CWP Grant 21CWW014		\$ 540,517
432	Capital Contributions	CWP Grant 22CWW103		\$ 656,599
131.2	Cash in Bank	Proceeds from CWP Grants	\$1,197,116	
131.2	Cash in Bank	Surcharge Funds		\$ 479,621
105	Construction Work in Progress	Use of Surcharge Funds	\$ 479,621	

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

# **Question No. 1-3**

**Responding Witness:** Tim Webb, General Manager

# Q 1-3. Provide the anticipated journal entries by USoA Account Numbers to record the construction completion transactions.

# A 1-3. The information requested is provided below:

USoA Account No	Account Description	Debit	Credit
105	Construction Work in Progress		\$3,981,000
304	Structures & Improvements	\$ 721,426	
311	Pumping Equipment	\$ 180,000	
331	Transmission & Dist. Mains	\$2,753,020	
333	Services	\$ 193,510	
333	Scrvices	\$ 175,510	
334	Meters	\$ 24,000	
335	Hydrants	\$ 109,044	

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

## **Question No. 1-4**

**Responding Witness:** Tim Webb, General Manager

- Q 1-4. Refer to Cannonsburg District's 2023 Annual Report, at page 58, which reports annual water loss of 20.3365 percent. State what percent of reduction Cannonsburg District expects in annual water loss by completing the pumping station and line replacements.
- A 1-4. Cannonsburg District has made significant progress in reducing its unaccounted-for water loss since the end of 2023. For calendar year-ended December 31, 2024, Cannonsburg District reported 11.44 percent water loss, as shown on page 57 of Exhibit 19 filed with the Application (Cannonsburg District's 2024 Annual Report).

In 2024 Cannonsburg District purchased 354,992,000 gallons of water. Cannonsburg District had a total water loss of 40,626,000 gallons in 2024. Cannonsburg District's records indicate that Cannonsburg District lost **3,942,000** gallons of water in 2024 in the Shopes Creek Road area due to line leaks and line breaks. This means

<sup>&</sup>lt;sup>1</sup> See Application, Exhibit 4, the breaks occurring in the Shopes Creek Road area and the number of gallons lost due to those breaks are highlighted in green. Then number of gallons lost due to breaks was obtained from the readings on the zone meter in the Shopes Creek Road area at the time of the break in question. Cannonsburg District calculated the number of gallons lost due to line leaks in the area by subtracting the number of gallons sold to the

that **9.70** percent of the total water lost from Cannonsburg District's system in 2024 was lost from the Shopes Creek Road area.<sup>2</sup>

Canonsburg District is hopeful that this project will bring its total water loss to **under 10 percent**. Below are some statistics from 2024 in the Shopes Creek Road area:

# **Shopes Creek Road Area Water Loss 2024**

- 1. 438,000 gallons lost due to line breaks
- 2. 3,504,000 gallons lost due to line leaks
- 3. 3,942,000 gallons lost in leaks and breaks combined

customer accounts assigned to the zone meter, and the number of gallons lost due to line breaks from the total number of gallons passing through the zone meter.

 $<sup>^2</sup>$  3,942,000 gallons lost in Shopes Creek Road area divided by 40,626,000 gallons total water loss = 0.09703. 0.09703 x 100 = 9.70%

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

## **Question No. 1-5**

**Responding Witness:** Tim Webb, General Manager

Q 1-5. Provide the current book value, individually, for the pump station and, in total, for the lines being replaced.

A 1-5. The existing Midland Trail Road Pump station is over 50 years old and has been completely depreciated. The District was established by Order of the Boyd County Fiscal Court on June 10, 1966. This pump station is original to the system and was placed into service in 1973. It has no current book value.

The water lines being replaced are also original to the system and were installed between 1966 and 1973. They are all over 50 years old, have been completely depreciated, and have no current book value. Cannonsburg District depreciated the water lines over 50 years as recommended by its auditor.

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

## **Question No. 1-6**

**Responding Witness:** Tim Webb, General Manager

- Q 1-6. Refer to the Application, Item 11, Overview of Project. State if the proposed demolition of the existing pump station and the construction of the new pump station would result in any interruption of service to customers, and if so, explain the extent, including number and duration of interruptions, as well as how the district would minimize any interruption of water service related to the project.
- A 1-6. Canonsburg District does not anticipate experiencing any customer outages associated with constructing the new pump station and demolishing the old pump station. The old pump station will remain in service until the new pump station is placed into service. The same is true with the water line replacements. The old lines will remain active until the new lines are installed and ready to be placed into service.

The only service interruptions that Cannonsburg District anticipates are the service interruptions necessary to connect individual customers to the new service lines. Water service will need to be turned off for 15-30 minutes at each residence while the customer is connected

to the new service line. The contractor will perform these connections one at a time and will not shut off water service to an entire area at once but will shut off only the customer who is being connected to the new service line. Cannonsburg District will notify its customers of this brief service outage via a "One Call" system and email. The District also utilizes social media for relaying this type of information. Additionally, the contractors will knock on the customer's door and explain the necessity for the brief outage and give an estimate for how long it is expected to last. When service is restored, the contractor will let the resident know.

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

## **Question No. 1-7**

**Responding Witness:** Tim Webb, General Manager

- Q 1-7. State whether there were any other reasons, besides its submission of the lowest cost proposal, related to the selection of Connhurst LLC for the project.
- A 1-7. No, there were no other reasons that Connhurst LLC was selected besides its submission of the lowest and best bid. Connhurst LLC was selected because it submitted the lowest and best bid overall to construct the project. The engineer who designed the project checked the references of the company and found the references to be satisfactory. Please see the Engineer's Evaluation of Bids, which is included in the Final Engineering Report, which was filed with the Application as Exhibit 6.

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

## **Question No. 1-8**

**Responding Witness:** Tim Webb, General Manager

- Q 1-8. Provide a breakdown of the revenue requirement impact of the project including the following items:
  - a. Net operating expense increase or decrease by expense component;
  - b. Annual depreciation, including calculations, for each component for which there are different depreciation lives;
  - c. Annual debt service for each debt component.
  - d. Twenty percent working capital on debt service amounts in item 7(c); and
  - e. Total of all items above.

A 1-8.

A-8a. Cannonsburg District estimates it will **reduce** its purchased water cost by approximately \$14,349 by constructing the Project.

This is the approximate cost of the water Cannonsburg District's records indicate it lost in the Shopes Creek Road area in 2024.

Cannonsburg District's records indicate that Cannonsburg District lost 3,942,000 gallons of water in 2024 in the Shopes

Creek Road area due to line leaks and line breaks.<sup>1</sup> The current rate Cannonsburg District pays the city of Ashland, Kentucky for water is \$3.64 per 1,000 gallons. This results in the cost to purchase water lost in the Shopes Creek Road area in 2024 being \$14,348.88.

Cannonsburg District's engineer estimated that Cannonsburg District will spend \$65,001 in electricity costs to operate the pump station. This is approximately **\$18,890 more** than it cost Cannonsburg District to operate the current pump station.<sup>2</sup> This estimate is conservative and may be greater than the actual electricity cost.

**A-8b.** The requested information is presented on the table below.

Project Component	Cost to construct	NARUC Life	Annual Depreciation	Calculation
Structures & Improvements	\$ 721,426	35-40 Years Mid-point 37.5 years	\$ 19,238.03	\$721,426/37.5 = \$19,238.03

<sup>&</sup>lt;sup>1</sup> See Application, Exhibit 4, the breaks occurring in the Shopes Creek Road area and the number of gallons lost due to those breaks are highlighted in green. Then number of gallons lost due to breaks was obtained from the readings on the zone meter in the Shopes Creek Road area at the time of the break in question. Cannonsburg District calculated the number of gallons lost due to line leaks in the area by subtracting the number of gallons sold to the customer accounts assigned to the zone meter, and the number of gallons lost due to line breaks from the total number of gallons passing through the zone meter.

