COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF GREEN-TAYLOR WATER DISTRICT	))	CASE NO. 2026-00192

VERIFICATION OF PATRICK DAVIS

COMMONWEALTH OF KENTUCKY	)
	)
COUNTIES OF Green and Taylor	)

Patrick Davis, General Manager of Green-Taylor Water District, states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Patrick Davis

The foregoing Verification was signed, acknowledged and sworn to before this 10 day of September 2026. By Patrick Davis.

Misty D. Pace-Smith

Commission expiration: March 5, 2029
KYNP97471

GREEN-TAYLOR WATER DISTRICT

CASE NO. 2026-00192 RESPONSE TO COMMISSION

STAFF'S INITIAL REQUEST FOR INFORMATION

1. State whether Green-Taylor District uses an integrated software program for billing and its general ledger. If not, provide the following information related to each of the billing software and the general ledger software Green-Taylor District used during the test period:

b. Brand or common name for each software.

Response: United Systems – Alliance G4 & Alliance G5

Witness: Patrick Davis

c. State whether each software is locally installed on a utility-owned computer or is a subscription service that is internet based.

Response: Software is installed on Utility-owned computers however backed up on internet cloud servers.

Witness: Patrick Davis

d. If locally installed, state the installation date for each software.

Response: Alliance was installed in 1994 & Alliance G5 was installed in April 2025.

Witness: Patrick Davis

e. State whether each system is still serviced by the manufacturer and whether the utility maintains a service contract.

Response: All software with Alliance is still serviced by United Systems with a service contract.

Witness: Patrick Davis

2. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

a. The general ledger in Excel spreadsheet format with all transactions for the year ended December 31, 2025, and year to date July 31, 2026.

Response: See attached files titled: 2_a_General_Ledger_Analysis.xls
2_a_General_Ledger_Analysis_07/31/2026.xls

Witness: Patrick Davis

b. The trial balance in Excel spreadsheet format for the year ending December 31, 2025, and year to date July 31, 2026.

Response: See the attached files titled:
2_b_Trial_Balance_Report_2025.xls
2_b_Trial_Balance_July_Report.xls

Witness: Patrick Davis

3. Referring to the Application Schedule of Adjusted Operations (SAO). Provide an itemization of the Miscellaneous Service Revenues of $92,950 and the Other Water Revenues of $7,843 and state whether each component will recur.

Response:

Miscellaneous Service Revenue:

604-4710 Miscellaneous Service Revenue: Reconnect Fee: $11,736.52
606-4710 Miscellaneous Service Revenue: Service Charge: $73,830.82
608-4710 Miscellaneous Service Revenue: Returned Check Fee: $230.00
619-4717 Miscellaneous Service Revenue: Debit/Credit Card Fee: $7,152.45
Total: $92,949.79 rounded to $92,950.00

Other Water Revenue: These charges will not recur.

5% Billing Charge for Sewer: $7,974.74
Water Sales: -$131.69
Total: $7,974.74 - $131.69 = $7,843.05 rounded to $7,843.00

Witness: Patrick Davis

4. Refer to Application, Attachment 12, Rate Study, Wages Tab. The wages tab reflects 2,080 pro-form regular hours for certain full-time employees, while other employees are projected to work fewer than 2,080 regular hours and incur overtime hours. State the standard annual regular working hours for a full-time employee and explain the basis for any employee projected to work fewer than the standard annual regular hours while also being projected to incur overtime.

Response: The standard regular working hours for an employee are 2,080 regular working hours per year. One of the employees has already left our company, and the other 2 have not been here the entire year, so they will not have 2,080 regular working hours for the year. However, they are eligible for overtime when worked.

Witness: Patrick Davis

5. Provide a complete description of each employee benefit, paid to or on behalf of each employee for the year 2025. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

a. Provide a copy of one invoice for 2025 for each employee benefit described above.

Response: See the attached file titled: 5_a_Employee _Benefits_ Invoice_ 2025.xls

Witness: Patrick Davis

b. State whether there were any significant changes to any benefit coverage described above subsequent to the test year.

Response: Employee Insurance increased by 7% from 2025 to 2026. See attached file titled: 5_b_7/01/2026_to_6/30/2027_Employee_Health _Insurance_Renewal.pdf

Witness: Patrick Davis

c. Provide a copy of a 2026 invoice for each employee benefit described above.

