

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTH)	
HOPKINS WATER DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT A SYSTEM)	2020-00126
IMPROVEMENTS PROJECT AND AN ORDER)	
AUTHORIZING THE ISSUANCE OF)	
SECURITIES PURSUANT TO KRS 278.023)	

NOTICE OF FILING

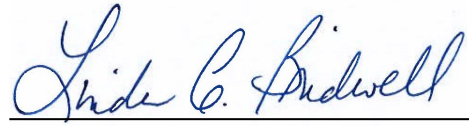
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on December 15, 2020 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on December 15, 2020 in this proceeding;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on December 15, 2020.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/hqWy3ojsLj0>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 3rd day of March 2021.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTH HOPKINS)
WATER DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO CONSTRUCT A)
SYSTEM IMPROVEMENTS PROJECT AND AN)
ORDER AUTHORIZING THE ISSUANCE OF)
SECURITIES PURSUANT TO KRS 278.023)

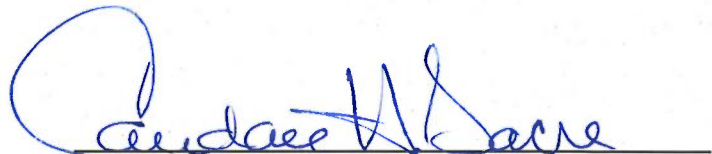
CASE NO.
2020-00126

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on December 15, 2020. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on December 15, 2020;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of December 15, 2020; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of December 15, 2020, and the time at which each occurred.

Signed this 12th day of February, 2021.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Notary Public State at Large ID#: 614400
Commission Expires: January 14, 2023



Date:	Type:	Location:	Department:
12/15/2020	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Norman David Adams; James Daniel Ashby; Dennis Howe; Tamara Hunter; Anthony Knight; Jack Allen LeGrand; Steve Oakley
 Judge: Kent Chandler; Talina Mathews; Michael Schmitt
 Clerk: Candace Sacre

Event Time	Log Event	
9:14:50 AM	Session Started	
9:37:50 AM	Chairman Schmitt Note: Sacre, Candace	On the record Case No. 2020-00126, Application of North Hopkins Water District (District) for a Certificate of Public Convenience and Necessity to Construct a System Improvements Project and an Order Authorizing the Issuance of Securities Pursuant to KRS 278.023.
9:38:28 AM	Chairman Schmitt Note: Sacre, Candace	My name is Michael Schmitt, Chairman, presiding today.
9:38:34 AM	Chairman Schmitt Note: Sacre, Candace	Joining via videoconferencing, Vice Chairman Kentucky Chandler and Commission Talina Mathews.
9:38:42 AM	Chairman Schmitt Note: Sacre, Candace	Videoconferencing and COVID recommendations. (Click on link for further comments.)
9:40:59 AM	Chairman Schmitt Note: Sacre, Candace	Reason here this morning, on May 6 2020, Commission granted CPCN to District proposed interconnection Webster District and North Hopkins water distribution system.
9:41:21 AM	Chairman Schmitt Note: Sacre, Candace	Additionally, authorized North Hopkins enter loan agreement Rural Development \$855,000. (Click on link for further comments.)
9:41:49 AM	Chairman Schmitt Note: Sacre, Candace	Staff three rounds discovery; subsequent responses, Staff questions financial status; inability respond questions, North Hopkins ability determine health operations.
9:42:17 AM	Chairman Schmitt Note: Sacre, Candace	Jan 16 2020 routine inspection North Hopkins Water District; Jan 21 2020 deficiencies identified. (Click on link for further comments.)
9:43:11 AM	Chairman Schmitt Note: Sacre, Candace	As case proceeded, explanations not entirely clear, some involved issues/disputes North Hopkins and City of Madisonville (City). (Click on link for further comments.)
9:44:16 AM	Chairman Schmitt Note: Sacre, Candace	Ask counsel identify themselves.
9:44:32 AM	Atty Brown North Hopkins District Note: Sacre, Candace	Katelyn Brown, North Hopkins Water District, Stoll Keenon Ogden, 500 West Jefferson St Ste 2000, Louisville KY 40202.
9:44:55 AM	Chairman Schmitt Note: Sacre, Candace	For Staff?
9:45:01 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Brittany Koenig, Commission.

9:45:05 AM	Chairman Schmitt Note: Sacre, Candace	Madisonville not party, Howe subpoenaed, Joseph Evans City Atty Madisonville present representing Howe, correct?
9:45:27 AM	Atty Evans City of Madisonville Note: Sacre, Candace	Correct, Joe Evans III, Frymire Evans Peyton Teague & Cartwright, P O Box 695, Madisonville, City Attorney, representing Howe.
9:45:45 AM	Chairman Schmitt Note: Sacre, Candace	Different kind proceeding. (Click on link for further comments.)
9:47:34 AM	Chairman Schmitt Note: Sacre, Candace	Notice given, evidence in record, correct?
9:47:51 AM	Atty Brown North Hopkins District Note: Sacre, Candace	Correct.
9:47:56 AM	Chairman Schmitt Note: Sacre, Candace	Open session public comment. (Click on link for further comments.)
9:49:30 AM	Chairman Schmitt Note: Sacre, Candace	Open hearing, beginning with testimony. Ms. Koenig?
9:49:47 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Steven Oakley.
9:49:57 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
9:50:10 AM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
9:50:19 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Direct Examination. Name?
9:50:31 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Business address?
9:50:46 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Educational level?
9:50:48 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Education background?
9:50:57 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	How long?
9:51:05 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Superintendent?
9:51:22 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Where work before?
9:51:33 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Daily tasks, job responsibilities?
9:51:54 AM	Atty Brown North Hopkins District - witness Oakley Note: Sacre, Candace	Same responsibilities general manager?
9:52:13 AM	Atty Brown North Hopkins District Note: Sacre, Candace	All have, witness available questioning.
9:52:18 AM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
9:52:21 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Cross Examination. Job duties City of Madisonville?
9:52:45 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Why leave City?
9:52:54 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Bad terms?
9:53:00 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	North Hopkins District, financial state?
9:53:15 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	2015 financially sound?

9:53:21 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace What about operationally?

9:53:32 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace State of operational side District?

9:53:41 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Expand on that?

9:54:01 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Why hired?

9:54:28 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Board ask focus certain problems?

9:54:49 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Water loss?

9:55:10 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace 2019 Annual Report 23.4575, down significantly this year?

9:55:26 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Other problems priority?

9:55:55 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Contact Kentucky Rural Water training specific water loss?

9:56:05 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace When?

9:56:17 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Policies find leaks, water loss policies, how set up?

9:56:51 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Systematic way looking at leaks, policy?

9:57:20 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Provided to Commission, could?

9:57:31 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Provide post-hearing data request?

9:57:32 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY
Note: Sacre, Candace DISTRICT WATER LOSS/LEAK POLICIES

9:57:41 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Circuit Court case City 2018 case?

9:57:55 AM Staff Atty Koenig PSC
Note: Sacre, Candace Documents entered PSC Exhibits 1 through 5 City of Madisonville Kentucky v North Hopkins Water District. (Click on link for further comments.)

9:58:46 AM Chairman Schmitt
Note: Sacre, Candace Ms. Brown, Mr. Tally, objections?

9:58:50 AM Atty Brown North Hopkins District
Note: Sacre, Candace No objections.

9:58:53 AM Chairman Schmitt
Note: Sacre, Candace Filed PSC Exhibits 1 - 5.

9:58:54 AM PSC EXHIBIT 1
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY
Note: Sacre, Candace COMPLAINT HOPKINS CIRCUIT COURT CA NO. 18-CI-99, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS DISTRICT

9:58:55 AM PSC EXHIBIT 2
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY
Note: Sacre, Candace ANSWER HOPKINS CIRCUIT COURT CA NO. 18-CI-99, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS DISTRICT

9:58:56 AM PSC EXHIBIT 3
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY

	Note: Sacre, Candace	DEFENDANT'S RESPONSE HOPKINS CIRCUIT COURT CA NO. 18-CI-99, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS DISTRICT
9:58:57 AM	PSC EXHIBIT 4 Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY KOENIG PSC - WITNESS OAKLEY DEFENDANT'S SUPPLEMENTAL RESPONSE HOPKINS CIRCUIT COURT CA NO. 18-CI-00099, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
9:58:58 AM	PSC EXHIBIT 5 Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY KOENIG PSC - WITNESS OAKLEY AGREED ORDER HOPKINS CIRCUIT COURT CA NO. 18-CI-00099, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
9:59:02 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Filed affidavit, intimately involved with case?
9:59:12 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Issue this case?
10:02:22 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Clarify, agreed order EPA Madisonville or agreed order North Hopkins?
10:02:57 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Date agreed order 2016?
10:03:08 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Response agreed order, met Judge Shively Madisonville?
10:04:09 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Condition water Madisonville, testing master meter?
10:04:34 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Every quarter testing Madisonville water, in compliance, condition?
10:05:08 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Date see city administrator Madisonville discuss solve agreed orders?
10:05:27 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Result meeting, help?
10:05:45 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Court case and affidavit, jump to City filed suit in Feb 2018?
10:06:02 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	A lot between 2016 and not paying bill in Feb 2018?
10:06:25 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Clarify affidavit 2018 court case stated affirmative defense trying explain North Hopkins purchase condition water SCADA system and labor and costs treating water, direct link, clarify?
10:07:50 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Purchase of SCADA and telemetry models HMB in response agreed order with Division of Water?
10:08:12 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Agreed order because of Madisonville water?
10:08:41 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	2015 financially sound?
10:08:50 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Major contributor District financial status declining, reason?
10:09:09 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Time line, there since 2015, cases with PSC, 2018-00118, rate case, April 2 2018, filed in response to litigation filed City February?

10:10:12 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Rate case going on, Hopkins Circuit going on, nothing rate case about circuit court case?

10:10:34 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Not discussed not tell PSC?

10:10:48 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Negotiations, City before file suit?

10:11:44 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Rate case, District \$25.73 increase, Staff \$27.67 recommended, no mention made negotiations City on debt, not considered?

10:12:28 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Rate case make enough pay debt City but not discussed rate case?

10:13:21 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Significant time last rate case, since formation?

10:13:39 AM Chairman Schmitt
Note: Sacre, Candace Just 40 years.

10:13:45 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Discussion, monthly report to board, rates not sufficient, what led realizing file rate case?

10:14:20 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Only filed purchase water increases if City increased rates pass-through increase?

10:14:34 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Even trade, not adjusted infrastructure repair, in 2015, things in neglect?

10:14:50 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Plan in place fund repairs?

10:15:42 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Talking this case?

10:15:47 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Construction case add line Webster County?

10:15:55 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Plan replace meters compliance added meters loan RD?

10:16:26 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Backend, after the fact added in, what planning projection, 2018 recognized, April apply rate changes, how discuss board recognized under water?

10:18:52 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Bill to City paid?

10:19:37 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Why settled case Aug 2019?

10:19:53 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Conditions included agreed order?

10:20:03 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Dropped, free and clear, paid off bill?

10:20:18 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Okay financially, relations City?

10:20:28 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Still testing meter?

10:20:35 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace They under agreed order, you at this time?

10:20:48 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace They under agreed order at this time?

10:21:07 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Contract negotiations under contract, amendment not have, post-hearing data request full contract filed.

10:21:08 AM POST-HEARING DATE REQUEST
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY
Note: Sacre, Candace FULL AND COMPLETE COPY OF CONTRACT

10:21:36 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace 1979 contract up in 2022?

10:21:51 AM Chairman Schmitt
Note: Sacre, Candace April '21.

10:22:00 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace What happening contract negotiations?

10:23:56 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Talked to mayor Oct 2019?

10:24:03 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Last contact, any other evidence negotiations, letters, meetings?