<sup>&</sup>lt;sup>2</sup> See, Application, Corrected Exhibit 15 (filed May 28, 2025). The cost of electricity to serve the current pump station is \$46,111.

Project Component	Cost to construct	NARUC Life	Annual Depreciation	Calculation
Pumping Equipment	\$ 180,000	20 years	\$9,000	\$180,000/20 = \$9,000
Transmission and Distribution Mains	\$2,753,020	50-75 Years Mid-point 62.5 Years	\$44,048.32	\$2,753,020/62.5 = \$44,048.32
Services	\$ 193,510	30-50 Years Mid-point 40 years	\$4,837.75	\$193,510/40 = \$4,837.75
Meters	\$ 24,000	35-45 Years Mid-point 40 Years	\$600	\$24,000/40 = \$600
Hydrants	\$ 109,044	40-60 Years Mid-point 50 years	\$2,180.88	\$109,044/50 = \$2,180.88
Total	\$3,981,000	N/A	\$79,904.98	N/A

A-8c. The only debt component associated with this project is the \$2,304,263 KIA Loan F22-030. This loan has a 2.0 percent annual interest rate and must be repaid over a period not to exceed 20 years from the date the project goes into service. Interest begins to accrue when Cannonsburg District first draws funds from KIA. The loan also has a semi-annual loan servicing fee of 0.25 percent of the outstanding loan balance. An amortization schedule was filed with the Application as Exhibit 16. If repaid over 20 years the total payments on the loan will be

\$2,869,964.04. This translates to an average annual debt service of **\$143,498.20** 

- **A-8d.** The 20 percent additional working capital on \$143,498.20 of annual debt service is **\$28,699.64**
- **A-8e.** The chart below contains the information requested, rounded to the nearest dollar.

Revenue Requirement Element	<b>Amount of Increase</b>	<b>Amount of Decrease</b>
Purchased Water		\$ 14,349
Purchased Power	\$ 18,890	
Depreciation Expense	\$ 74,905	
Annual Debt Service	\$ 143,498	
Additional Working Capital	\$ 28,700	

Total Increase to Revenue

**Requirement:** \$ 251,644

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

## **Question No. 1-9**

**Responding Witness:** Tim Webb, General Manager

Q 1-9. Provide the cost per thousand gallons impact of the total revenue requirement impact in Request No. 6 based on gallons sold of 281,513 as reported in the water statistics of Cannonsburg District's 2023 Annual Report.

A 1-9. As Cannonsburg District interprets the Commission Staff's ("Staff") question, Staff is seeking the quotient of the additional revenue requirement as calculated in Item 8, divided by the gallons of water sold in 2024 to obtain the cost to construct the Project expressed per 1,000 gallons of water sales.

In 2024 Cannonsburg District sold **311,670,000** gallons of water.<sup>1</sup> As calculated in Item 8, the total estimated annual increase to Cannonsburg District's revenue requirement attributable to the Project is **\$251,644**. Therefore, the additional cost per 1,000 gallons of water sold to construct the Project is **\$0.8074** or \$0.0008 per gallon sold.<sup>2</sup> This is **less than one penny for each 10 gallons** of water sold.

-

<sup>&</sup>lt;sup>1</sup> Application, Exhibit 19 at 57 (2024 Annual Report).

Choosing to not construct the Project would also come at a cost. Some of the costs that Cannonsburg District is avoiding by constructing the Project are the costs of repairing line breaks, the cost to Cannonsburg District's relationship with its customers due to unexpected outages related to repairing line breaks, and the cost of purchasing water that is lost due to line breaks or leaks. As explained in detail below, in 2024 Cannonsburg District spent \$14,348.88 to purchase water that it lost in the Shopes Creek Road area. This cost was not recovered in water sales because the water did not reach the customer. This cost does not include the cost of power to pump the water or the cost of chlorine to treat the water; it is only the cost to purchase the water which was lost. The amount of water lost in the Project area is expected to increase as the pumps and water lines continue to age.

Cannonsburg District purchased 354,992,000 gallons of water in calendar year 2024.<sup>3</sup> In 2024, Cannonsburg District lost 40,626,000 gallons of water.<sup>4</sup> Cannonsburg District's records and readings from

 $<sup>^{2}</sup>$  251,644  $\div$  311,670 = 0.8074 and 0.874  $\div$  1000 = 0.0008

<sup>&</sup>lt;sup>3</sup> See, Application, Exhibit 19, Cannonsburg Water District's Annual Financial and Statistical Report to the Kentucky Public Service Commission for the Year-ended December 31, 2024 (2024 Annual Report) at 57.

<sup>&</sup>lt;sup>4</sup> Id. The cost of this lost water at current rates is \$147,878.64.  $(40,626,000 \div 1,000 = 40,626 \times 3.64 = $147,878.64)$ 

the zone meter in the Shopes Creek Road area indicate that Cannonsburg District lost 3,942,000 gallons of water in 2024 due to line breaks and leaks in the Shopes Creek Road area. Cannonsburg District currently purchases water from the city of Ashland, Kentucky for \$3.64 per 1,000 gallons. The cost of 3,942,000 gallons of water is \$14,348.88.<sup>5</sup>

Water that is not sold is considered "lost water;" some of it is used to flush the distribution system; some is used without charge by fire departments; some is lost due to line breaks; and some is lost due to leaks in the system. Cannonsburg District has divided its distribution system into zones and installed meters in each zone to measure the water coming into the zone. Customers meters within the zone are assigned to the zone meter for that area.

The zone meter provides information concerning the number of gallons lost at the time of a line break by providing the number of gallons of water being brought into the zone before the break, at the time of the break and at the time the break is repaired. Likewise, the readings on the zone meter are used to determine the number of gallons

 $<sup>^{5}</sup>$  3,942,000 ÷ 1000 = 3,942. 3,942 X 3.64 = 14,348.88

lost due to leaks. The zone meter provides the number of gallons of water coming into the zone. The number of gallons sold to customers (provided by the readings on the customer meters assigned to the zone meter) in the area is subtracted from the total gallons coming into the zone, then the number of gallons lost due to any breaks is subtracted. The difference in the total gallons coming into the zone and the number of gallons leaving the zone as sold or attributed to a break is the number of gallons lost.

Additionally in 2024, Cannonsburg District repaired 21 line breaks in the Shopes Creek Road area. Each repair cost the District to repair. Involved with every repair is the cost of materials and labor. Often service must be disconnected in order to make the repair. These unexpected outages are inconvenient and cost the District in terms of good-will with its customers. Cannonsburg District is proposing to construct the Project in an effort to improve the efficiency of its distribution system. Cannonsburg District believes this is a better use of ratepayer dollars than continuing to repair a leaky system and will result in Cannonsburg District improving its ability to deliver adequate, efficient, and reasonable service to its customers now and in the future.

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

# **Question No. 1-10**

**Responding Witness:** Tim Webb, General Manager

Q 1-10. Refer to the Direct Testimony of Tim Webb, pages 5-6. Mr. Webb stated that the current pump was manufactured to pump 1,000 gallons per minute. Provide how many gallons per minute the replacement pump is designed to provide, considering the manner Cannonsburg District intends for it to be installed.

A 1-10. As shown on in the bid tabulations for Division C, Pump Station included in the Final Engineering Report filed as Exhibit 6 to the Application, the pumping system being installed at the new pump station is a 1,000 Gallons per Minute, 300 Total Dynamic Head pumping system. It is designed to pump 1,000 gallons per minute under 300-foot head pressure. This means that it will be able to fill the District's Paul Coffee Standpipe Tank. The pump is a 1,000 gallon per minute pump by design and specifications. Cannonsburg District plans to install the pump according to the specifications to enable the pump to work as designed.

# Case No. 2025-00020 Response to Commission Staff's First Request for Information

# Question No. 1-11

**Responding Witness:** Tim Webb, General Manager

- Q 1-11. Refer to the Direct Testimony of Tim Webb at 11. Provide a copy or copies of the easement(s) acquired for the Project.
- A 1-11. Cannonsburg District acquired six (6) new easements in relation to the Project. Copies of the easement are attached to this response as **Attachment 1-11**.