Response: See the attached file titled: 5_c_Employee_ Benefits_ Invoice_ 2026.xls

Witness: Patrick Davis

6. Refer to the Application, SAO, Adjustment H. Provide the following information regarding the proposed rate case amortization expense.

a. State whether the estimated cost for this case is a fixed amount or indicate whether the quoted amount may increase or decrease.

Response: The KRWA proposed cost quote is for the services stated in the agreement between the District and KRWA, "not to exceed total" of $9,335. Additional work that may be required in this proceeding may increase the cost.

Witness: Patrick Davis

b. Provide a copy of the quote for the preparation of the rate case.

Response: See the attached file titled, 6_b_KRWA_Rate_study_proposal.pdf.

Witness: Patrick Davis

c. Provide a copy of all invoices associated with Rate Case Expense. Consider this an ongoing request.

Response: See the attached file titled: 6_c_KRWA_ Rate _Case _Expense.pdf

Witness: Patrick Davis

d. Confirm that the anticipated rate case expense will be paid by Green Taylor District and not paid by a third party, i.e. grant funding. If not confirmed, provide the source of funding, and describe the agreement facilitating the third-party funding, and provide any preliminary and final-written agreements reflecting the third-party funding.

Response: The rate case expenses will be paid for by funds from Green-Taylor Water District

Witness: Patrick Davis

7. Refer to SAO - Purchased Water expenses.

a. Provide the purchased gallons and cost, by month for the entire year, for each supplier, and in total, for calendar year 2025.

Response: See the attached file titled: 7_a_Annual _Gallons _Purchased_ 2025.xls

Witness: Patrick Davis

b. Reconcile reported gallons purchased in the test year annual report water statistics and the purchased gallons reported in 2025 from Item 8a above.

Response: The audit states 43,564,000 in June instead of 43,563,000, which is over 1,000 gallons. The total gallons purchased should be 482,242,000. This was caused by an error in adding. See the attached file titled: 7_b_2025_Pumping_&_Water_Statistics.pdf

Witness: Patrick Davis

8. Provide copies of invoices for general liability, automobiles, property, and casualty for 2025 and 2026.

Response: See attached files titled: 8_LaRue_Ins_Invoice_7/25/25.pdf, 8_LaRue_Ins_Invoice_Cyber_07/24/25.pdf, 8_LaRue_Ins_Invoice_08/01/26.pdf, & 8_LaRue_Ins_Invoice_Cyber_07/14/26.pdf

Witness: Patrick Davis

9. Provide the minutes from the Green-Taylor District's commissioner's meetings for the calendar years 2024, 2025, and year-to-date 2026. Consider this a continuing request through the date of issuance of Commission Staff's Report.

Response: See the attached files titled: 9_Minutes_2024.pdf, 9_Minutes_2025.pdf. & 9_Minutes_2026.pdf

Witness: Patrick Davis

10. Refer to the minutes from the Green-Taylor District's commissioner's meetings for the calendar years 2024, 2025, and year-to-date 2026 requested above and provide the following.

a. Designate each action that authorizes hiring.

Response:
12/09/2024 2 Office Staff Positions
1/07/2025 Hire 2 Office Staff
12/02/2025 Hire Operator
12/12/2025 GM Position
1/06/2026 Hire GM & Part-time Temporary Employee
2/03/2026 Co-op Part Time Employee
3/03/2026 Part Time Employee
4/07/2026 Employee Status Change
5/05/2026 Operator Position
6/02/2026 Operator Position

Witness: Patrick Davis

b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

Response:
2/06/2024 GM Salary Review
6/04/2024 Employee Insurance Renewal
7/02/2024 Employee Salary Review
12/09/2024 HSA
1/07/2025 Office Manager Salary Review
5/06/2025 Employee Insurance Review
6/03/2025 Employee Insurance Review
7/01/2025 Employee Salary Review
8/05/2025 HSA to HRA Discussion

12/02/2025 HSA Contribution

Witness: Patrick Davis

11. For each Water Commissioner, provide the following for calendar years 2024, 2025, and year-to-date July 31, 2026:

a. List of the name of each water commissioner, their term (beginning and ending), and current annual compensation.