10:25:10 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Project hookup Webster County, not exclude buying water City?

10:25:40 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Reduce amount water buy City?

10:25:52 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Minimum requirement contract City?

10:26:00 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Still meet minimum?

10:26:23 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Distribution, how many District stage 2 sample sites Madisonville and Webster County?

10:26:49 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Test water Webster County?

10:27:01 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Under agreed orders, problems with DVPs?

10:27:39 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace What rate Webster County charging compared City charges, \$4.52 City \$3.70 Webster County?

10:28:11 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Big difference, where connect Webster County young water right from treatment plant?

10:28:37 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace As opposed City not do anything about age of water connection?

10:29:21 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Things doing combat age of water, keeping tanks artificially low?

10:29:49 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Dangerous if big leak?

10:30:12 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Examination. Purchase water Webster County solve issue, allow keep tank full?

10:30:41 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace What mean say more?

10:31:04 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Know, have idea, engineer told you, by purchasing water Webster County, what level maintain water tanks?

10:32:00 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Cross Examination (cont'd). Discussed merger other entity?

10:32:12 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	How discuss problems had, discuss with board, financial problems, not include all factors rate case, agreed orders, DVPs, change level, go Webster make connection there, how arrive at decisions, input from accountant, bring up idea of merger, possible solutions/options?
10:33:38 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Discussing with board?
10:33:42 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Never suggested merger?
10:33:53 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Accountant involved in discussions?
10:34:08 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Filing water loss, supplement, Nov 23, District Response Staff DR 3, reports for Jun Jul Oct, clarify, no description category other water sales, Line 12, identify?
10:35:19 AM	Camera Lock Video Conference Activated	
10:35:44 AM	Camera Lock Deactivated	
10:36:00 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Just churches?
10:36:14 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Responsible preparing general ledger or Tamara?
10:36:33 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Last inspection Jan 16 2020, public record, performed by Division of Inspections, Inspection entered as Exhibit 6.
10:37:04 AM	Chairman Schmitt Note: Sacre, Candace	Let be entered.
10:37:05 AM	PSC EXHIBIT 6 Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY KOENIG PSC - WITNESS OAKLEY PERIODIC COMPLIANCE INSPECTION NORTH HOPKINS WATER DISTRICT JAN 16 2020
10:37:14 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Received letter Jan 31?
10:37:21 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Ask be entered PSC Exhibit 7.
10:37:28 AM	Chairman Schmitt Note: Sacre, Candace	Let be filed.
10:37:29 AM	PSC EXHIBIT 7 Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY KOENIG PSC - WITNESS OAKLEY LETTER TO STEVE OAKLEY FROM ERIN DONGES DATED JANUARY 31 2020
10:37:41 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	Looking at that, Mr. Oakley, provide update four deficiencies listed in Inspections cover letter?
10:39:05 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	When happened, March this year?
10:39:53 AM	Atty Tally North Hopkins District Note: Sacre, Candace	Didn't hear the date, repeat date?
10:40:07 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	No. 3 specifically, not testing master meter, testing quarterly?
10:40:35 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	2020 retested because of this?
10:40:49 AM	Staff Atty Koenig PSC - witness Oakley Note: Sacre, Candace	File results with Commission?

10:41:02 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Just now had tested?

10:42:38 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace City change meter, why not testing?

10:42:46 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace What testing quarterly?

10:43:22 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace No. 4, water loss, any update?

10:43:47 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Written plan address water loss?

10:43:58 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Letter filed in response to inspection, not dated, numbered 1 through 4, prepare this?

10:44:50 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Did you prepare letter?

10:44:55 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Sent as email?

10:45:08 AM Staff Atty Koenig PSC
Note: Sacre, Candace Enter PSC Exhibit 8.

10:45:30 AM Chairman Schmitt
Note: Sacre, Candace Let be marked and filed.

10:45:31 AM PSC EXHIBIT 8
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY
Note: Sacre, Candace LETTER/RESPONSE TO INSPECTION, NO SIGNATURE, NO DATE, ITEMS NUMBERED 1 THROUGH 4

10:45:41 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Regularly reply inspections without identifying?

10:45:57 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Good communication Inspection Staff?

10:46:13 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Confusing paper without identification or name, utility, anything?

10:46:31 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Questions about this case, financial status, ask Hunter or Knight or still you?

10:46:59 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Agreed order, 2015 thought financially, not operationally sound, been neglected?

10:47:16 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Not financially sound through Feb 2018 court case with City and rate case in April rate case very long time rates not sufficient, during 2018 already filed loan application to RD for Webster County connection?

10:47:58 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace RD application take into account other factors, rate case, debt to City?

10:48:27 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Discuss paying back bill and rates sufficient pay back loan?

10:48:46 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Before 2018, in motion apply loan for construction?

10:49:00 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace New rates August 2018, settled case City, applied .023 loan approval, started construction, put things to rights at District, looked what caused problems, policy address deficiencies, where in process back on track?

10:50:39 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace 2019 audit not take into account this loan?

10:51:01 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Examination. Who did rate study, engineer?

10:51:33 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Cross Examination (cont'd). Admit, if you were financially sound, SCADA water district able afford and needs?

10:51:56 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Responses to Staff inquiries, placing blame problems District on City, other issues at play?

10:53:14 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace To you, that is the reason, City problems forced you to deal with, agreed order, caused financial trouble were in?

10:54:11 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace District discuss approach other that relationship City, righting system financially, making sure sound, business records, money operate/provide services, money address neglect/infrastructure, not have anything to do with City?

10:55:01 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Not have money buy SCADA system, water systems buy ordinary course of business?

10:55:16 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Planning buy SCADA system planning before reaction agreed order, Feb 2018 not money to pay bill, defensive after sued, not have money to pay situation already in?

10:56:15 AM Chairman Schmitt
Note: Sacre, Candace Examination. Could not pay \$5,000 fine, how much in bank?

10:56:50 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Cross Examination (cont'd). Recognize problem before fix, just reacting to agreed order, planning to fix, policies in place address problems there separate from agreed order, financially sound, having sufficient rates, plan for expenses?

10:57:42 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Budget, filed budget for year?

10:57:52 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Capital planning, long-term infrastructure plan?

10:58:09 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Ask somebody else those?

10:58:43 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Anything else would like to say?

10:58:59 AM Staff Atty Koenig PSC
Note: Sacre, Candace No further.

10:59:02 AM Chairman Schmitt
Note: Sacre, Candace Vice Chairman Chandler?

10:59:05 AM Vice Chairman Chandler
Note: Sacre, Candace Yes.

10:59:12 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Examination. Part Hopkins County serve?

10:59:49 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace How close City of Nebo?

10:59:58 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Five miles northeast Nebo?

11:00:04 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Slaughters right at border Hopkins, McLean, Webster?

11:00:45 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Slaughters small city?
11:00:55 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Mile wide, half mile long?
11:01:05 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Expect no issue aging as your system?
11:01:20 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	If/when City providing water, no matter, aging issue?
11:02:01 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Slaughters in compliance, expectation District in compliance, Webster County sole provider of water, not feeding water both ends, how know not have exact same problems?
11:02:52 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Anticipation/hope purchaser both systems?
11:03:05 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	When retire superintendent City?
11:03:20 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Most recent data request responses, poor water quality, reading. (Click on link for further comments.), how long out of compliance prior agreed order 2016?
11:04:25 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	When start at District?
11:04:31 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	April '15 out of compliance, know out of compliance when at City?
11:04:47 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	City test at master meter?
11:05:16 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	What changed in City October '14 till at District April '15 water quality?
11:06:07 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	When last time tested quarterly master meter City out of compliance?
11:06:23 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	This year, last year?
11:06:50 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Tell me year last time tested water delivered out of compliance?
11:07:45 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Not been out of compliance since 2016?
11:07:54 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	District position City has to give water compliant at master meter?
11:08:12 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Since '16, test results given water out of compliance?
11:09:03 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	August '16 last time out of compliance?
11:09:12 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Merger, no desire, who is we?
11:09:32 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Never recommended anything on merger?
11:09:42 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	Not know savings to be achieved, better service, nothing like that?
11:10:08 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	How many customers?
11:10:14 AM	Vice Chairman Chandler - witness	Oakley
	Note: Sacre, Candace	1300, Slaughters 300, 200?

11:10:21 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Nebo, little over 1,000?

11:10:31 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace 1500, okay, border anybody southeast other City?

11:10:47 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Nebo, Slaughters, McLean, Madisonville, all?

11:11:17 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Each district has general manager?

11:11:29 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace All have board members paid, all expenses?

11:11:45 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Five-year capital plan or plan extends beyond a year?

11:11:56 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Plan keep in compliance meter testing schedules?

11:12:19 AM Vice Chairman Chandler - witness Oakley
Note: Sacre, Candace Depreciation expense on meters included in rates?

11:12:31 AM Vice Chairman Chandler
Note: Sacre, Candace All have.

11:12:35 AM Chairman Schmitt
Note: Sacre, Candace Dr. Mathews?

11:12:37 AM Commissioner Mathews
Note: Sacre, Candace Not have any.

11:12:44 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Examination. District has policy and procedures manual?

11:12:59 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Manual not contain capital improvement plan, leak detection plan?

11:13:15 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Not have capital improvement plan?

11:13:24 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Ask post-hearing data request copy all policies?

11:13:25 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace CHAIRMAN SCHMITT - WITNESS OAKLEY
Note: Sacre, Candace COPIES OF ALL POLICIES

11:13:31 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Contact with City negotiating new purchase water agreement, RD copy new plan?

11:14:07 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace To date, not received copy proposed contract City?

11:14:19 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace District not made effort draft contract, send City?

11:14:32 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace District have attorney meets with you or go to advice?

11:14:52 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Not expect attorney under contract, District have attorney from whom seeks advice?

11:15:10 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Who is that?

11:15:27 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Not discussion with attorney meeting with Evans negotiating new contract?

11:15:55 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Madisonville city manager form government?

11:16:10 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace What administrator do?

11:16:18 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Reason believe District not able negotiate contract with City?

11:16:45 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Why is that?

11:16:51 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Did not know how most contracts formed.

11:17:07 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace City not told you not intend sell water contract expires?

11:17:28 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace How much money in bank?

11:17:43 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Recommend to board District come to Commission for review/apply rate increase?

11:18:15 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace District records how old water mains/service lines?

11:18:31 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Same lines in place/use?

11:18:43 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Mains/service lines 50 years old?

11:18:58 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace 40 years old?

11:19:04 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace No plan put money aside replace lines?

11:19:39 AM Chairman Schmitt
Note: Sacre, Candace No further.

11:19:43 AM Chairman Schmitt
Note: Sacre, Candace Ms. Brown?

11:19:48 AM Atty Brown North Hopkins District
Note: Sacre, Candace Do not.

11:19:55 AM Chairman Schmitt
Note: Sacre, Candace Ms. Koenig?

11:19:58 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Recross Examination. Master meter results of tests, TTHM HAA results regulatory sample sites, master meter 2015 until now, post-hearing data request?

11:19:59 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS OAKLEY
Note: Sacre, Candace MASTER METER/REGULATORY SAMPLE SITES TEST RESULTS 2015 TO PRESENT

11:20:30 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Contract Webster County not replace contract City, not replacement, any permits held up by City?

11:21:18 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Nothing done by City hold up Webster County project?

11:21:33 AM Staff Atty Koenig PSC - witness Oakley
Note: Sacre, Candace Just contract renewal?

11:21:45 AM Chairman Schmitt
Note: Sacre, Candace One more series questions.

11:21:50 AM Chairman Schmitt - witness Oakley
Note: Sacre, Candace Examination. Inspection report, Erin Donges, Jan 16 2020, series of figures, water loss percentage, Attachment B, see that?