# Attachment 1-11 Easements

After recording return to: Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

Documentary Tax Paid: \$0.00

Fee Amt: \$0.00

DocType: EASE

Doc No: 10035376 DocTy Recorded: 05/15/2025 02:05:26 PM

Boyd County Kentucky Kevin Johnston, Clerk

By: JENNY HORN

BK 868 PG 363 - 368 (6)

#### WATER LINE RIGHT-OF-WAY EASEMENT

That for a good and valuable consideration Thomas Horn, a single person, 3058 Shopes Creek Road, Ashland, Kentucky 41102 (the "Grantor"), does hereby grant unto the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, (the "District"), an exclusive perpetual easement with the right to construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a water line and related appurtenances over, across, and through the land of the Grantor situated in Boyd County, Kentucky, and a temporary workspace easement, said easements being described as follows:

The location and description of the exclusive perpetual easement for the water line are set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

The width of the exclusive perpetual easement and the width of the temporary workspace easement are set forth in **Exhibit A**. The temporary workspace easement shall terminate upon completion of the construction. In the event the water line needs repairing or replacing in the future, the District shall have the right to utilize the temporary workspace easement during the repair or replacement of the water line, but this right shall cease once the repairs and property restoration has occurred.

Being a part of the property conveyed to the Grantor by Deed recorded in Deed Book 829, Page 775, in the Boyd County Clerk's Office.

The District shall repair any and all roads, driveways, sidewalks, fences, etc. damaged during the installation of the water line and shall restore the land to its original condition, as nearly as practical.

The permanent water line easement granted to the District is exclusively for the use of the District. The District shall not grant permission to any other utility or entity to install a utility line or any utility facility within the confines of the permanent water line easement.

The perpetual easement shall constitute a covenant running with the land for the benefit of the District, and it shall not be assigned by the District.

IN WITNESS WHEREOF, the Grantor has executed this Easement on the day of January, 2025.

The Grantor

STATE OF KENTUCKY COUNTY OF BOYD

The foregoing Easement was subscribed, sworn to, and acknowledged before
me this 29 day of January, 2025 by Thomas Horn, a single
the this 27 day of January, 2023 by 170 miles Hov 11 , a single
person, Grantor.
Sherry Elaine Galkion
NOTARY PUBLIC, State at Large
Printed Name of Notary: Sherry Elgine Gallion
Notary ID Number: KYNP84416
My Commission Expires: 1/18/28
PREPARED BY:

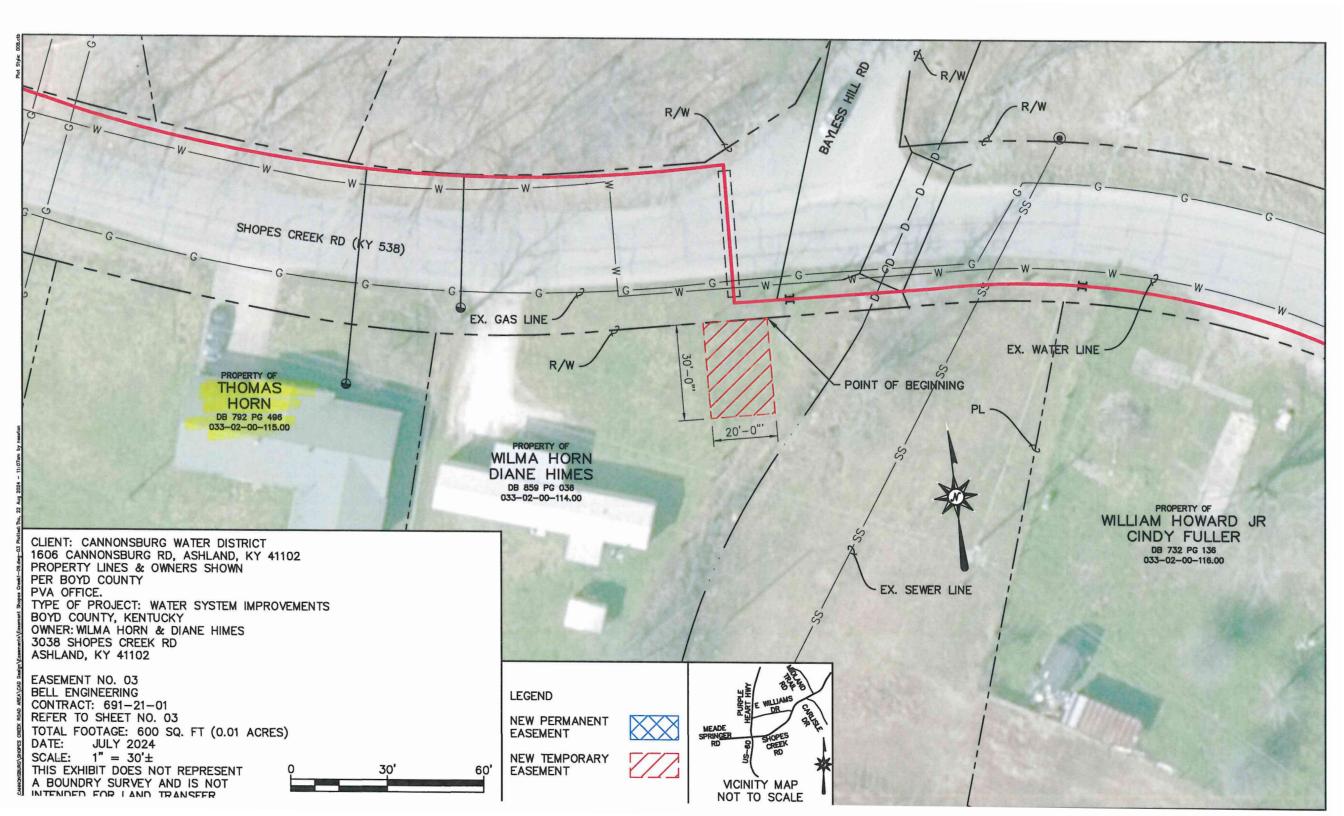
Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102 IN WITNESS WHEREOF, the Grantee has accepted the terms of this Easement and executed this Easement on the 15th day of May, 2025