Response: See the attached file titled: 11_a_Commissioner_ Info.xls

Witness: Patrick Davis

b. Provide, individually, the total amount of each benefit paid to, or on behalf of each water commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.)

Response: See the attached file titled: 11_b_Commissioner_ Info.xls

Witness: Patrick Davis

c. Provide documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation.

Response: See attached files titled:

11_c_Jerry_Hall_Reappointment_7/01/2026.png
11_c_Todd_Durrett_Appointment_7/01/2026.png
11_c_Terry_Mardis_Reappointment_7/01/2026.png
11_c_Jeff_Suratt_Reappointment_7/01/2022.pdf
11_c_Larry_Houk_Reappointment_7/01/2024.png
11_c_ Richard_Burress_Appointment_1/01/2026.png
11_c_Bill_Netherland_Reappointment_7/01/2024.pdf

Witness: Patrick Davis

d. Training records for each commissioner for calendar year 2024, 2025, and year-to-date 2026 inclusive of any training for which they have registered but not yet attended in 2026 or provide a statement that the individual has not attended training.

Response: The only Commissioner who attended training in 2026 was Richard Burress. He attended training in Owensboro on August 18-19, 2026, for a total of 12 hours.

No other Commissioners have attended training during 2024, 2025, or 2026.

Witness: Patrick Davis

e. Confirm that the commissioners listed in Green-Taylor District's 2025 Annual Report reflect the Green-Taylor District's current commissioners. If not confirmed, explain the response.

Response: Bill Netherland has been replaced by Richard Burress.
Jeff Suratt has been replaced by Todd Durrett.

Witness: Patrick Davis

12. Refer to Green-Taylor District's Tariff, PSC Ky. No. 1, Original Sheet No. 10-12, Rules and Regulations, Billings.

a. Provide the date Green-Taylor District's billing cycle begins (meter read date).

Response: The billing cycle begins on the 1st of the month.

Witness: Patrick Davis

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission may issue concerning rates in this case.

Response: Yes, the 1st day of the month would be a good effective date for orders concerning rates.

Witness: Patrick Davis

13. Refer to Green-Taylor District's Tariff, PSC Ky. No. 1, Original Sheet No. 12, Rules and Regulation; Billings, Meter Readings, and Related Information; Item 4 and the Application, Attachment 12, Rate Study, ExBA tab regarding the Misread Meter adjustment in the amount of $304,024.82.

a. Explain how customer read meters resulted in the $304,024.82 Misread Meter adjustment and provide the calculation and supporting documentation used to determine the adjustment.

Response: Customers incorrectly read meter or repeatedly submitted estimates that resulted in higher usage than they used.

See attached files titled: 13_a_Misread_Meter_Adjustment.pdf

& 13_a_Adjustments_2_or_More__Months.pdf

Witness: Patrick Davis

b. For calendar years 2023, 2024, and 2025 provide the number of instances in which a customer submitted meter reading was determined to be incorrect and required correction, separated by year.

Response: 2023: 638 instances
2024: 534 instances
2025: 745 instances

Witness: Patrick Davis

c. For calendar years 2023, 2024, and 2025, provide the number of meter rereads performed by Green-Taylor District due to an incorrect customer submitted meter reading, separated by year.

Response: 2023: 122 rereads
2024: 122 rereads
2025: 163 rereads

Witness: Patrick Davis

d. For calendar years 2023, 2024, and 2025, provide the number of meters read by Green-Taylor District because a customer failed to submit a meter reading for three consecutive months, as provided for in its tariff, separated by year.

Response: 2023: 2269 reads
2024: 2242 reads
2025: 3313 reads

Witness: Patrick Davis

14. Provide the following for new tap installations.

a. Number of installations during the test year.

Response: There were 76 new installations for the test year

Witness: Patrick Davis

b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

Response: No, labor costs were not capitalized

Witness: Patrick Davis

c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

Response: No, material costs were not capitalized.

Witness: Patrick Davis

15. State the last time Green-Taylor District performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Green-Taylor District considered filing a COSS with the current rate application and the reasoning for not filing one.