11:23:04 AM	Chairman Schmitt - witness Oakley Note: Sacre, Candace	2015 3.7%, 2016 4.47%, 28.76% in 2017, 29.58% in 2018, response 2019 20.9%, how explain, what happened 2017 2018 so high?
11:24:23 AM	Chairman Schmitt - witness Oakley Note: Sacre, Candace	Reason believe water loss ever go down 4.47 or 3.7 again, believe ever that low?
11:24:54 AM	Chairman Schmitt Note: Sacre, Candace	No further.
11:24:56 AM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
11:24:59 AM	Atty Brown North Hopkins District Note: Sacre, Candace	No.
11:25:02 AM	Chairman Schmitt Note: Sacre, Candace	Witness be excused?
11:25:05 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Yes.
11:25:11 AM	Chairman Schmitt Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
11:26:38 AM	Chairman Schmitt Note: Sacre, Candace	Call next witness.
11:26:41 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Dennis Howe.
11:26:50 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
11:27:03 AM	Chairman Schmitt Note: Sacre, Candace	Counsel for Madisonville?
11:27:11 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	Direct Examination. Name?
11:27:17 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	How employed?
11:27:21 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	What capacity?
11:27:27 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	How long?
11:27:33 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	How long associated with City?
11:27:43 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	Duties and responsibilities?
11:27:50 AM	Atty Evans City of Madisonville - witness Howe Note: Sacre, Candace	Familiarity water delivered/produced by City?
11:28:03 AM	Atty Evans City of Madisonville Note: Sacre, Candace	All have.
11:28:07 AM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
11:28:10 AM	Staff Atty Koenig PSC - witness Howe Note: Sacre, Candace	Cross Examination. Heard Oakley testimony?
11:28:25 AM	Staff Atty Koenig PSC - witness Howe Note: Sacre, Candace	Respond to anything?
11:30:37 AM	Staff Atty Koenig PSC - witness Howe Note: Sacre, Candace	Not under agreed order since Nov 2018?
11:32:40 AM	Staff Atty Koenig PSC - witness Howe Note: Sacre, Candace	Been City since 1984?

11:32:51 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Jan '85, qualifications, education?

11:33:06 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Certified operator's?

11:33:15 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Not negotiate contract 1980, bring up to date current negotiations?

11:33:55 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Not discuss meetings, contract up for discussion?

11:34:12 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Not aware District feels not negotiating?

11:35:08 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace How communicate with District?

11:35:31 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Day-to-day problems, service, master meter, water quality, meet regularly?

11:35:53 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Only if problem, only if call?

11:37:12 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Who wholesale customers?

11:37:26 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Meet annually address grievances?

11:37:51 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Heard testimony, District four issues with City, mayor problem contract extension, only through office?

11:38:51 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Involved lawsuit 2018 nonpayment, or mayor's office as well?

11:40:15 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Wholesale rate increase 2017, involved in that with PSC?

11:40:38 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Several objected, Nebo and South Hopkins joined in that case, settlement?

11:40:55 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Asked \$5, dropped to \$4.39?

11:41:13 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Price District from Webster County \$3.70, other issues with other wholesale customers, looking for solutions, avenues buy water other places?

11:41:53 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Relationship with District?

11:42:48 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Intent continue serve District?

11:43:41 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Clarify, City replace meter or District replace?

11:44:55 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Former employee City left on bad terms to District?

11:45:23 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Not aware bad blood City and District?

11:45:59 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Frustrating contract negotiated, talking, not responding, saying not you?

11:46:45 AM Staff Atty Koenig PSC - witness Howe
Note: Sacre, Candace Ever ask them, write letter, call District, formal discussion find out?

11:47:13 AM	Staff Atty Koenig PSC - witness Howe Note: Sacre, Candace	Negotiate contract but come to us, don't understand why not asking about that?
11:48:11 AM	Staff Atty Koenig PSC Note: Sacre, Candace	No further.
11:48:15 AM	Chairman Schmitt Note: Sacre, Candace	Vice Chairman Chandler?
11:48:20 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Examination. Primary driver increase testing levels City water disinfectant byproducts?
11:50:02 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Implicate City ability stay in compliance?
11:50:28 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	How change whether testing District meter out of compliance?
11:52:12 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Saying 2016 tests high at District meter result of trying be in compliance other areas, older water to District?
11:53:34 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	What lake?
11:53:47 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Where is that intake?
11:53:54 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Feed water Peewee, water treatment plant?
11:54:06 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Location compared everybody except Nebo, District not haul from Peewee, how old water serving District?
11:55:18 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Tank fixed?
11:55:29 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	City upset District and Nebo protest 2017 rate increase, aware?
11:55:57 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Not upset?
11:56:08 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Initial proposed amount not ultimately in effect, after went down?
11:56:30 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Four sites test disinfectant byproducts?
11:58:12 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Test Hanson, North Hopkins, other two close to Nebo?
11:58:33 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Which gets oldest water?
11:58:55 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Sell Hanson, North Hopkins, Nebo?
11:59:09 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Tie in with Webster?
11:59:13 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Tie in to Erlington?
11:59:17 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Tie in anyone else not sell to?
11:59:38 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Auxiliary, problem, open up valve and get it?
11:59:57 AM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Possibility acquisition/merger/cost-sharing agreements/joint purchase agreements, point person surrounding utilities looking into or mayor's office?

12:00:42 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe Largest in area?
12:00:53 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe Aware of conversations?
12:01:30 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe In charge of City capital plan, review plan?
12:01:54 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe Heard District purchase some/all water Webster County, implicate plans or five-year capital plan exclusive native needs?
12:02:30 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe Take into account wholesale demand any time, above/in addiion to what need?
12:03:13 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe Nebo sells less water than used to?
12:03:20 PM	Vice Chairman Chandler - witness Howe Note: Sacre, Candace	Howe Means you sell them lot less?
12:03:25 PM	Vice Chairman Chandler Note: Sacre, Candace	All questions.
12:03:28 PM	Chairman Schmitt Note: Sacre, Candace	Dr. Mathews?
12:03:31 PM	Commissioner Mathews - witness Howe Note: Sacre, Candace	Howe Examination. Negotiations contract mayor's office and District board?
12:03:52 PM	Commissioner Mathews - witness Howe Note: Sacre, Candace	Howe Implement what somebody tell you?
12:04:05 PM	Commissioner Mathews Note: Sacre, Candace	Thank you.
12:04:08 PM	Chairman Schmitt - witness Howe Note: Sacre, Candace	Howe Examination. How many customers City serve?
12:04:19 PM	Chairman Schmitt - witness Howe Note: Sacre, Candace	Howe District 1300?
12:04:33 PM	Chairman Schmitt - witness Howe Note: Sacre, Candace	Howe Reason believe City not intend negotiate purchase water agreement with District?
12:05:51 PM	Chairman Schmitt - witness Howe Note: Sacre, Candace	Howe District not intend use Webster County exclusive supplier water?
12:06:50 PM	Chairman Schmitt Note: Sacre, Candace	Not have anything else.
12:06:52 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
12:06:56 PM	Atty Brown North Hopkins District Note: Sacre, Candace	Not have.
12:07:01 PM	Chairman Schmitt Note: Sacre, Candace	Mr. Evans, give opportunity say, ask questions.
12:07:27 PM	Atty Evans City of Madisonville Note: Sacre, Candace	No questions Howe; background. (Click on link for further comments.)
12:12:03 PM	Chairman Schmitt Note: Sacre, Candace	Did indicate City interested assume control/absorb District?
12:12:22 PM	Atty Evans City of Madisonville Note: Sacre, Candace	That is correct.
12:12:52 PM	Chairman Schmitt Note: Sacre, Candace	Recess until 1:15.
12:12:57 PM	Session Paused	

1:19:23 PM	Session Resumed	
1:20:12 PM	Chairman Schmitt	
	Note: Sacre, Candace	Back on the record, ready to proceed?
1:20:24 PM	Staff Atty Koenig PSC	
	Note: Sacre, Candace	Chairman of water board District, Jack LeGrand.
1:20:37 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
1:20:50 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Brown?
1:21:01 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	Direct Examination. Name?
1:21:09 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	Business address?
1:21:17 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	Education level?
1:21:23 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	Postion?
1:21:31 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	How long on board?
1:21:54 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	Office is chairman?
1:22:01 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	How long?
1:22:26 PM	Atty Brown North Hopkins District - witness LeGrand	
	Note: Sacre, Candace	Have a day job?
1:22:34 PM	Atty Brown North Hopkins District	
	Note: Sacre, Candace	Available for questioning.
1:22:38 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Koenig?
1:22:40 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Cross Examination. Took over chairman responsibilities after joined board?
1:23:03 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Update on project?
1:23:48 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Contact from City for contract negotiations?
1:25:01 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Dropped off contract, City attorney emailed paragraph to him, any meeting after October 2019, any other in-person meeting Oakley with City?
1:26:21 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Revise contract, extend exact same contract?
1:27:38 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	No negotiation, trying extend same contract, District take on it, need City to sign extension existing contract with amendment?
1:27:58 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Minimum required, Oakley said no problem with Webster connection, no reason negotiate minimum requirement?
1:28:51 PM	Staff Atty Koenig PSC - witness LeGrand	
	Note: Sacre, Candace	Board discuss contract, attorney talk about renegotiation, who advising about contract, have to have to get loans, how board make decision about contract?

1:29:55 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace HMB Engineers, advising decisions loan/projects, or accountant advising?

1:30:40 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Communication board have with accountant, come to every board meeting?

1:31:19 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Rate study, how do rate sufficiency analysis, financial state when came on board?

1:33:17 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace When came March 2019, trying keep head above water, pretty bad situation?

1:34:01 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Turning point, rate case allow pay back debt, maintain operations?

1:34:59 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Rates made difference, circuit court case February 2018, rate case April 2018, no mention of litigation debt to Madisonville, loan fund project in works, depreciation not included application for RD, rate study so much earlier did not include rate case, realize rates not be current, already out of date not include all expenses?

1:36:42 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Board talk about rate case when you came on, new rates in August?

1:37:13 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Case ended, paid off Madisonville August 2019?

1:37:28 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Kind of analysis board do before application for project?

1:38:30 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Savings pay for debt?

1:38:38 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Discuss not include depreciation expense in summary for RD loan?

1:39:08 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Engineer talked about application?

1:39:30 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Application started before got there, interaction board with accountant, how get records do audit?

1:39:59 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Hunter in charge of recordkeeping?

1:40:10 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Policy assess rate sufficiency, time line in place?

1:40:34 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Policy every three to five years, Commission recommends water districts come in assess rate sufficiency, aware?

1:41:05 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Utility side, some have on books indepth assessment every three years, look at it every month, every year, assessment like that?

1:41:30 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Assessing financial trouble, how aware?

1:42:17 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Not there 2018 when District could not pay bill, discussion of what led up to issues, anything put in place to prevent happening again?

1:43:32 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Utility financially sound?

1:43:35 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Savings from Webster County, \$3,000 a month?

1:43:55 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Who ask on board things happened before came, anyone there informed about situation in 2018 with litigation and rate case?

1:44:38 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Politics issue with contract, different mayor, politics problem with getting contract signed?

1:46:22 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Same mayor?

1:46:31 PM Staff Atty Koenig PSC - witness LeGrand
Note: Sacre, Candace Anything would like to say response testimony?

1:46:46 PM Chairman Schmitt
Note: Sacre, Candace Tell you just a minute.

1:46:50 PM Staff Atty Koenig PSC
Note: Sacre, Candace No further.

1:46:52 PM Chairman Schmitt
Note: Sacre, Candace Vice Chairman Chandler?

1:47:03 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Examination. Discussing savings purchasing water Webster County, discussion about how savings reflected? Aware utility filed purchase water adjustments when District supply cost changes?

1:47:51 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace City raises price, District files with Commission new rate pass through increase?