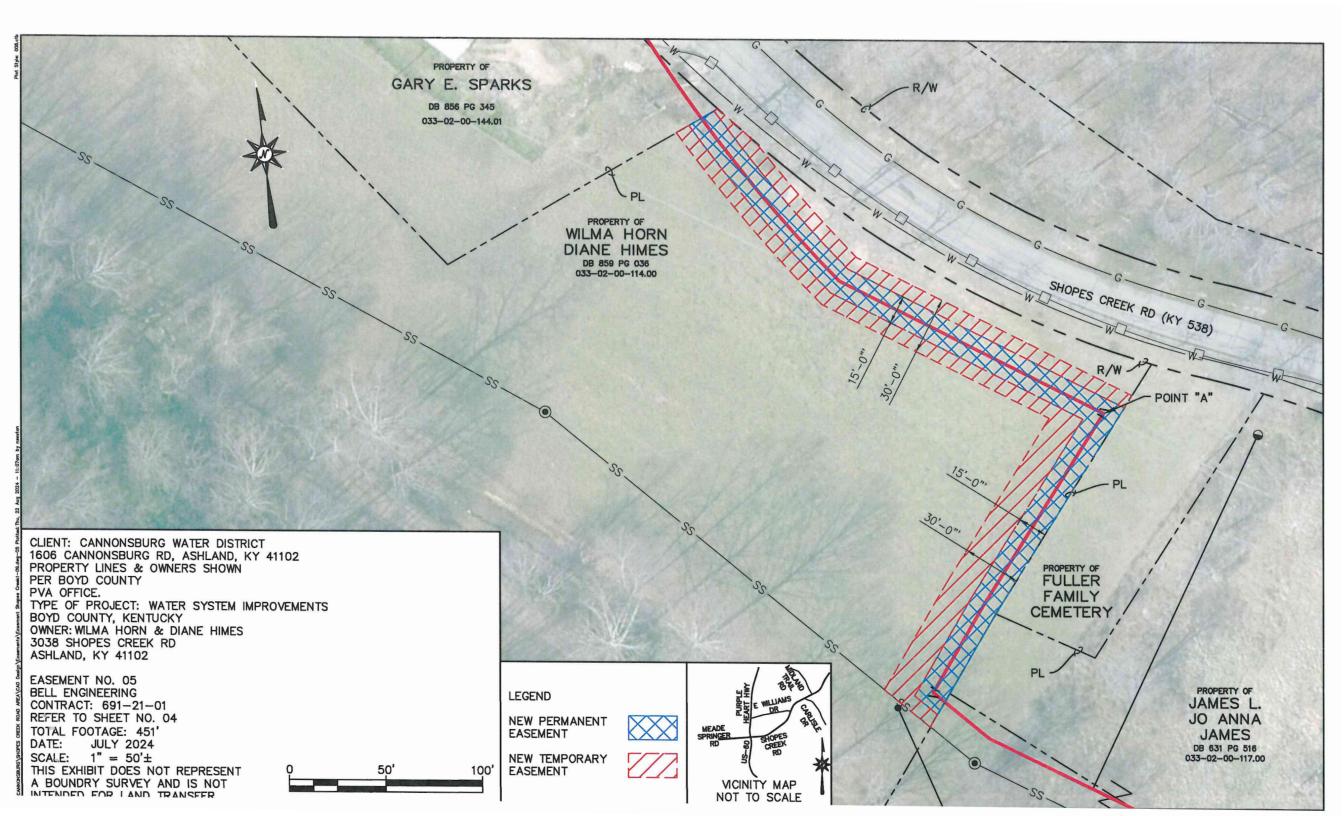
Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

PREPARED BY:

Cannonsburg Water District, Grantee

# **EXHIBIT A**







After recording return to: Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

Doc No: 10035374 DocTyp Recorded: 05/15/2025 02:05:24 PM

Documentary Tax Paid: \$0.00

DocType: EASE

Fee Amt: \$0.00

Boyd County Kentucky Kevin Johnston, Clerk

By: JENNY HORN

BK **868** PG 353 - 357 (5)

#### WATER LINE RIGHT-OF-WAY EASEMENT

That for a good and valuable consideration Joanna James, a single person, 3244 Shopes Creek Road, Ashland, Kentucky 41102 (the "Grantor"), does hereby grant unto the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, (the "District"), an exclusive perpetual easement with the right to construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a water line and related appurtenances over, across, and through the land of the Grantor situated in Boyd County, Kentucky, and a temporary workspace easement, said easements being described as follows:

The location and description of the exclusive perpetual easement for the water line are set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

The width of the exclusive perpetual easement and the width of the temporary workspace easement are set forth in Exhibit A. The temporary workspace easement shall terminate upon completion of the construction. In the event the water line needs repairing or replacing in the future, the District shall have the right to utilize the temporary workspace easement during the repair or replacement of the water line, but this right shall cease once the repairs and property restoration has occurred.

Being a part of the property conveyed to the Grantor by Deed recorded in Deed Book 631, Page 516, in the Boyd County Clerk's Office.

The District shall repair any and all roads, driveways, sidewalks, fences, etc. damaged during the installation of the water line and shall restore the land to its original condition, as nearly as practical.

The permanent water line easement granted to the District is exclusively for the use of the District. The District shall not grant permission to any other utility or entity to install a utility line or any utility facility within the confines of the permanent water line easement.

The perpetual easement shall constitute a covenant running with the land for the benefit of the District, and it shall not be assigned by the District.

IN WITNESS WHEREOF, the Grantor has executed this Easement on the day of January, 2025.

STATE OF KENTUCKY COUNTY OF BOYD

NOTARY PUBLIC, State at Large

Printed Name of Notary: Sherry Elaine Gallion

Notary ID Number: KYNP84446

My Commission Expires: 4 18 2028

Therry Elaine Gallin

PREPARED BY:

Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

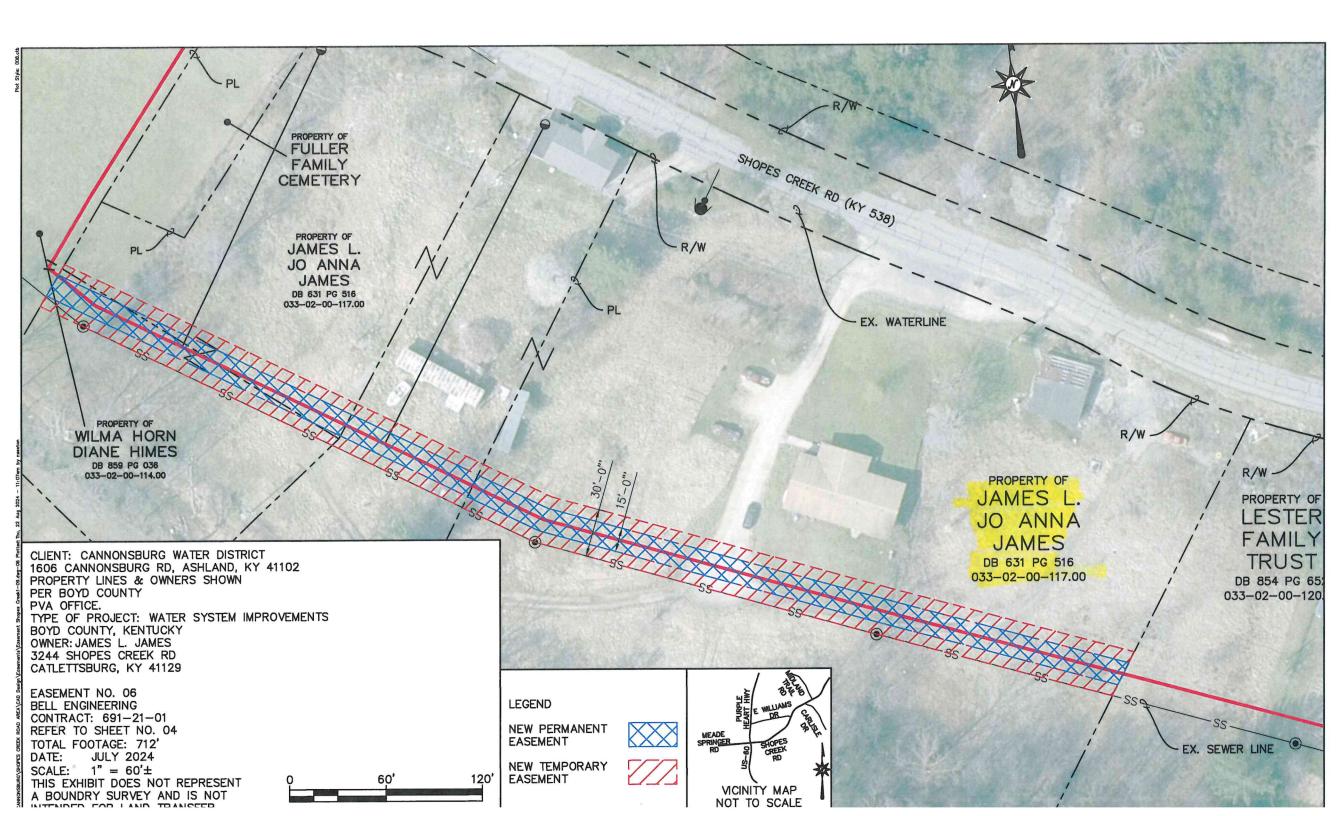
IN WITNESS WHEREOF, the Grantee has accepted the terms of this Easement and executed this Easement on the day of May, 2025