Response: The District considered the benefits of performing a COSS when contracting with KRWA to assist with current application. The District does not believe the additional time and expense of performing a COSS would provide a benefit to the District and the current application.

Witness: Patrick Davis

b. Explain whether any material changes to Green-Taylor District's system would cause a new COSS to be prepared since the last time it completed one.

Response: The District has not experienced material changes to its operations that would necessitate the preparation of a COSS.

Witness: Patrick Davis

c. If there have been no material changes to Green-Taylor District's system, state when Green-Taylor District's anticipates completing a new COSS.

Response: The District does not anticipate needing to complete a COSS, in the near future.

Witness: Patrick Davis

d. Provide a copy of the most recent COSS that has been performed for Green-Taylor District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: The current staff has no knowledge of a COSS being performed for Green-Taylor's system.

Witness: Patrick Davis

16. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar year 2025.

Response: There were 9,254 occurrences for penalties and the total amount was $49,241.98.

Witness: Patrick Davis

17. Provide a schedule that lists the number of occurrences of each nonrecurring charge and the revenue amount that was recorded during 2025. Include nonrecurring charges for which there were no occurrences or reported revenue. Include the general ledger account numbers where each nonrecurring charge is recorded.

Response:

Service Charges (including collection turn on charge, field collection, meter reread charge) 4,167 occurrences - $67,214.45 in revenue
Late Fees 9,254 occurrences - $49,241.98 in revenue
Returned Check Charges 14 occurrences - $140.00 in revenue
Reconnect Fees 435 occurrences - $ 7,308.00 in revenue
Locking Device 1 occurrence - $5.65 in revenue
Meter Test Charges 0 occurrences - $0 in revenue
After-Hour Charges (including service charges reconnect and service fees) 0 occurrences - $0 in revenue
Meter Relocation 0 occurrences - $0 in revenue

Late Fees GL# is 603-4700
All Other Service Charges GL# is 604-4710

Witness: Patrick Davis

18. Provide updated cost justification sheets to support each nonrecurring charge listed in Green-Taylor District's tariff.

Response: See attached files titled:
18_NRC_After_Hours_Charge.pdf,
18_NRC_Collection_Turn_On_Charge.pdf,
18_NRC_Damage_to_Lid_Meter_Equipment_Transmitters.pdf,
18_NRC_Field_Collection.pdf,
18_NRC_Late_Payment.pdf,

18_NRC_Meter_Relocation.pdf,
18_NRC_Meter_Reread_Charge.pdf,
18_NRC_Meter_Test_Request_Charge.pdf,
18_NRC_Reconnect_Charge_After_Hours.pdf,
18_NRC_Reconnect_Charge_Normal_Hours.pdf,
18_NRC_Returned_Check_Rejected_Bank_Draft_Charge.pdf,
18_NRC_Service_Fee_After_Hours.pdf,
18_NRC_Service_Fee_Normal_Hours.pdf

Witness: Patrick Davis

19. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Green-Taylor District's tariff.

Response: See attached file titled: 19_Tap_Fee.pdf

Witness: Patrick Davis

20. Refer to Application, Attachment 12, Rate Study, Revenue Requirements. The Revenue Requirement schedule references an email dated May 14, 2026, indicating that $3,104 of non-utility income will not recur. Provide supporting documentation identifying the source of the $3,104 and explain why it is nonrecurring.

Response: See the attached file titled: 20_Sales_Tax_Revenue_2025.pdf
$3,053.52 See the attached file titled: 20_Invoice_901.pdf $51.00
Total: $3,053.52 + $51.00 = $3,104.52 rounded to $3,104.00

This income will not recur because of the sale of a meter lid and an overpayment of the sales tax.

Witness: Patrick Davis

21. Refer to Application, Attachment 12, Rate Study, Debt Service Tab. The utility's debt service schedule identifies three outstanding loans; however, the calculation of average annual interest expense appears to include interest and fees for only one loan.

a. Explain why the interest and fees are associated with the remaining two loans were excluded from the calculation.

Response: The referenced schedule contains an incorrect formula. The average annual interest and fees should include the expenses for all three outstanding loans. The revised calculation amount should be $59,293.

Witness: Patrick Davis

b. If the exclusion was intentional, provide the basis for the exclusion associated with each of the two loans.

Response: The exclusion was unintentional.