1:48:04 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Same City decreases?

1:48:14 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace That's what you would do, file half from Webster, half from City?

1:48:42 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Reducing amount customers pay, not putting aside for something else?

1:49:45 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Savings passed on customers, not reducing costs, margin stays same?

1:50:03 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Forty- to 50-year-old facility?

1:50:13 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Not significant number replacements, system not turnover in assets?

1:50:38 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Bond holders/RD require minimal amount reserve, board looking at whether or not set aside money to replace assets, board conversations with CPA, engineers, Oakley long-term plans for money needs be available?

1:53:05 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Understand job to do?

1:53:14 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Concern law requires meters tested, replaced, meters in excess of 10 years, able to get meters and depreciate, get into rates, have money available to replace?

1:55:27 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Aware case filed under specific statute, states PSC have no authority to change rates if not included when engineer set rates?

1:57:37 PM Vice Chairman Chandler - witness LeGrand
Note: Sacre, Candace Number of cattle farms service territory, additional uses for water, District tries speak people about that?

1:59:34 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	System needs, plan infrastructure needs, try find money or planning money aside and meet what funds available?
2:01:03 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Pipes in ground depreciated 35 - 65 years, 50 years expected life, driver planning for needs expect manager/superintendent bring you or accountant setting aside money?
2:02:42 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Who are you depending on bring to you?
2:03:28 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Oakley said District not have capital/infrastructure plan?
2:03:36 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Something expect him to do?
2:04:28 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Utilities in area similar situations, Nebo 100 customers difference size, interaction other utilities, discuss future plans, go in together bulk purchases, combined management?
2:05:43 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Interaction with RD or most interaction RD through Oakley?
2:06:04 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Rate sufficiency study, completed?
2:06:20 PM	Vice Chairman Chandler - witness LeGrand Note: Sacre, Candace	Expectation present to Oakley or board?
2:06:43 PM	Vice Chairman Chandler Note: Sacre, Candace	All questions.
2:06:46 PM	Chairman Schmitt Note: Sacre, Candace	Dr. Mathews?
2:06:48 PM	Commissioner Mathews Note: Sacre, Candace	Not have any.
2:06:51 PM	Chairman Schmitt - witness LeGrand Note: Sacre, Candace	Examination. District filed .023 case, many never come to Commission for rate case, District 38 years without rate case or analysis, when looked at case, looked like going broke. (Click on link for further comments.)
2:12:49 PM	Chairman Schmitt Note: Sacre, Candace	Not have further. Ms. Brown?
2:12:54 PM	Atty Brown North Hopkins District Note: Sacre, Candace	No.
2:13:56 PM	Chairman Schmitt Note: Sacre, Candace	Witness be excused.
2:14:00 PM	Chairman Schmitt Note: Sacre, Candace	Witness?
2:14:02 PM	Staff Atty Koenig PSC Note: Sacre, Candace	Anthony Knight.
2:14:30 PM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
2:14:41 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
2:14:45 PM	Atty Brown North Hopkins District - witness Knight Note: Sacre, Candace	Direct Examination. Name?
2:14:55 PM	Atty Brown North Hopkins District - witness Knight Note: Sacre, Candace	Business address?
2:15:04 PM	Atty Brown North Hopkins District - witness Knight Note: Sacre, Candace	Education level?

2:15:13 PM Atty Brown North Hopkins District - witness Knight
Note: Sacre, Candace What type work do for District?

2:15:27 PM Atty Brown North Hopkins District - witness Knight
Note: Sacre, Candace How long external auditor?

2:15:50 PM Atty Brown North Hopkins District
Note: Sacre, Candace Available for questioning.

2:15:54 PM Chairman Schmitt
Note: Sacre, Candace Ms. Koenig?

2:15:57 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Cross Examination. Where records maintained?

2:16:18 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace How you get records?

2:16:31 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Review of District internal controls?

2:16:42 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Include billing practices?

2:16:48 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Accuracy and efficiency included?

2:16:55 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Hunter in charge of records?

2:17:04 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Any other involved in process?

2:17:12 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Two people that do records?

2:17:24 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Involved in preparation of application?

2:17:40 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Preparing summary addendum RD loan?

2:17:51 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Refer to summary addendum?

2:18:33 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Operating budget calendar year 2020?

2:18:42 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Section B, operation and maintenance expenses District 2020?

2:18:58 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Depreciation included in operation expenses?

2:19:08 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace 2019 audit report, did prepare?

2:19:30 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Depreciation not included what mean operating expenses, PDF page 11, 2019 audit, operating expenses calendar year 2019 \$841,895?

2:20:22 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Summary addendum, Section B, total operating expenses \$684,000?

2:20:47 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Based on comparison, adequate cash flow fund operations?

2:21:22 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace More expenses missing?

2:21:34 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Does cause concern?

2:21:43 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace District done financial analysis sufficiency of rates after rate adjustment 2018-00118?

2:22:04 PM Staff Atty Koenig PSC - witness Knight
Note: Sacre, Candace Involved in any rate sufficiency analysis?

2:22:15 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Have before?
2:22:42 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Think District financial situation improved since 2018?
2:23:00 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Involved in analysis for loan in this case?
2:23:23 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	2019 audit report, personally prepare?
2:23:37 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Speak about cash flow, comparing to summary addendum, District net cash increase operating income statement?
2:24:06 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Why financial situation appears improve?
2:25:03 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Income statements show operating losses three years prior to 2019?
2:25:17 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	2017 audit report and 2019 audit report comparison, operating losses 2016, 2017, and 2018?
2:25:33 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Discuss with District reasons for losses?
2:26:42 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Did discuss losses, attributed to operations growing?
2:26:52 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	And water loss?
2:26:59 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	How often meet with board, how communicate?
2:27:18 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Involved preparing financial projections this case?
2:27:40 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Felt District in financial trouble reach out to board, or know before one-year analysis?
2:28:11 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Anything to add in light of testimony, clarification?
2:29:08 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Staff recognized RD left depreciation out, depreciation left out of rates affect rate sufficiency?
2:29:52 PM	Staff Atty Koenig PSC - witness Knight Note: Sacre, Candace	Rates not changed unless utility comes to Commission, only time Staff look at financials, provide assistance?
2:30:13 PM	Staff Atty Koenig PSC Note: Sacre, Candace	Thank you.
2:30:18 PM	Chairman Schmitt Note: Sacre, Candace	Vice Chairman Chandler?
2:30:24 PM	Vice Chairman Chandler - witness Knight Note: Sacre, Candace	Examination. RD rate sufficiency analysis, District purchase water Webster Co, purchase water adjustment reducing cost of water, aware?
2:31:15 PM	Vice Chairman Chandler - witness Knight Note: Sacre, Candace	Rates less than what RD required?
2:31:44 PM	Vice Chairman Chandler - witness Knight Note: Sacre, Candace	Minimum level, in this situation, unaware engineer informed District that fact, out of compliance this project?
2:32:14 PM	Vice Chairman Chandler Note: Sacre, Candace	All have.

2:32:16 PM	Chairman Schmitt Note: Sacre, Candace	Dr. Mathews?
2:32:22 PM	Commissioner Mathews Note: Sacre, Candace	Not have any questions.
2:32:28 PM	Chairman Schmitt - witness Knight Note: Sacre, Candace	Examination. Scope of work in terms outside accountant preparing audit, include advising client financial needs?
2:33:28 PM	Chairman Schmitt - witness Knight Note: Sacre, Candace	Assuming discussed, District went three years losing money?
2:33:40 PM	Chairman Schmitt - witness Knight Note: Sacre, Candace	Just so much accountant do, taking a horse to water but can't make it drink?
2:34:54 PM	Chairman Schmitt - witness Knight Note: Sacre, Candace	Strange thing about figures, two years when District sustaining losses, 3.7 percent water loss in 2015, 4.47 percent water loss in 2016, appear realistic?
2:35:41 PM	Chairman Schmitt - witness Knight Note: Sacre, Candace	Next year, 28.76 percent, then 29.58, had a problem?
2:35:56 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
2:36:01 PM	Atty Brown North Hopkins District Note: Sacre, Candace	No more.
2:36:06 PM	Chairman Schmitt Note: Sacre, Candace	Thank you, excused.
2:36:11 PM	Staff Atty Koenig PSC Note: Sacre, Candace	Tamara Hunter.
2:37:07 PM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
2:37:17 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
2:37:26 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	Direct Examination. Name?
2:37:32 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	Business address?
2:37:44 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	Education level?
2:37:52 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	How long worked at District?
2:38:22 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	Current position?
2:38:30 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	Before that?
2:38:51 PM	Atty Brown North Hopkins District - witness Hunter Note: Sacre, Candace	Daily tasks, responsibilities?
2:39:33 PM	Atty Brown North Hopkins District Note: Sacre, Candace	Available for questioning.
2:39:38 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
2:39:41 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	Cross Examination. Training specific to job now?
2:40:05 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	Continuing education, programs with Kentucky Rural Water?
2:40:24 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	Board members' training PSC and hours?

2:40:37 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace In compliance right now?

2:40:46 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Ever been to PSC training?

2:40:59 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Knight, talk to you internal controls, best practices?

2:41:16 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Goes over that with you?

2:41:26 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Explain District financial situation?

2:41:40 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Adequate cash flow support operations?

2:41:53 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace District afford debt service on project?

2:42:36 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Prepare materials for board meetings?

2:43:02 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace In charge of general ledger?

2:43:12 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Use Quickbooks?

2:43:18 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Staff trying get information, communication issues, May 18 2020 and May 21 and May 28, Staff Second Information Request, Exhibit D, obtain complete general ledger, May 18 filing 40 pages, looks cut off, reaching out to get information?

2:44:50 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Supplemental Response May 21 ends page 82, not complete?

2:45:05 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace May 28, profits and losses filing?

2:45:14 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Prepare document, profit and losses?

2:45:22 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Page 1, Profit and Loss Detail, income statement, detailed line items, see that?

2:46:14 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Missing information, show you what Staff needs, cut off on side, no total income and expense, numbers but no detailed accounts, post-hearing data request?

2:47:43 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY KOENIG PSC - WITNESS HUNTER
Note: Sacre, Candace DETAILED ACCOUNT LISTING AND TOTALS FOR EACH LINE ITEM VISIBLE ON SAME PAGE

2:47:46 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace At every board meeting?

2:47:55 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Involved in capital planning, financial planning?

2:49:06 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Oakley more in charge field, you in charge of financials, other payments behind Feb 2018 when missed City payment?

2:49:40 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Biggest bill?

2:49:45 PM Staff Atty Koenig PSC - witness Hunter
Note: Sacre, Candace Anything clarify?

2:49:55 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	No contact with City, mayor's office?
2:50:44 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	Calling weekly and no response?
2:50:50 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	Leaving message and everything?
2:51:21 PM	Staff Atty Koenig PSC - witness Hunter Note: Sacre, Candace	Decisions made, advising board, you and Oakley and Knight comes in yearly, how often engineer from HMB coming, only engineering use?
2:52:02 PM	Staff Atty Koenig PSC Note: Sacre, Candace	No further.
2:52:06 PM	Chairman Schmitt Note: Sacre, Candace	Vice Chairman Chandler?
2:52:11 PM	Vice Chairman Chandler Note: Sacre, Candace	No questions.
2:52:14 PM	Chairman Schmitt Note: Sacre, Candace	Dr. Mathews?
2:52:16 PM	Commissioner Mathews Note: Sacre, Candace	Not have any.
2:52:18 PM	Chairman Schmitt Note: Sacre, Candace	I have none. Ms. Brown?
2:52:21 PM	Atty Brown North Hopkins District Note: Sacre, Candace	No further.
2:52:26 PM	Chairman Schmitt Note: Sacre, Candace	Thank you, excused.
2:52:39 PM	Staff Atty Koenig PSC Note: Sacre, Candace	James Daniel Ashby.
2:52:58 PM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
2:53:12 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
2:53:15 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Direct Examination. Name?
2:53:27 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Business address?
2:53:40 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Education level?
2:53:47 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Position?
2:53:53 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	How long on board?
2:54:10 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Any other office?
2:54:16 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Day job?
2:54:27 PM	Atty Brown North Hopkins District - witness Ashby Note: Sacre, Candace	Part time?
2:54:37 PM	Atty Brown North Hopkins District Note: Sacre, Candace	Available for questioning.
2:54:42 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
2:54:48 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	Cross Examination. Treasurer for board?