STATE OF KENTUCKY COUNTY OF BOYD
The foregoing Easement was subscribed, sworn to, and acknowledged before me this
NOTARY PUBLIC, State at Large Printed Name of Notary: Sherry Elaine Gallion Notary ID Number: KYNP84416 My Commission Expires: 118/2028
PREPARED BY:
Te a
Tim Webb, District Manager
Cannonsburg Water District

Cannonsburg Water District, Grantee

1606 Cannonsburg Road Ashland, Kentucky 41102

By: \_\_\_\_\_\_
Tim Webb, District Manager



After recording return to: Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

Documentary Tax Paid: \$0.00

DocType: EASE

Doc No: 10035377 DocTyl Recorded: 05/15/2025 02:05:27 PM

Fee Amt: \$0.00

Boyd County Kentucky Kevin Johnston, Clerk

By: JENNY HORN

BK 868 PG 369 - 373 (5)

#### WATER LINE RIGHT-OF-WAY EASEMENT

That for a good and valuable consideration Oakland Freewill Baptist Church, 5029 Shopes Creek Road, Ashland, Kentucky 41102 (the "Grantor"), does hereby grant unto the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, (the "District"), an exclusive perpetual easement with the right to construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a water line and related appurtenances over, across, and through the land of the Grantor situated in Boyd County, Kentucky, and a temporary workspace easement, said easements being described as follows:

The location and description of the exclusive perpetual easement for the water line are set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

The width of the exclusive perpetual easement and the width of the temporary workspace easement are set forth in **Exhibit A**. The temporary workspace easement shall terminate upon completion of the construction. In the event the water line needs repairing or replacing in the future, the District shall have the right to utilize the temporary workspace easement during the repair or replacement of the water line, but this right shall cease once the repairs and property restoration has occurred.

Being a part of the property conveyed to the Grantor by Deed recorded in Deed Book 644, Page 51, in the Boyd County Clerk's Office.

The District shall repair any and all roads, driveways, sidewalks, fences, etc. damaged during the installation of the water line and shall restore the land to its original condition, as nearly as practical.

The permanent water line easement granted to the District is exclusively for the use of the District. The District shall not grant permission to any other utility or entity to install a utility line or any utility facility within the confines of the permanent water line easement.

The perpetual easement shall constitute a covenant running with the land for the benefit of the District, and it shall not be assigned by the District.

IN WITNESS WHEREOF, the Grantor has executed this Easement on the 30 day of January, 2025

Oakland Freewill Baptist Church, Grantor

By: Jau Toney Fastor (print name and position)

STATE OF KENTUCKY COUNTY OF BOYD

The foregoing Easement was subscribed, sworn to, and acknowledged before me this 30 day of January, 2025 by DAS top , Grantor, in his capacity of the Grantor, for and on behalf of the Grantor.

NOTARY PUBLIC, State at Large

Printed Name of Notary: Sherry Elaine Gallion

Notary ID Number: KYNP84416

My Commission Expires: 18 2028

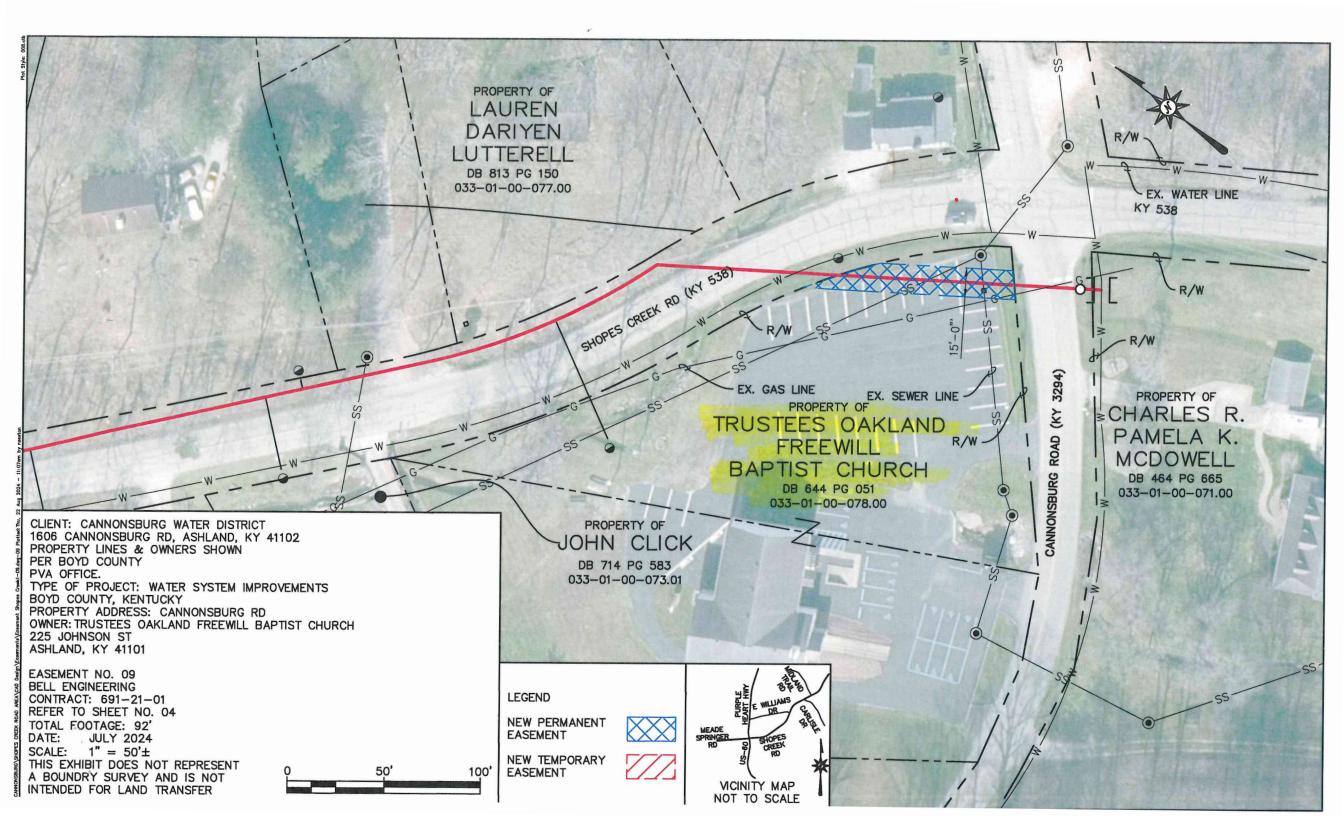
PREPARED BY: TLL

Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

IN WITNESS WHEREOF, the Grantee has accepted the terms of this Easement and executed this Easement on the 157th day of May, 2025

By: Te a
Tim Webb, District Manager
STATE OF KENTUCKY COUNTY OF BOYD
The foregoing Easement was subscribed, sworn to, and acknowledged before me this
NOTARY PUBLIC, State at Large Printed Name of Notary: Sherry Elaine Gallion Notary ID Number: KYNP84416 My Commission Expires: 118/2028
PREPARED BY:
The
Tim Webb, District Manager
Cannonsburg Water District
1606 Cannonsburg Road
Ashland, Kentucky 41102

Cannonsburg Water District, Grantee



After recording return to: Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

Documentary Tax Paid: \$0.00 Doc No: 10035375 DocTy Recorded: 05/15/2025 02:05:25 PM

DocType: EASE

Fee Amt: \$0.00

Boyd County Kentucky Kevin Johnston, Clerk

By: JENNY HORN

BK 868 PG 358 - 362 (5)

#### TEMPORARY BORE PIT EASEMENT

That for a good and valuable consideration Rockdale Freewill Baptist Church, 2308 Shopes Creek Road, Ashland, Kentucky 41102 (the "Grantor"), does hereby grant unto the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, (the "District"), an exclusive temporary bore pit workspace easement on the land of the Grantor situated in Boyd County, Kentucky, said easement being described as follows:

The location and description of the exclusive temporary bore pit workspace easement is set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

The temporary bore pit workspace easement shall terminate upon completion of the construction. In the event the water line needs repairing or replacing in the future, the District shall have the right to utilize the temporary bore pit workspace easement during the repair or replacement of the water line, but this right shall cease once the repairs and property restoration has occurred.

