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Commissioner

December 21, 2021

## PARTIES OF RECORD

Re: Case No. 2019-00119

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Brittany Koenig at [Brittany.Koenig@ky.gov](mailto:Brittany.Koenig@ky.gov) or by phone 502-782-2591.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda C. Bridwell, PE  
Executive Director

Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File No. 2019-00119

**FROM:** Brittany Koenig, Assist. General Counsel

**DATE:** 12-17-21

**RE:** Informal Conference for Estill County Water District of Nov. 9, 2021

Pursuant to a Staff Notice issued on September 7, 2021, a virtual informal conference (IC) was conducted on November 9, 2021. Attached is a copy of the attendance roster.

The purpose of the IC was to comply with Commission's Order of July 30, 2021 in Case No. 2019-00041, to discuss the utility's progress on improving its water loss reduction, its water audit filed January 28, 2021, its water meter testing policy, its water meter and valve testing schedule and the status of its general manager position. Additional reasons for the informal conference were to discuss any new policies implemented since the Case No. 2019-00041 hearings and order to address better business practices or the frequency of rate cases, as well as whether the utility has performed a recent rate sufficiency study.

Commission Staff, Brittany Koenig, began the meeting by advising representatives of Estill County Water District (Estill District) that notes would be taken during the conference and that Staff would prepare and enter into the record a memorandum regarding the conference. Staff further advised that the utility has five days after the memorandum is entered into the record to file comments on the memorandum.

Estill County District's general manager, Audrea Miller, explained the utility has tools in place to track water loss, including 19 zone meters, with 4 at creek crossings. The utility had the goal to replace 100% of residential meters and approximately one-third of residential meters will be replaced by January of 2022. Those plans and goals came out of the Phase 1 and Phase 2 projects.

In May 2019, a Corrective Action Plan was filed, in June 2019, the utility filed for a surcharge and it was approved in August 2019. The utility installed back flow prevention in August 2019. Estill County District addressed internal controls with an AWWA water audit in July 2020 with RCAP validation. The board also voted to perform a water audit annually. In October 2021, the utility got assistance from the University of Kentucky with a hydraulic model through an ARC grant. The utility sought assistance with the "big ticket items" as those were higher priority, including the water audit and the hydraulic model.

The utility contacted RCAP and KRWA to help with a rate study after its 2021 audit and the plan is for utility to file for a rate case in the first quarter of 2022, depending on

when the 2021 audit numbers are available. Estill County District's water loss was 31% for 2020 and for 2021 it is 18% so far. Commission Staff advised the utility to compare its expenses from year to year using its audits and look routinely at its current and future needs.

Estill County District, Secretary, Jack Stickney, noted that the biggest change may have been creating one position for general manager and noted that the utility has made great improvements since Case No. 2019-00041.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

**Attendance Log for Virtual IC on November 9, 2021**

Commission Staff:

Brittany Koenig

Ariel Miller

Travis Leach

Erin Donges

Eddie Beavers

William Foley

Moriah Tussey

Justin Young

Jason Colyer

Heather Temple

Estill County District:

Gerald Wuetcher, Counsel

Audrea Miller, Field Manager

Jack Stickney, Board Secretary

William Murphy, Operations Manager

\*Estill County Water District #1  
76 Cedar Grove Road  
Irvine, KY 40336

\*Audrea Miller  
Office Manager  
Estill County Water District #1  
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