2:54:55 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	Explain process board making financial decisions, describe?
2:55:26 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	How board get financial information?
2:55:42 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	As treasurer, extra vigilant rates sufficient, District meeting financial demands?
2:56:06 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	Was not paying bills in 2018, months still not making it, how alerted to fact starting to get in trouble?
2:56:35 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	Good idea go back and look at that, put policy in place?
2:56:56 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	Anything to add?
2:58:01 PM	Staff Atty Koenig PSC - witness Ashby Note: Sacre, Candace	Clarify relationship with City, contract negotiations?
2:58:20 PM	Staff Atty Koenig PSC Note: Sacre, Candace	No further.
2:58:24 PM	Chairman Schmitt Note: Sacre, Candace	Vice Chairman Chandler?
2:58:30 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Examination. Retired from Groves?
2:58:38 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	What do for Groves?
2:58:48 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Work there entire time, work for utility prior?
2:59:11 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Utility not have capital plan, any point board had discussion long- to medium-term capital plans, infrastructure replacement plans?
2:59:55 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Discussions about systematically saving money for infrastructure needs?
3:00:27 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	What about expectedly, periodically replace meters every ten years?
3:00:45 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Meters, do something in ten years, plan for costs in ten years?
3:01:17 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Rainy day fund, anticipation of planning for separately, continue to plan single reserve account?
3:01:57 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Meters, valve, board aware of Commission recent inspection?
3:02:23 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Meters beyond years testing, replacing?
3:02:35 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Somebody District bring up, remember how you came about that?
3:03:00 PM	Vice Chairman Chandler - witness Ashby Note: Sacre, Candace	Know if meters included in RD project or added after deficiencies cited?
3:03:32 PM	Vice Chairman Chandler Note: Sacre, Candace	Thank you.
3:03:36 PM	Chairman Schmitt Note: Sacre, Candace	Dr. Mathews?
3:03:38 PM	Commissioner Mathews Note: Sacre, Candace	Not have any.

3:03:41 PM	Chairman Schmitt Note: Sacre, Candace	Not have any questions. Ms. Brown?
3:03:46 PM	Atty Brown North Hopkins District Note: Sacre, Candace	No further.
3:03:51 PM	Chairman Schmitt Note: Sacre, Candace	Excused, thank you.
3:03:59 PM	Staff Atty Koenig PSC Note: Sacre, Candace	Norman Adams.
3:04:17 PM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
3:04:30 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown?
3:04:34 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Direct Examination. Name?
3:05:02 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Business address?
3:05:12 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Education level?
3:05:19 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Position?
3:05:25 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	How long?
3:05:37 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Secretary?
3:05:43 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Any other offices?
3:05:57 PM	Atty Brown North Hopkins District - witness Adams Note: Sacre, Candace	Day job?
3:06:15 PM	Atty Brown North Hopkins District Note: Sacre, Candace	All questions, witness available.
3:06:20 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
3:06:22 PM	Staff Atty Koenig PSC - witness Adams Note: Sacre, Candace	Cross Examination. Anything to add after testimony?
3:07:59 PM	Staff Atty Koenig PSC - witness Adams Note: Sacre, Candace	Written policies, standards?
3:08:51 PM	Staff Atty Koenig PSC - witness Adams Note: Sacre, Candace	Looking ahead, learn from mistakes?
3:09:02 PM	Staff Atty Koenig PSC Note: Sacre, Candace	Thank you.
3:09:07 PM	Chairman Schmitt Note: Sacre, Candace	Vice Chairman Chandler?
3:09:09 PM	Vice Chairman Chandler Note: Sacre, Candace	Not have.
3:09:11 PM	Chairman Schmitt Note: Sacre, Candace	Dr. Mathews?
3:09:13 PM	Commissioner Mathews Note: Sacre, Candace	Not have either.
3:09:16 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	Examination. District 1300 customers?
3:09:28 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	Largest customer?
3:09:47 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	How often board meet?

3:09:54 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	Special meetings?
3:10:28 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	Board secretary?
3:10:33 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	Make notes?
3:10:43 PM	Chairman Schmitt - witness Adams Note: Sacre, Candace	Minutes kept at offices?
3:10:53 PM	Chairman Schmitt Note: Sacre, Candace	No further. Ms. Brown?
3:10:56 PM	Atty Brown North Hopkins District Note: Sacre, Candace	No.
3:10:59 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
3:11:00 PM	Staff Atty Koenig PSC Note: Sacre, Candace	No.
3:11:01 PM	Chairman Schmitt Note: Sacre, Candace	Thank you, may be excused.
3:11:14 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Koenig?
3:11:16 PM	Staff Atty Koenig PSC Note: Sacre, Candace	No further witnesses.
3:11:17 PM	Chairman Schmitt Note: Sacre, Candace	Let me ask, anybody concern City and purchase water agreement/contract? (Click on link for further comments.)
3:11:59 PM	Atty Talley North Hopkins District Note: Sacre, Candace	Year and three months.
3:12:10 PM	Chairman Schmitt Note: Sacre, Candace	Contract dated April 1 1980, term 40 years, might be right.
3:12:20 PM	Atty Talley North Hopkins District Note: Sacre, Candace	Term not start until project completed.
3:12:32 PM	Atty Brown North Hopkins District Note: Sacre, Candace	I have 2022.
3:12:33 PM	Chairman Schmitt Note: Sacre, Candace	Cannot tell from document when term actually started?
3:12:43 PM	Atty Talley North Hopkins District Note: Sacre, Candace	Yes, correct.
3:12:45 PM	Atty Brown North Hopkins District Note: Sacre, Candace	40 years from time water first delivered 1982.
3:12:54 PM	Atty Talley North Hopkins District Note: Sacre, Candace	Got a year and few months.
3:12:57 PM	Chairman Schmitt Note: Sacre, Candace	Been more than a year.
3:13:33 PM	Chairman Schmitt Note: Sacre, Candace	Amendment to contract we haven't seen?
3:13:37 PM	Staff Atty Koenig PSC Note: Sacre, Candace	That's correct and asked provide post-hearing but not seen.
3:13:44 PM	Chairman Schmitt Note: Sacre, Candace	Ms. Brown, have seen? (Click on link for further comments.)
3:15:14 PM	Chairman Schmitt Note: Sacre, Candace	Anything else? (Click on link for further comments.)
3:17:12 PM	Vice Chairman Chandler Note: Sacre, Candace	Continued discussions. (Click on link for further comments.)

3:18:16 PM	Chairman Schmitt Note: Sacre, Candace	Anything else? Enter order on data requests and sufficient time, need additional time, please get attorneys file motion.
3:19:11 PM	Chairman Schmitt Note: Sacre, Candace	Hearing adjourned.
3:19:33 PM	Session Ended	



Name:	Description:
PSC EXHIBIT 1	COMPLAINT HOPKINS CIRUIT COURT CA NO. 18-CI-99 CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
PSC EXHIBIT 2	ANSWER HOPKINS CIRCUIT COURT CA NO. 18-CI-00099, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
PSC EXHIBIT 3	DEFENDANT'S RESPONSE HOPKINS CIRCUIT COURT CA NO. 18-CI-00099, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
PSC EXHIBIT 4	DEFENDANT'S SUPPLEMENTAL RESPONSE HOPKINS CIRCUIT COURT CA NO. 18-CI-00099, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
PSC EXHIBIT 5	AGREED ORDER HOPKINS CIRCUIT COURT CA NO. 18-CI-00099, CITY OF MADISONVILLE KENTUCKY V NORTH HOPKINS WATER DISTRICT
PSC EXHIBIT 6	PERIODIC COMPLIANCE INSPECTION NORTH HOPKINS WATER DISTRICT JAN 16 2020
PSC EXHIBIT 7	LETTER TO STEVE OAKLEY FROM ERIN DONGES DATED JANUARY 31 2020
PSC EXHIBIT 8	LETTER/RESPONSE TO INSPECTION, NO SIGNATURE, NO DATE, ITEMS NUMBERED 1 THROUGH 4

COMMONWEALTH OF KENTUCKY
HOPKINS CIRCUIT COURT
MADISONVILLE, KENTUCKY 42431
CIVIL ACTION NO. 18-CI- 99

FILED
KAREN L. MCKNIGHT, CLERK
FEB - 8 2018
HOPKINS COUNTY CIRCUIT COURT
BY: DT D.C.

CITY OF MADISONVILLE, KENTUCKY

PLAINTIFF

v.

COMPLAINT

NORTH HOPKINS WATER DISTRICT

DEFENDANT

Serve: Norman D. Adams, Chairman
316 Liberty Church Loop
Madisonville, KY 42431

Comes the Plaintiff for its cause of action against the Defendant and states as follows:

1. The City of Madisonville owns and operates a water treatment plant which produces treated water for public consumption.

2. The North Hopkins Water District is a statutorily created water district established for the purpose of furnishing a public water supply to customers within the area to be served.

3. On April 15, 1979, the City of Madisonville and the North Hopkins Water District entered into an "Agreement between the City of Madisonville and the North Hopkins Water District for the Sale and Purchase of Treated Water." A copy of the Agreement is attached hereto, incorporated herein and marked for identification as Exhibit A.

4. Paragraph 5 of the Agreement provides in pertinent part as follows: "The Purchaser agrees to pay for water on a monthly basis in an amount equal to metered usage, times the current fiscal year charges, which charges are provided for in a separate Variable Rate Schedule attached hereto and made a part hereof; ..."


5. The Variable Rate Schedule attached to and made a part of the Agreement set forth the methodology for calculating the rate to be charged by the City of Madisonville to the North Hopkins Water District for water supplied by the City to the District pursuant to the Agreement.

6. The rate charged by the City of Madisonville to the North Hopkins Water District pursuant to the Variable Rate Schedule for the period of December 1, 2017 to the date of the filing of this Complaint is \$4.39 per 1,000 gallons.

7. The City of Madisonville furnished unto the North Hopkins Water District water shown on the itemized statement attached hereto as Exhibit B. The City of Madisonville billed the North Hopkins Water District the sum of \$121,203.51 for water furnished pursuant to the Agreement for said months with additional late fees of \$2,971.59. The North Hopkins Water District has only paid \$50,233.93 of said charges leaving a current unpaid balance of \$73,941.17.

8. The North Hopkins Water District breached of the provisions of said Agreement and it is in default thereof as a result of its failure to pay the City of Madisonville for water supplied pursuant to said Agreement.

WHEREFORE, the City of Madisonville demands judgment against the North Hopkins Water District for the sum of \$73,941.17 together with prejudgment and post-judgment interest thereon until paid together with its costs herein including a reasonable attorney fee.

By: 

Joe A. Evans III, City Attorney
P. O. Box 695
Madisonville, KY 42431
(270)821-6165

AGREEMENT BETWEEN THE CITY OF MADISONVILLE
AND THE NORTH HOPKINS WATER DISTRICT FOR THE SALE
AND PURCHASE OF TREATED WATER

THIS AGREEMENT made and entered into this 15 day of April, 1979, by and between the CITY OF MADISONVILLE, HOPKINS COUNTY, KENTUCKY, hereinafter referred to as the "Seller", and the NORTH HOPKINS WATER DISTRICT, HOPKINS COUNTY, KENTUCKY, its successors or assigns, hereinafter referred to as the "Purchaser".