Being a part of the property conveyed to the Grantor by Deed recorded in Deed Book 735, Page 121, in the Boyd County Clerk's Office.

The District shall repair any and all roads, driveways, sidewalks, fences, etc. damaged during the road bore and the installation of the water line and shall restore the land to its original condition, as nearly as practical.

The temporary bore pit workspace easement granted to the District is exclusively for the use of the District.

The temporary bore pit workspace easement shall constitute a covenant running with the land for the benefit of the District, and it shall not be assigned by the District.

IN WITNESS WHEREOF, the Grantor has executed this Easement on the day of January, 2025.

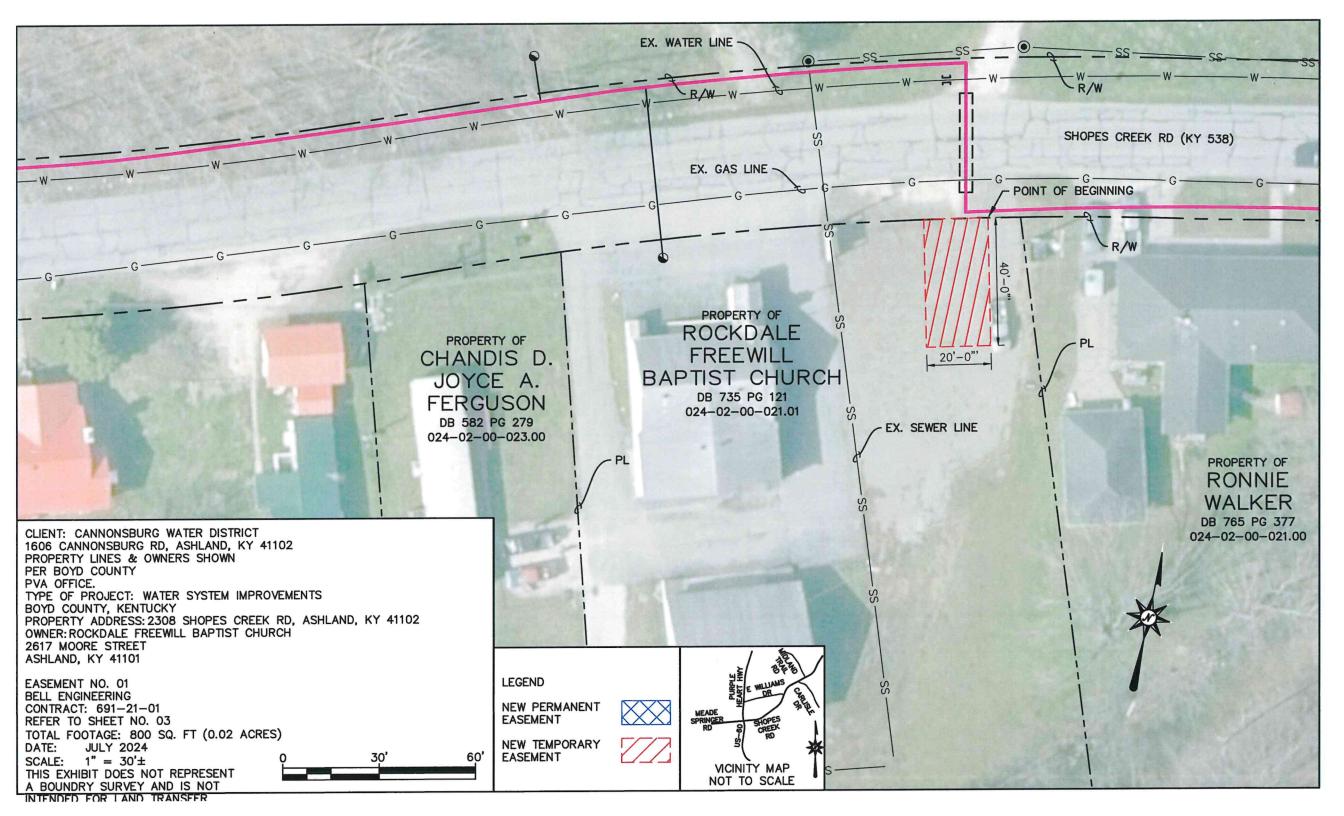
Rockdale Freewill Baptist Church, Grantor
By: Ceril Crislip fr.
Trustee
(print name and position)
STATE OF KENTUCKY COUNTY OF BOYD
The foregoing Easement was subscribed, sworn to, and acknowledged before me this 1 day of January, 2025 by 1 day of January, 2025 by 1 day of the Grantor, in his capacity as 1 day of the Grantor, for and on behalf of the Grantor.
NOTARY PUBLIC, State at Large Printed Name of Notary: Sherry Elaine Gallion Notary ID Number: KYNP84414 My Commission Expires: 1/18/202 8
PREPARED BY:
Tim Webb, District Manager
Cannonsburg Water District

1606 Cannonsburg Road Ashland, Kentucky 41102 IN WITNESS WHEREOF, the Grantee has accepted the terms of this Easement and executed this Easement on the 15th day of May, 2025

By: 12 ca
Tim Webb, District Manager
STATE OF KENTUCKY COUNTY OF BOYD
The foregoing Easement was subscribed, sworn to, and acknowledged before me this <u>15</u> day of May, 2025 by Tim Webb, in his capacity as District Manager of the Cannonsburg Water District, Grantee, for and on behalf of the Grantee.
NOTARY PUBLIC, State at Large Printed Name of Notary: Sherry Elaine Gallion Notary ID Number: KYNP844/6 My Commission Expires: 1/18/2028
PREPARED BY:

**Cannonsburg Water District, Grantee** 

Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102



After recording return to: Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

Documentary Tax Paid: \$0.00

DocType: EASE

Doc No: 10035378 DocTyl Recorded: 05/15/2025 02:05:28 PM

Fee Amt: \$0.00

Boyd County Kentucky Kevin Johnston, Clerk

By: JENNY HORN

BK 868 PG 374 - 378 (5)

#### WATER LINE RIGHT-OF-WAY EASEMENT

That for a good and valuable consideration Gary Sparks, a single person, 3136 Shopes Creek Road, Ashland, Kentucky 41102 (the "Grantor"), does hereby grant unto the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, (the "District"), an exclusive perpetual easement with the right to construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a water line and related appurtenances over, across, and through the land of the Grantor situated in Boyd County, Kentucky, and a temporary workspace easement, said easements being described as follows:

The location and description of the exclusive perpetual easement for the water line are set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

The width of the exclusive perpetual easement and the width of the temporary workspace easement are set forth in **Exhibit A**. The temporary workspace easement shall terminate upon completion of the construction. In the event the water line needs repairing or replacing in the future, the District shall have the right to utilize the temporary workspace easement during the repair or replacement of the water line, but this right shall cease once the repairs and property restoration has occurred.

Being a part of the property conveyed to the Grantor by Deed recorded in Deed Book 856, Page 345, in the Boyd County Clerk's Office.

The District shall repair any and all roads, driveways, sidewalks, fences, etc. damaged during the installation of the water line and shall restore the land to its original condition, as nearly as practical.

The permanent water line easement granted to the District is exclusively for the use of the District. The District shall not grant permission to any other utility or entity to install a utility line or any utility facility within the confines of the permanent water line easement.

The perpetual easement shall constitute a covenant running with the land for the benefit of the District, and it shall not be assigned by the District.

IN WITNESS WHEREOF, the Grantor has executed this Easement on the day of May, 2025.