Witness: Patrick Davis

c. If the exclusion was not intentional, provide a revised debt service schedule and revenue requirement calculation reflecting all applicable interest and fee expenses.

Response: See the attached file titled, 21_c_revised_schedules.xlsx.

Witness: Patrick Davis

d. Confirm whether the revised revenue requirement calculation would constitute an amendment to Green-Taylor District's application. If not, explain why the revised calculation would not constitute an amendment.

Response: The District acknowledges the significance of the miscalculation. The District will rely on the Commission to make this determination.

Witness: Patrick Davis

22. Refer to Application, Attachment 4, Table A – Depreciation Expense Adjustments and Attachment 7, Depreciation History Report 2025. Provide a reconciliation between the original costs reported in Table A and the detailed assets contained in Attachment 7. For each asset class, identify the individual assets included,

the original costs assigned to the class, the service life applied to each asset, and the calculations used to derive the reported and pro forma depreciation expenses, including the resulting total depreciation adjustment of $111,746.

Response: The Original cost stated in Table A includes only costs associated with assets that contributed to depreciation expense in the test year. See the attached file titled, 22_GTW_Depreciation_History_Report_2025_Sorted.xls

Witness: Patrick Davis

23. Refer to Application, Attachment 3, Current and Proposed monthly water loss reduction surcharge of $2.76 per customer for 48 months.

a. Explain the factors that contributed to the increase in water loss during 2023, 2024, and 2025, and identify the specific causes of the current level of water loss.

Response: Green-Taylor Water District respectfully submits that, based upon its operational experience and knowledge of the district's distribution system, its professional opinion is that a significant contributing factor to the district's water loss is limited visibility into water flow and consumption throughout the distribution system.

The district's existing infrastructure does not currently provide sufficient real-time, system-wide, or zone-level information to allow District personnel to readily determine where water is being consumed, where abnormal flows are occurring, or where water may be escaping from the distribution system. This limitation can make it difficult to identify underground leaks, particularly leaks that do not surface or otherwise become apparent to District personnel or customers.

The district recognizes that effective water-loss control requires the ability to measure and monitor water throughout the system and to identify areas where water entering the system is not being accounted for through authorized customer consumption.

Current Water-Loss Reduction Efforts – The district is currently utilizing several methods to identify and reduce water loss.

SCADA monitoring – The district utilizes its Supervisory Control and Data Acquisition (SCADA) system to monitor available system flows, tanks levels,

pump operation, and other operating conditions. SCADA provides District personnel with information that can be used to identify unusual changes in system conditions and flow patterns that may warrant further investigation.

Leak Detection and Investigation – District personnel routinely investigate suspected leaks and unexplained water usage. When system conditions, customer reports, or other information indicate a potential leak, District employees investigate the affected area and make repairs when the source of the loss is identified.

Public Reporting – The district also relies upon customers and members of the public reporting visible leaks. Public reporting is a critical component of the district's current leak-detection efforts because customers may observe water surfacing, flowing water, damaged water lines, or other indications of a leak before District personnel are able to identify the condition through normal system monitoring.

Although these measures have assisted the district in identifying and correcting known leaks, the district believes that additional investment in metering and system-monitoring infrastructure is necessary to improve its ability to proactively identify and quantify water loss.

Witness: Patrick Davis

b. Identify and describe the capital projects and system improvements undertaken during the past five years that were intended, in whole or in part, to reduce water loss. For each project, provide the project cost, completion date, purpose, and the effect, if any, on water loss.

Response: There have been no projects in the past 5 years to reduce water loss.

Witness: Patrick Davis

c. Explain why the proposed water loss reduction activities cannot be funded through existing operating expenses or the current capital plan rather than a water loss reduction surcharge.

Response: Green-Taylor Water District is already moving forward with the purchase and implementation of AMI technology using our current savings and available capital. However, the District continues to face significant challenges related to the age and condition of our water distribution system. We have numerous older water lines throughout our system that require continuous maintenance, repairs, and replacement.

In addition, the District has added three meter readers to our staff to improve the accuracy and consistency of meter readings throughout the system. While this change will provide significant benefits to our customers and the District, it also increases our ongoing personnel expenses.