WITNESSETH THAT:

WHEREAS, the Seller owns and operates a water treatment plant and is constructing facilities to provide additional raw water which combined with present water sources should provide capacity for treated water in excess of the current requirements of the Seller, and;

WHEREAS, the Purchaser proposes to construct a water supply distribution system and desires to purchase treated water in order to provide water services to customers within its district, and said system is anticipated to be financed by Farmers Home Administration, and;

WHEREAS, by resolution enacted on the 21 day of May, 1979, by the City Council of the City of Madisonville, Hopkins County, Kentucky, the sale of treated water in accordance with the terms or provisions of this Agreement was approved, and the execution of this Agreement carrying out the said resolution by the City Council fo the City of Madisonville, Hopkins County, Kentucky, was duly authorized, and;

WHEREAS, by resolution of the Commissioners of the North Hopkins Water District, Hopkins County, Kentucky, on or about the 15 day of MAY, 1979, the purchase of treated water in accordance with the terms and conditions set forth in this Agreement was approved, and the execution of this contract by the Chairman and attested by the Secretary was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreement herein set forth, it is agreed by the parties as follows:

1. The Purchaser shall construct a water transmission and distribution system as set forth in the Engineering Report of Jim Lyon & Associates, Consulting Engineers, and tap onto the Seller's water supply system at the location described in Appendix "A" attached hereto and incorporated herein by reference, said tap shall be done according to the plans and specifications and to the approval of the City Engineer of the City of Madisonville. All construction costs shall be borne by the Purchaser.

2. The Seller shall install a 2 inch water meter at or near the location of the tap-on cited above. The Seller agrees to furnish, install, operate and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosing by test to be inaccurate shall be corrected for the three months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on or about the first day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

3. The Purchaser shall pay the Seller a connection fee to connect the Seller's system with the system of the Purchaser. The connection fee shall be determined on the basis of actual cost to the Seller (including labor, materials and equipment) for the connection, as reasonably determined by the parties at the time of the connection.

4. The Seller agrees to make available for delivery and use of the Purchaser potable treated water, meeting the applicable purity standards of the Kentucky State Board of Health, at approximately 75-82 PSI, in such quantity as may be required by the purchaser, not to exceed twelve million five hundred thousand (12,500,000) gallons per month, which is equal to approximately five times the present estimated monthly requirements of the purchaser. That the Seller shall at all times, operate and maintain its system in an efficient manner and shall take such action as may be necessary to furnish the Purchaser with the quantity of water required by the Purchaser.

Provided, however, in the event of reduction of water supply available to the Seller, the amount of water that the Seller is required to furnish to the Purchaser, under the terms of this agreement or its amendments, may be reduced or diminished in the same ratio or proportion as the water supply is reduced or diminished to other customers serviced by the Seller.

5. The Purchaser agrees to pay for water on a monthly basis in an amount equal to metered usage, times the current fiscal year charges, which charges are provided for in a separate Variable Rate Schedule attached hereto and made a part hereof; provided, however, that the Purchaser shall pay a monthly minimum payment equal to one million (1,000,000) gallons, times the current fiscal year rate charge, in the event that monthly metered usage is equal to or less than the minimum monthly gallonage specified, above.

6. The fiscal year rate charges, included in a separate schedule attached hereto, provide for variable charges based on demonstrable costs to the Seller for providing treated water to the Purchaser, during the Seller's most recent calendar or operating year. These charges will be developed during a six (6) month period following the end of the Seller's operating year, which should provide sufficient time to obtain the annual Report of examination of the Seller's financial records by an independent firm of Certified Public Accountants. The fiscal year rate charges to the Purchaser will remain fixed during the period from July 1 each year to June 30 of the next succeeding year. However, the rate charges for each fiscal year will vary in accordance with demonstrable costs, as defined in the Variable Rate Schedule attached hereto.

7. The construction of the water transmission and distribution system by the Purchaser as referred to herein, which is proposed to be partially financed by a grant and a loan from the United State of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provision hereof pertaining to the undertakings of the Purchaser are conditional upon the approval of this agreement, in writing, by the appropriate officers or employees of the said Farmers Home Administration, and the partial financing of said project by said Farmers Home Administration.

8. The Purchaser agrees to notify the Seller in writing at least ten (10) days prior to the estimated date of completion of construction of the Purchaser's water transmission and distribution system.

9. Any modification to this Agreement pertaining to the formula for determining variable fiscal year rate charges to be paid by the Purchaser, which formula is provided for in the Variable Rate Schedule attached hereto, is subject to the approval of the Farmers Home Administration. Other provisions of this Agreement may be modified or altered by mutual agreement.

10. The terms of this Agreement shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and the Purchaser. The delivery date shall be inserted and made a part of this contract on the back of the last page of this contract and shall be signed by the Mayor of the City of Madisonville, and the appropriate officials of the North Hopkins Water District.

11. That this Agreement is subject to such rules, regulations, or laws as may be applicable to similar agreements in the Commonwealth of Kentucky, and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

12. Any successor to either the Seller or Purchaser shall succeed to the obligations, rights and duties of its predecessor as set forth in this Agreement or any amendments thereof.

13. Failure of pressure to the main supply, line breaks, power failure, flood, fire, earthquakes or other catastrophes shall excuse the Seller from complying with those terms of this Agreement for supply of water or pressure until the time as the cause of the reduction of pressure or supply of water has been removed or remedied. A reasonable effort will be made by the Seller to remedy or remove the reduction of pressure or loss of supply of water.

14. This contract is hereby pledged by the North Hopkins Water District to the United State of America acting through the Farmers Home Administration as part of the security for a loan from the United States of America.

15. Should the sale of this water cause an excessive use of the Seller's existing treatment plant resulting in any governmental regulatory agency refusing to permit the excessive use, the Seller shall be relieved of his obligations hereunder until said agency removes said restrictions, or should it become physically impossible for the Seller to furnish water to the Purchaser and Seller's

current wholesale and retail consumers with its present water treatment facilities, then Seller shall be relieved of its obligations hereunder until the Seller's new water treatment plant is constructed and operational.

16. The Purchaser shall adopt a regulation providing that any subdivision of five (5) or more lots by a subdivider or developer shall be required to comply with the subdivision regulations of the City of Madisonville provided said real estate is located within three (3) miles of the City limits of Madisonville.

17. Seller shall have the option to purchase any facilities of Purchaser existing within any duly annexed territory of the Seller at a reasonable and fair price to be negotiated by the parties.

18. Purchaser shall not sell water within the area designated as serviced by Seller, as shown on the map to Appendix "A" attached hereto, without the Seller's consent.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, cause this Agreement to be duly executed.

City of Madisonville, Hopkins
County, Kentucky

DO I AL I R

I, Talmadge Shelton, Commission of the North Hopkins Water District hereby certify that on April 15, 1980, Charles E. West was the Secretary of the North Hopkins Water District. Mr. West signed a water purchase agreement with the City of Madisonville as a Commissioner of the North Hopkins Water District but would also have been Secretary to attest said signatures.

This the 17 day of Nov, 1980.

Talmadge Shelton
Talmadge Shelton

Farmers Home Administration
Community Programs Specialist

APPENDIX "A"

The water meter shall be located see map attached
in Attachment "A"

AGREEMENT BETWEEN THE CITY OF MADISONVILLE
AND THE NORTH HOPKINS WATER DISTRICT FOR THE SALE
AND PURCHASE OF TREATED WATER

VARIABLE RATE SCHEDULE

Section 1, General.

This Variable Rate Schedule attachment is a part of and incorporated into the Water Purchase Agreement made and entered into this 15 day of April, 1979, by and between the City of Madisonville, Hopkins County, Kentucky ("Seller") and the North Hopkins Water District, Hopkins County, Kentucky ("Purchaser").

Section 2, Definitions

Unless the context specifically indicates otherwise, the meaning of terms used in this rate schedule attachment shall be as follows:

- (a) "Seller" shall mean the City of Madisonville Municipal Water Utility.
- (b) "Purchaser" shall mean the North Hopkins Water District.
- (c) "Seller's operating year" shall mean a calendar year.
- (d) "Wholesale fiscal billing rate year" shall mean a twelve (12) month period commencing July 1 and ending the following June 30.
- (e) "Initial wholesale fiscal year billing rate for the North Hopkins Water District" shall mean the initial rate or charges for purchased water during a period commencing on the date of this agreement and extending through June 30, 19__.
- (f) "Capital costs of plant" shall mean the recorded un-depreciated costs of the Seller's property, plant and equipment at December 31 each calendar year, net of governmental grants, as identified and recognized in the annual examination of the Seller's financial records, by the firm of Certified Public Accountants conducting the examination of the Seller's financial records for the most recent calendar year.

- (g) "Operation and maintenance expense" shall mean all operating expenses, excluding depreciation expenses, capital costs of improvements, betterments, replacements, etc., and debt service costs (including interest) for the Seller's operating year as identified and recognized in the annual examination of the Seller's financial records, by the firm of Certified Public Accountants conducting the examination of the Seller's financial records for the most recent calendar year.
- (h) "Monthly payment date" shall mean a date established by the Seller whereby the Purchaser agrees to pay not later than the established date the charges for water furnished during the preceding month.
- (i) "Capital cost replacement factor" shall mean two (2) percent of total capital costs assigned to the Purchaser as a charge to partially recover the cost of replacing plant equipment dedicated to the use of the Purchaser.
- (j) "Capital cost recovery factor" shall mean six (6) percent of total capital costs assigned to the Purchaser as a charge to partially recover the capital costs of constructing plant facilities dedicated to the use of the Purchaser.
- (k) "Fiscal year wholesale charge rate" shall mean a rate based on demonstrable costs to the Seller for providing treated water. The rate will be computed on the basis of the Seller's costs for the Seller's most recent operating year. The fiscal year wholesale charge rate may vary from year to year depending upon demonstrable costs.
- (l) "Cost review formula for revising fiscal year wholesale rate charges" shall mean the formula, which appears in Section 4 of this rate schedule attachment. The formula was developed on the basis of a special accounting study dated June 17, 1977, by H. J. Umbaugh & Associates, Certified Public Accountants, Indianapolis, Indiana,

which study is by reference made a part of this Water Purchase Agreement the same as if the study were incorporated herein.

- (m) "Total billed gallons" shall mean the total billed water consumption for all users serviced by the Seller during the Seller's most recent operating year.
- (n) "Wholesale user's percent of total billed gallons" shall mean the percent of total usage billed to the wholesale purchaser, during the same period identified in subsection (m), above.
- (o) "Cost function" shall mean a cost that is identified by the nature of the service provided and is included in the cost review formula in Section 4 (b) of this attachment.

Section 3, Initial wholesale fiscal year billing rate for the North Hopkins Water District

- (a) The initial fiscal year billing rate or wholesale charge to the Purchaser for treated water shall be fifty-nine cents (.59¢) per 1,000 gallons.
- (b) Computation of the initial rate is included in an Accounting Report identified in Section 2 (1), above.

Section 4, Cost review formula for revising fiscal year wholesale rate charges

- (a) Each calendar year commencing on and after January 1, 19___, the Seller shall prior to July 1 of that year determine the rate or charges for wholesale water purchases for the next wholesale fiscal billing rate year based upon a calculation of the following demonstrable costs. Such costs shall be taken from the annual financial report of the Seller for the preceding operating year which has been examined by a firm of Certified Public Accountants.
- (b) Cost review formula for revising fiscal year wholesale rate charges.

Cost Function	Amount	Percent	Wholesale User % Of Total Billed Gallons	CPA Prepared Cost
Source of supply	\$	100.0% X		\$
Treatment plant		100.0% X		
Storage		65.0% X		
Transmission & distribution		43.0% X		
General		10.0% X		
Customer		.1% X		
Hydrants		0.0% X		
Total	\$			\$

-2- Replacement cost:

Allocated capital cost x 2% + wholesale users most recent annual billed gals.