STATE OF KENTUCKY

COUNTY OF BOYD

Bary Souths, Grantor

The foregoing Easement was subscribed, sworn to, and acknowledged before me this 1 day of May, 2025 by Gary Sparks, a single person, Grantor.

NOTARY PUBLIC, State at Large

Printed Name of Notary: Sherry Elaine Gallion Notary ID Number: KYNP84416

Notary ID Number: KYNP84416
My Commission Expires: 1/18 2028

PREPARED BY:

Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102 IN WITNESS WHEREOF, the Grantee has accepted the terms of this Easement and executed this Easement on the 15th day of May, 2025

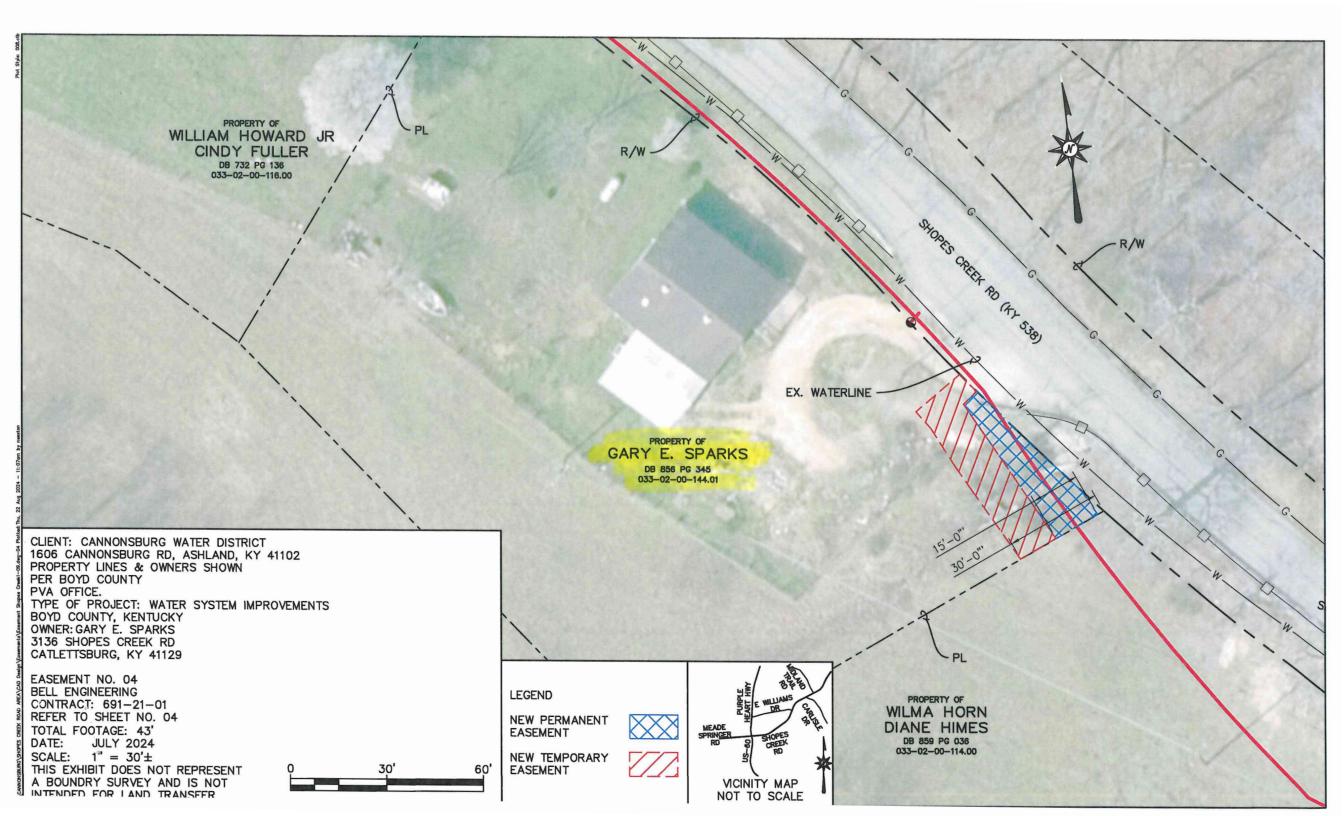
Tim Webb, District Manager

PREPARED BY:

Cannonsburg Water District, Grantee

Cannonsburg Water District 1606 Cannonsburg Road

Ashland, Kentucky 41102



After recording return to: Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102

Documentary Tax Paid: \$0.00 DocType: EASE

Doc No: 10035379 DocTyr Recorded: 05/15/2025 02:05:29 PM

Fee Amt: \$0.00

Boyd County Kentucky Kevin Johnston, Clerk

By: JENNY HORN

BK 868 PG 379 - 383 (5)

#### WATER LINE RIGHT-OF-WAY EASEMENT

That for a good and valuable consideration Monte Thompson and Kellie Thompson, husband and wife, 2403 Shopes Creek Road, Ashland, Kentucky 41102 (the "Grantor"), do hereby grant unto the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, (the "District"), an exclusive perpetual easement with the right to construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a water line and related appurtenances over, across, and through the land of the Grantor situated in Boyd County, Kentucky, and a temporary workspace easement, said easements being described as follows:

The location and description of the exclusive perpetual easement for the water line are set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

The width of the exclusive perpetual easement and the width of the temporary workspace easement are set forth in Exhibit A. The temporary workspace easement shall terminate upon completion of the construction. In the event the water line needs repairing or replacing in the future, the District shall have the right to utilize the temporary workspace easement during the repair or replacement of the water line, but this right shall cease once the repairs and property restoration has occurred.

Being a part of the property conveyed to the Grantor by Deed recorded in Deed Book 847, Page 444, in the Boyd County Clerk's Office.

The District shall repair any and all roads, driveways, sidewalks, fences, etc. damaged during the installation of the water line and shall restore the land to its original condition, as nearly as practical.

The permanent water line easement granted to the District is exclusively for the use of the District. The District shall not grant permission to any other utility or entity to install a utility line or any utility facility within the confines of the permanent water line easement.

The perpetual easement shall constitute a covenant running with the land for the benefit of the District, and it shall not be assigned by the District.

IN WITNESS WHEREOF, the Grantor has executed this Easement on the day of February, 2025.
Monte Thompson, Grantor Kellin Thompson, Grantor
STATE OF KENTUCKY COUNTY OF BOYD
The foregoing Easement was subscribed, sworn to, and acknowledged before me this 3 day of February, 2025 by Monte Thompson and Husband and Wife, Grantor.  Husband and Wife, Grantor.
NOTARY PUBLIC, State at Large
Printed Name of Notary: Sherry Elaine Gallion
Notary ID Number: KYN P844/4
My Commission Expires: 1/16/2028
PREPARED BY:
Jan
Tim Webb. District Manager

Tim Webb, District Manager Cannonsburg Water District 1606 Cannonsburg Road Ashland, Kentucky 41102 IN WITNESS WHEREOF, the Grantee has accepted the terms of this Easement and executed this Easement on the 15?\*\* day of May, 2025

By: Te
Tim Webb, District Manager
STATE OF KENTUCKY
COUNTY OF BOYD
The foregoing Easement was subscribed, sworn to, and acknowledged before me this 15 day of May, 2025 by Tim Webb, in his capacity as District Manager of the Cannonsburg Water District, Grantee, for and on behalf of the Grantee.
NOTARY PUBLIC, State at Large Printed Name of Notary: Sherry Elaine Gallion Notary ID Number: KYNP 84446 My Commission Expires: 118 2028