At the same time, employee wages, benefits, parts, equipment, materials, and other operating supplies continue to increase due to inflation and rising costs. The District must carefully manage these expenses to ensure that our operating costs do not begin to exceed our available revenue.

Our goal is to continue making necessary improvements to our system, provide reliable and efficient service to our customers, maintain our aging infrastructure, and make responsible investments such as AMI, while also maintaining the financial stability of Green-Taylor Water District.

Witness: Patrick Davis

d. Provide a detailed description of the projects and expenditures proposed to be funded through the $2.76 monthly Water Loss Reduction Surcharge:

Response: The district proposes to use revenues generated from the water loss surcharge for expenditures directly associated with reducing water loss and improving the district's ability to account for water throughout its distribution system.

The principal anticipated uses of the surcharge revenues are the purchase and installation of Advanced Metering Infrastructure (AMI) water meters and the purchase and installation of zone meters throughout the district's distribution system.

The district is transitioning from its existing customer-read meter system to AMI. The installation of AMI meters will provide the district with more timely and accurate customer consumption information and improve the district's visibility into water usage.

AMI will assist the district in identifying unusual consumption patterns, continuous flows, potential customer-side leaks, and other conditions that may contribute to water loss. It will also provide more reliable consumption information that can be compared with system production and zone-level water measurements.

The district also proposes installing additional zone meters. Zone metering will allow the district to measure the amount of water entering defined portions of the distribution system and compare that volume against authorized consumption recorded by customer meters within those areas.

This information will allow the district to identify areas with excessive or unexplained water loss and focus its leak-detection efforts on where the available data indicates the greatest potential for loss.

The combination of SCADA, AMI, and zone metering will provide the district with significantly greater visibility into movement of water through its system. Rather than simply identifying that water loss exists, the district will have improved capability to determine where the loss is occurring, the approximate magnitude of the loss, and where investigative and repair resources should be directed.

Hydro-Vac Excavation – The district may also utilize hydro-vac excavation as an additional tool in its water-loss reduction efforts.

Hydro-Vac excavation uses pressurized water and vacuum excavation to expose underground utilities and water infrastructure. This technology can be useful when the district has identified a suspected leak or underground infrastructure problem but cannot readily determine the precise location of the water line, fitting, valve or leak.

Hydro-Vac excavation could allow the district to more precisely investigate suspected leak locations while reducing unnecessary excavation and the potential for damage to other underground utilities. It may also reduce the time required to locate and repair underground leaks.

The district would evaluate whether hydro-vac equipment should be purchased, rented, or obtained through a contracted service based upon the most economical option available to the utility.

Purpose and Accountability of the Surcharge: The district's intent is that water loss surcharge revenues be used for water-loss reduction purposes and related capital investments rather than for unrelated operating expenditures.

The district anticipates that the surcharge will provide a dedicated funding source for the installation of AMI meters, zone meters, and other equipment or technology necessary to improve water-loss detection and system accountability.

The district believes these investments will allow it to transition from a primarily reactive approach to leak detection toward a more initiative-taking, data-driven water-loss management program.

The district's intended approach is - SCADA monitoring-zone metering-AMI customer metering-identification of abnormal flow or consumption-targeted leak investigation-repair-measurement of the resulting improvement.

This approach is intended to provide the district with measurable information that can be used to prioritize water-loss reduction efforts and evaluate the effectiveness of investments made with surcharge revenues.

Conclusion: Green-Taylor Water District acknowledges the importance of reducing water loss and is committed to making reasonable and prudent investments to improve its water-loss management program.

The district's professional opinion is that a significant contributing factor to its current water loss is the limited visibility into water flow and consumption throughout the distribution system. The district addresses this limitation through continued SCADA monitoring, leak investigation, public reporting, and its planned transition to AMI.

The proposed water loss surcharge will provide a dedicated source of funding to accelerate these efforts, with the primary anticipated uses being the purchase and installation of AMI water meters and zone meters. The district may also utilize hydro-vac excavation or contracted hydro-vac services when appropriate to assist in locating and repairing underground leaks.

The district believes these investments are necessary to improve its ability to identify, quantify and reduce water loss, thereby improving system efficiency and reducing the amount of treated water that is lost before it can be accounted for as authorized customer consumption.

Witness: Patrick Davis