User Charge
Per 1,000
Gallons

\$

-3- Capital cost recovery:

Allocated capital cost x 6% + wholesale users most recent annual billed gals.

-4- Cash operation and maintenance expenses:

Cost Function	Amount	Percent	Total Billed Gallons =
Treatment	\$	90%	\$
Transmission & dist. (1)		45%	
General		45%	
Commercial		0	
Hydrant maint.		0	
Total	\$		\$

-5- Customer costs \$144.00 divided by wholesale user's most recent annual billed gallons.

Total

\$

-6- The user charge or rate determined above shall be increased or decreased to the nearest one cent. An amount of five (\$.005) mills or more shall be increased to the next highest cent, whereas, an amount of four (\$.004) mills or less shall be decreased to the next lower cent.

Section 5, Provision to modify formula for determining variable fiscal year wholesale water rate charges

- (a) At the end of every five (5) year period either party to this Agreement may request that a special study be conducted by a firm of consulting engineers, certified public accountants, or other outside utility rate consultants to review the continuing applicability and equity of fiscal year charges determined on the basis of the formula outlined in Section 4, above. Provided, that both parties shall agree upon a consultant for this purpose.
- (b) The cost of such special study authorized in Section 5 (a), above, will be borne by the party requesting such study or as may be agreed to by both parties.

Section 6, Billing period, monthly date and notification of fiscal year wholesale billing rate

- (a) The billing period and monthly payment date shall be as established by the Seller in accordance with any applicable laws, rules, regulations or procedures governing normal service and billing charges.
- (b) The wholesale user shall be notified at least sixty (60) days in advance of the revised wholesale billing rate for each next succeeding fiscal year. The notification shall include a copy of the computation and cost review formula used for revising the fiscal year wholesale rate charges.

Section 7, Right to inspect or otherwise review Seller's financial reports and records

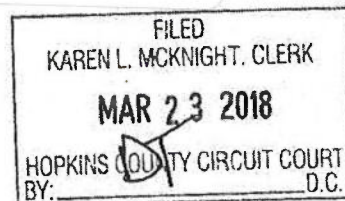
- (a) Upon request the Purchaser shall have the right to inspect or review the books and records of the Seller.
- (b) If desired, the Purchaser may request an independent audit of the books of the Seller as they pertain to the cost of treating and supplying water, and the parties shall agree upon a Certified Public Accountant for this purpose. The cost of such audit shall be borne by the Purchaser.

NORTH HOPKINS WATER DISTRICT BILLING/PAYMENT HISTORY

Billing History					
Date Meter Read	Billing Month Mo/Yr	Units of Consumption (1,000 gall. Per Unit) Mgal	Rater Per 1,000 Gallons		Charge
2/06/18	2/18	7,504	\$ 4.39		\$ 32,942.56
1/05/18	1/18	6,769	\$ 4.39		\$ 29,715.91
12/07/17	12/17	6,449	\$ 4.39		\$ 28,311.11
11/08/17	11/17	6,887	\$ 4.39		\$ 30,233.93
Total Consumption Charges					\$121,203.51
Add: Late Fee					\$ 2,971.59
Total Billings					\$124,175.10

Payment History				
Billing Month Mo/Yr	Charge	Amount Paid	Balance Due	
2/18	\$ 32,942.56	\$ -	\$ 32,942.56	
1/18	\$ 2,971.59	\$ -	\$ 2,971.59	Late Fee
1/18	\$ 29,715.91	\$ -	\$ 29,715.91	
12/17	\$ 28,311.11	\$ 20,000.00	\$ 8,311.11	
11/17	\$ 30,233.93	\$ 30,233.93	\$ -	
Totals	\$124,175.10	\$ 50,233.93	\$ 73,941.17	

COMMONWEALTH OF KENTUCKY
HOPKINS CIRCUIT COURT
Madisonville, Kentucky 42431
Civil Action No. 18-CI-00099



CITY OF MADISONVILLE, KENTUCKY

PLAINTIFF

v.

ANSWER TO REQUEST FOR ADMISSIONS

NORTH HOPKINS WATER DISTRICT

DEFENDANT

The Defendant, North Hopkins Water District, in response to the Request for Admissions which were served on the Defendant on or about February 21, 2018, states as follows:

Admission No. 1: Paragraph 5 of the Agreement dated April 15, 1979 provides in part that "The Purchaser agrees to pay for water on a monthly basis in an amount equal to the metered usage, times the current fiscal year charges, which charges are provided for in a separate Variable Rate Schedule attached hereto and made a part hereof;"

Response: This request is admitted.

Admission No. 2: The North Hopkins Water District has failed to pay unto the city of Madisonville for water supplied pursuant to said Agreement on a monthly basis as provided in said Agreement.

Response: This request is admitted to the extent that the Defendant has failed to pay, in full, the water bill for the month of February, 2018, but the failure is subject to all affirmative defenses previously set forth in the Defendant's Answer filed of record with the Hopkins Circuit Court Clerk.

Admission No. 3: The North Hopkins Water District is in default pursuant to the provisions of said Agreement.

Response: This request is specifically denied. The Defendant affirmatively states that Plaintiff is technically in default for failure to provide "potable treated water, meeting the applicable purity standards of the Kentucky State Board of Health."

This 20th day of March, 2018.

NORTH HOPKINS WATER DISTRICT:

Steve Oakley
By: Steve Oakley
Title: Superintendent

STATE OF Kentucky
COUNTY OF Hopkins

Subscribed, acknowledged and sworn to before me by North Hopkins
Water District, by Steve Oakley, Superintendent, this 20 day of March
2018.

SEAL

Jamara Hunter
Notary Public ID# 557019
My commission expires: May 26, 2020

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the
foregoing has been mailed to Hon. Joe A. Evans III, City Attorney, PO Box 695,
Madisonville, Kentucky 42431, on the 21st day of March, 2018.

Marc Wells
Marc Wells

COMMONWEALTH OF KENTUCKY
HOPKINS CIRCUIT COURT
MADISONVILLE, KENTUCKY 42431
CIVIL ACTION NO. 18-CI-99

CITY OF MADISONVILLE, KENTUCKY

NT PLAINTIFF

v.

**SUPPLEMENTAL INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS**

NORTH HOPKINS WATER DISTRICT


DEFENDANT

Comes the Plaintiff by counsel pursuant to Civil Rule 33 and 34 and requests that the Defendant answer the following Supplemental Interrogatories and Request for Production of Documents in the fullest detail possible within thirty (30) days of receipt hereof:

INTERROGATORY/REQUEST NO. 1: In the Third Defense of your Answer to the Complaint filed herein you allege "The Plaintiff has repeatedly provided to the Defendant water which failed to meet the standards thereby causing additional expenses to be incurred by the Defendant."

(1) State in detail all facts and evidence which you believe support the foregoing allegation including the dates and occasions when the City of Madisonville failed to meet the applicable purity standards of the Kentucky State Board of Health for potable treated water.

(2) State the amount of the additional expenses allegedly incurred by the Defendant as alleged in said paragraph and provide all documents which support said allegations.

By: 
Joe A. Evans III, City Attorney
P. O. Box 695
Madisonville, KY 42431
(270)821-6165

CERTIFICATE OF SERVICE

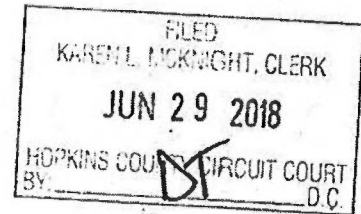
I hereby certify that a true of the foregoing Supplemental Interrogatories and Request for Production of Documents was served upon the Defendant by mailing a true copy thereof to Honorable Marc Wells, P. O. Box 644, Princeton, Kentucky 42445, on this 7th day of March, 2018.



Joe A. Evans III

JAE.srp.COM.2018.Pleadings.0307COM.supplemental

COMMONWEALTH OF KENTUCKY
HOPKINS CIRCUIT COURT
Madisonville, Kentucky 42431
Civil Action No. 18-CI-00099



CITY OF MADISONVILLE, KENTUCKY

PLAINTIFF

v.

DEFENDANT'S RESPONSE TO MOTION FOR
SUMMARY JUDGMENT, MOTION FOR APPOINTMENT
OF RECEIVER AND MOTION TO COMPEL

NORTH HOPKINS WATER DISTRICT

DEFENDANT

The Defendant, North Hopkins Water District, by and through counsel, submits that there is a genuine issue of material fact precluding the entry of summary judgment. More specifically, the Defendant has asserted an affirmative defense that due to the Plaintiff supplying the Defendant with water which did not meet the applicable standards of purity, the Defendant has been required to make a major expenditure of funds to compensate for the non-potable water. In reality, the expenditure actually exceeds the amount which Plaintiff alleges is currently due. Nevertheless, the Defendant has made payments on a monthly, or more frequent basis, in order to eliminate any arrearage of which the Plaintiff complains. The Affidavit of Steve Oakley, Superintendent of North Hopkins Water Department, is attached hereto and incorporated herein by reference.

Rule 56 of the Kentucky Rules of Civil Procedure precludes entry of a summary judgment for the moving party when there is a genuine issue of material fact. The landmark case of *Steelvest, Inc. v Scansteel Service Center, 807 SW2d 476 (Ky 205)* indicates that the burden is on the moving party to demonstrate that there is no genuine issue of material fact. In this particular case, the Affidavit

attached hereto clearly shows that there are issues of material fact which preclude the entry of summary judgment. Furthermore, as indicated in the *Steelvest* decision, the Record must be viewed in a light most favorable to the party opposing the motion and all doubts should be resolved in his favor.

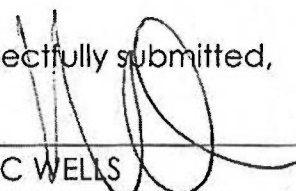
The Defendant further submits that appointment of a Receiver is totally inappropriate under the current circumstances. Appointing a Receiver would be costly and disrupt the legitimate business operations of the Defendant. The Defendant has been making monthly payments every month to the Plaintiff as indicated by the payment history submitted by the Plaintiff. Since there is a genuine issue of material fact as to the amount, if any, owed by the Defendant to the Plaintiff, appointment of a Receiver is clearly inappropriate.

The Defendant has tendered prior to filing of this response supplemental responses to interrogatories and request for production. As a result, the Defendant has fully complied with any and all discovery requests except to the extent where a bona fide objection has been asserted.

Wherefore, the Defendant requests that the Motions of the Plaintiff be overruled.

This 28th day of June, 2018.

Respectfully submitted,


MARC WELLS
209 W Main St., PO Box 644
Princeton, KY 42445
(270) 365-5576
Attorney for Defendant

AFFIDAVIT

Comes now the Affiant, Steve Oakley, and after being duly sworn, states as follows:

1. I am Steve Oakley, Superintendent of the North Hopkins Water District.
2. North Hopkins Water District has experienced problems with water supplied by the City of Madisonville. More specifically, the agreement with the City of Madisonville requires that Plaintiff provide to the Defendant "potable, treated water, meeting the applicable purity standards of the Kentucky State Board of Health". Unfortunatley, there have been numerous occasions when the City of Madisonville has failed to provide water to the Defendant which meets those standards. Attached hereto and incorporated herein by reference as Exhibit A is documentation from the Kentucky Division of Water/Drinking Water results indicating elevated trihalomethane levels.
3. As a result of the water not being within applicable standards, an Agreed Order was entered by the Commonwealth of Kentucky, Energy and Environment Cabinet, Division of Enforcement, which required remedial action by the Defendant.
4. At all times relevant hereto, all water utilized by the Defendant was supplied by the City of Madisonville.
5. In order to remedy the noncompliance, the Defendant was required to implement a SCADA program (Supervisory Control and Data Acquisition) at considerable costs. Attached hereto and incorporated herein by reference as

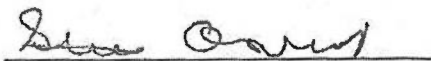
Exhibit B is a summary of invoices received from Rick's Electric, Inc. relative to the installation of that system totaling \$52,981.00. In addition thereto, we have attached a memo indicating that the system was required to flush a substantial quantity of water totaling \$22,022.65 with additional engineering costs incurred of \$16,280.00.