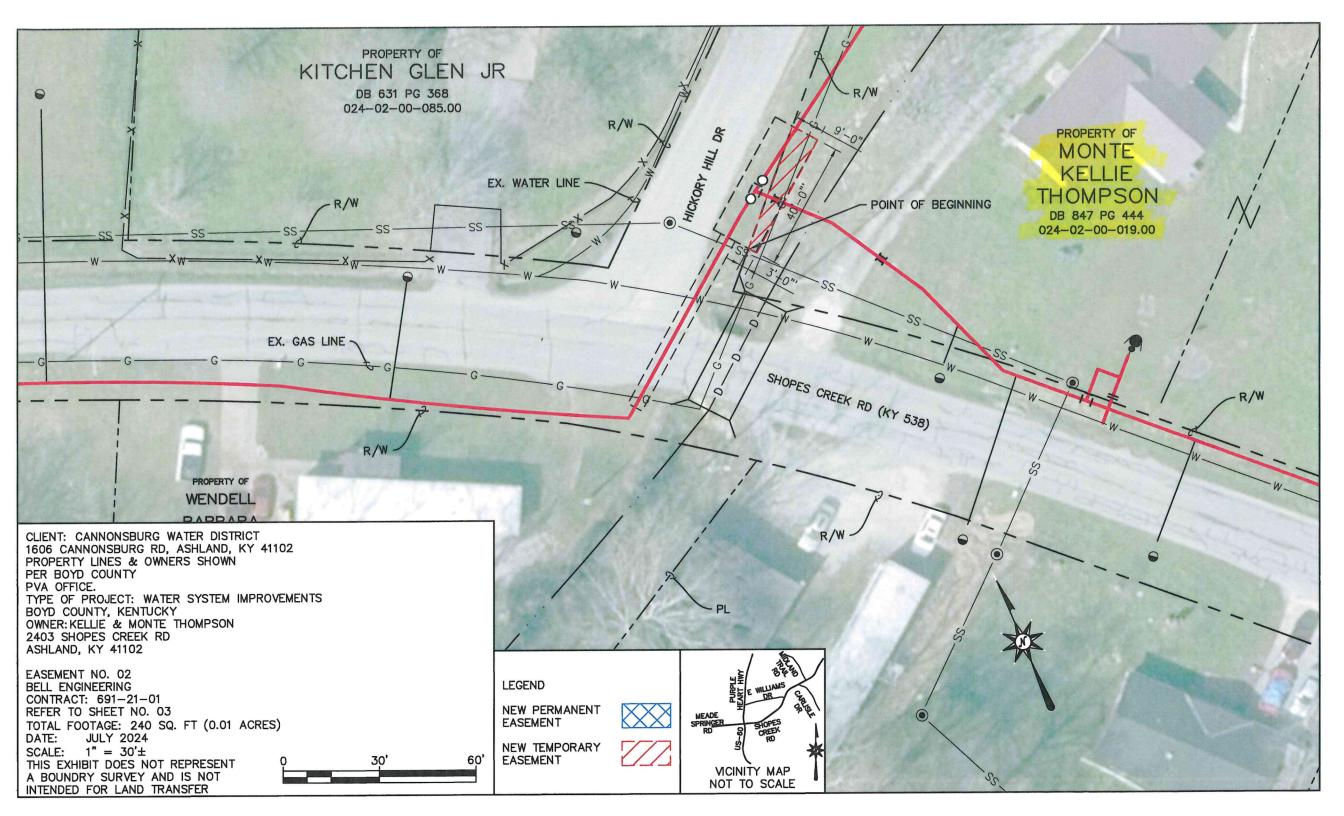
Tim Webb, District Manager

PREPARED BY:

Cannonsburg Water District, Grantee

Cannonsburg Water District 1606 Cannonsburg Road

Ashland, Kentucky 41102



#### CANNONSBURG WATER DISTRICT

### Case No. 2025-00020 Response to Commission Staff's First Request for Information

#### **Question No. 1-12**

**Responding Witness:** Tim Webb, General Manager

- Q 1-12. Refer to the Application Exhibit 15, Estimated Cost to Operate. Explain the estimated increase of energy usage by kWh to operate the new Midland Trail Road Pump Station.
- A 1-12. The Comparison of Annual Operating Costs filed with the Application as Exhibit 15 contained clerical errors. A Corrected Comparison of Annual Operating Costs has been filed separately as **Corrected Exhibit**15. The total cost to operate the existing pump station in 2024 was \$49,111. The estimated post-construction costs to operate the pump station are:

Electricity \$ 65,001

Chlorine \$ 1,800

Generator (Natural Gas) \$ 1,200

Total \$ 68,001

Attached to this response as **Attachment 1-12** are the engineer's calculations of estimated energy usage to operate the new pump station.

These are only **estimates**. These calculations are a conservative estimate, and the actual cost to operate the new pump station may be less.

The pump at the existing pump station is a 100-horsepower pump. The new pump is a 125-horsepower pump. This accounts for some of the increase in energy costs. In calculating the estimate of electrical costs, the engineer assumed that the HVAC system at the pump station would operate continuously, lighting would be required two hours each day, and a 125-horsepower pump would operate 12 hours each day.

While Cannonsburg District agrees with the engineer's estimate of the number of hours each day the pump will operate and the lighting estimate, it does not anticipate the HVAC system will operate continuously. Currently, Cannonsburg District does not operate the pump station HVAC system continuously in the spring or fall, only as needed. A reduction in use of the HVAC system will reduce the overall electric use at the pump station. The HVAC system in the new pump station will be a modern energy-efficient HVAC system that will cost less to operate than the current system. The engineer's estimates of

energy usage for the HVAC system are conservative and may be higher than the actual cost to operate the HVAC system.

### Attachment 1-12 Engineer's Estimates

Water System Improvements Shopes C	reek Road Ar	ea						
Monthly Operational Cost Estimate								
1 Electrical Usage	Volts	Amps	KW	Hours Per day	KWH per day	KWH per Month	Rate	Monthly Cost
125 HP Pump	480	154	108.69936	12	1304.39	39131.77	0.12	\$4,695.81
HVAC	480	10	8.304	24	199.30	5978.88	0.12	\$717.47
Lighting	120	4	0.48	2	0.96	28.80	0.12	\$3.46
				Total KWH	1504.65	45139.45		
							Electrical Cost	\$5,416.73
2 Chlorine	Assumes 3 tanks at \$600 each per year						1800	\$150.00
3 Natural Gas for Generator	Estimated Average						\$100.00	
							Total Monthly	\$5,666.73



02/28/2025

#### CANNONSBURG WATER DISTRICT

### Case No. 2025-00020 Response to Commission Staff's First Request for Information

#### **Question No. 1-13**

**Responding Witness:** Tim Webb, General Manager

### Q 1-13. Refer to the application at 14, paragraph 23.

- a. Explain whether any of the funding components could be affected by federal funding freezes, Executive Orders or other actions by other sources of federal funding that interrupt that funding.
- b. Explain how Cannonsburg District would address any funding shortfalls or loss of funding.

#### A 1-13.

A 1-13a. None of Cannonsburg District's funding sources for the Shopes

Creek Road Project ("Project") are at risk of being affected by

federal funding freezes, Executive Orders, or other actions that

might interrupt the funding. This Project is being funded by the

following sources:

T-4-1.	62 001 000 00
Surcharge Funds	\$ 479,621.00
4. Water Loss Reduction	
3. CWP Grant 22CWW103	\$ 656,599.00
2. CWP Grant 21CWW014	\$ 540,517.00
1. KIA Fund F22-030 Loan:	\$2,304,263.00

Total: \$3,981,000.00

On May 16, 2025, Sandy Williams, KIA Executive Director, confirmed that all funds that have been obligated to Cannonsburg District for this Project (i.e. KIA Fund F22-030 loan and the two (2) Cleaner Water Program Grants listed above) are "in KIA's hands and under its control." Thus, none of these funds are at risk.

The remaining funding source is Cannonsburg District's Water Loss Reduction Surcharge Funds ("Surcharge Funds"). Surcharge Funds in the approximate amount of \$484,196 are being held by Cannonsburg District in a separate, interest-bearing bank account. On May 6, 2025, Cannonsburg District filed a motion in Case No. 2014-00267 for authority to use these Surcharge Funds for this Project.

**A 1-13b.** Not applicable, see response to 13a above.