6. The undersigned has also attached hereto and incorporated herein by reference as Exhibit C lab results from McCoy & McCoy Laboratories, Inc. addressing the contamination of the water provided.

7. In addition to the expenditures set forth above, North Hopkins Water District has expended the sum of \$2,412.12 for additional labor and materials relative to the SCADA program. Those highlighted expenditures are attached hereto and incorporated herein by reference as Exhibit D.

8. In spite of the expenditures necessitated by the contaminated water, North Hopkins Water District has attempted to make regular payments to the City of Madisonville for water that has been supplied pursuant to their contract without offsetting any of the expenses incurred as a result of the noncompliant water. However, upon initiation of this litigation, North Hopkins Water District has asserted as an affirmative defense that the expenses incurred should be offset against any sums which Defendant may owe to Plaintiff.

Further the affiant sayeth not.



STEVE OAKLEY
Superintendent of North Hopkins
Water District

COMMONWEALTH OF KENTUCKY

COUNTY OF HOPKINS

Subscribed, acknowledged and sworn to before me by Steve Oakley, this

20th day of June, 2018.

My Commission Expires: 3-31-22 ID No. 598110

SEAL

Karen Boony
Notary Public

FILED
KAREN L. MCKNIGHT, CLERK
JUN 29 2018
HOPKINS COUNTY CIRCUIT COURT
D.C.
BY: *DT*

COMMONWEALTH OF KENTUCKY
HOPKINS CIRCUIT COURT
Madisonville, Kentucky 42431
Civil Action No. 18-CI-00099

CITY OF MADISONVILLE, KENTUCKY

PLAINTIFF

v. DEFENDANT'S SUPPLEMENTAL RESPONSE TO
INTERROGATORIES AND REQUEST FOR
PRODUCTION

NORTH HOPKINS WATER DISTRICT

DEFENDANT

The Defendant, North Hopkins Water District, hereby supplements its responses to Plaintiff's Supplemental Interrogatories and Request for Production of Documents and states as follows:

The Defendant attaches hereto and incorporates herein by reference the Affidavit of Steve Oakley, Superintendent, which specifically addresses the expenses incurred as a result of Plaintiff's noncompliance with the parties' agreement with supporting documentation attached to said Affidavit.

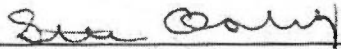
Respectfully submitted this 28th day of June, 2018.



Marc Wells
PO Box 644
209 West Main Street
Princeton, KY 42445
270-365-5576
Attorney for Defendant

VERIFICATION

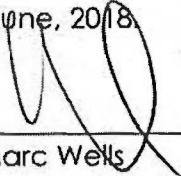
I, Steve Oakley, Superintendent of the North Hopkins Water District, state that I have read the statements contained herein and that they are true and correct to the best of my knowledge and belief.



STEVE OAKLEY, Superintendent

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been hand delivered to Hon. Joe A. Evans III, City Attorney, PO Box 695, Madisonville, Kentucky 42431, on the 24th day of June, 2018.



Marc Wells

AFFIDAVIT

Comes now the Affiant, Steve Oakley, and after being duly sworn, states as follows:

1. I am Steve Oakley, Superintendent of the North Hopkins Water District.
2. North Hopkins Water District has experienced problems with water supplied by the City of Madisonville. More specifically, the agreement with the City of Madisonville requires that Plaintiff provide to the Defendant "potable, treated water, meeting the applicable purity standards of the Kentucky State Board of Health". Unfortunatley, there have been numerous occasions when the City of Madisonville has failed to provide water to the Defendant which meets those standards. Attached hereto and incorporated herein by reference as Exhibit A is documentation from the Kentucky Division of Water/Drinking Water results indicating elevated trihalomethane levels.
3. As a result of the water not being within applicable standards, an Agreed Order was entered by the Commonwealth of Kentucky, Energy and Environment Cabinet, Division of Enforcement, which required remedial action by the Defendant.
4. At all times relevant hereto, all water utilized by the Defendant was supplied by the City of Madisonville.
5. In order to remedy the noncompliance, the Defendant was required to implement a SCADA program (Supervisory Control and Data Acquisition) at considerable costs. Attached hereto and incorporated herein by reference as


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Further the affiant sayeth not.


STEVE OAKLEY
Superintendent of North Hopkins
Water District

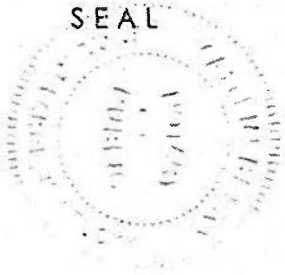
COMMONWEALTH OF KENTUCKY

COUNTY OF HOPKINS

Subscribed, acknowledged and sworn to before me by Steve Oakley, this

20th day of June, 2018.

My Commission Expires: 3-06-22 ID No. 598110



Kawan Beeny
Notary Public

TENDERED
TANYA M. BOWMAN, CLERK
AUG 02 2019
HOPKINS COUNTY CIRCUIT COURT
BY: *[Signature]* D.C.

COMMONWEALTH OF KENTUCKY
HOPKINS CIRCUIT COURT
Madisonville, Kentucky 42431
Civil Action No. 18-CI-00099

ENTERED
TANYA M. BOWMAN, CLERK
AUG 12 2019
HOPKINS COUNTY CIRCUIT COURT
BY: *[Signature]* D.C.

CITY OF MADISONVILLE, KENTUCKY

PLAINTIFF

v. AGREED ORDER OF DISMISSAL

NORTH HOPKINS WATER DISTRICT

DEFENDANT

The Court being advised that the parties reached a Compromise and Settlement Agreement which has now been fully performed, and the Court being otherwise duly and sufficiently advised;

IT IS HEREBY ORDERED that this action is hereby dismissed, with prejudice.

Entered this 12 day of August, 2019.

[Signature]
HON. JAMES C. BRANTLEY, Judge
Hopkins Circuit Court

Have seen and approved for entry:

[Signature]
Hon. Joe Evans
Attorney for Plaintiff

[Signature]
Marc Wells
Attorney for Defendant

Kentucky Public Service Commission**Periodic Compliance Inspection**Utility: North Hopkins Water DistrictUtility location: 316 Liberty Church Road
Madisonville, KY 42431Investigator: Erin DongesDate(s) of inspection: January 16, 2020Date(s) of last inspection: January 9, 2018

Deficiencies noted during last inspection:

1. North Hopkins Water District does not have in its tariff a commission-approved amount of a charge for a customer requested meter test as required by 807 KAR 5:006, Section 19(1)(c).
2. North Hopkins Water District has customers with one inch and smaller meters that have been in service for 10 years without being tested as required in 807 KAR 5:066, Section 16(1).

Have deficiencies been corrected since last inspection: Yes No N/A

Primary utility representative(s) involved with inspection:

Name: Steve OakleyTitle: SupervisorName: Tamara HunterTitle: Office ManagerName: Timmy MooreTitle: Operations**Who with the utility should receive the inspection report cover letter from the commission?**Name: Norman AdamsTitle: ChairmanMailing address: 316 Liberty Church Road Madisonville, KY 42431Email address: northhopkinswd@yahoo.comPhone number: (270) 825-1623

Kentucky Public Service Commission

Periodic Compliance Inspection

General Questions

Treatment Facility

Source Water: N/A

Plant Capacity: N/A

Avg. Amount Produced: N/A

Distribution Facility

Source Water: City of Madisonville

Area of Operation: Hopkins County

Miles of Water Line: 300 miles

Avg. Amount Purchased: According to the 2018 annual report the utility purchased an average of 251,784 gallons per day.

Water sold at wholesale rate to other water systems: N/A

Utility Information

Number of Employees: 4 full time and 2 part-time

Number of Office Employees: 2

Number of Certified Water Treatment Employees: 1

Number of Certified Distribution Employees: 2

Number of Certified Meter Testers:

Utility Chairperson/President: Alan LaGrande (acting)

Metering System:

Number of Customers: 1,413

Meter Reading:

AMR

AMI

Other

Manual

Type of meter used for customers: Badger

Kentucky Public Service Commission

Periodic Compliance Inspection

Contractor(s): Larkins Trenching and Excavating, Jim Doyle- ITM Inc.

Review Current Emergency Response Plan (ERP):

Has the utility made any revisions to the ERP in the past 24 months?

Yes

No

N/A

When was the last year construction was performed? 2016

What did the construction project consist of? Addition to office

807 KAR 5:006 (General Rules)

Section 4: Reports

Has the utility filed its gross annual operating revenue report?

Yes

No

N/A

Does the utility file Quarterly Meter Reports (QMR) indicating meter tested, number of customers, and amount of refunds?

Yes

No

N/A

Section 7: Billings, Meter Readings, and Information

Does each bill for utility service, issued periodically by a utility, clearly show the following?

The date the bill was issued:

Yes

No

N/A

Class of service:

Yes

No

N/A

Present and last preceding meter readings:

Yes

No

N/A

Date of the present reading:

Yes

No

N/A

Number of units consumed:

Yes

No

N/A

Meter constant, if applicable:

Yes

No

N/A

Net amount for service rendered:

Yes

No

N/A

All taxes:

Yes

No

N/A

Adjustments, if applicable:

Yes

No

N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

The gross amount of the bill:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
The date after which a penalty may apply to the gross amount:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
If the bill is estimated or calculated:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Is the rate schedule under which the bill is computed posted on the utility's Web site (if it maintains a Web site)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Also furnished by one (1) of the following methods, by:			
Printing it on the bill:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Publishing it in a newspaper of general circulation once each year:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Mailing it to each customer once each year; or:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Provide a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Does the utility (except if prevented by reasons beyond its control) read customer meters at least quarterly?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Is each customer-read meter read manually, at least once during each calendar year? (1)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Does the utility maintain the information required by this subsection, and is it available to the commission and any customer requesting this information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
If, due to reasons beyond its control, a utility is unable to read a meter in accordance with this subsection, does the utility record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Section 9: Non-recurring Charges			
Is a charge assessed if a customer requests the meter be tested pursuant to Section 19 of this administrative regulation and the tests show the as-found meter accuracy is within the limits established by 807 KAR 5:066, Section 15(2)(a)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Section 10: Customer Complaints to the Utility			
Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, does the utility make a prompt and complete investigation and advise the customer of the utility's findings?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Does the utility keep a record of all written complaints concerning the utility's service?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the record include the following?

The customer's name and address: Yes No N/A

The date and nature of the complaint: Yes No N/A

The disposition of the complaint: Yes No N/A

Does the utility maintain these records for two (2) years from the date of resolution of the complaint?

Yes No N/A

If a written complaint or a complaint made in person at the utility's office is not resolved, does the utility provide written notice to the customer of his or her right to file a complaint with the commission?

Yes No N/A

Does the utility provide the customer with the mailing address, Web site address, and telephone number of the commission?

Yes No N/A

If a telephonic complaint is not resolved, does the utility provide at least oral notice to the customer of his or her right to file a complaint with the commission?

Yes No N/A

Section 11: Bill Adjustment

Does the utility monitor a customer's usage at least quarterly? Yes No N/A

Are the utility's procedures designed to draw the utility's attention to unusual deviations in a customer's usage? Yes No N/A

If a customer's usage is unduly high and the deviation is not otherwise explained, will the utility test the customer's meter? Yes No N/A

If a utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, does the utility notify the customer in writing? Yes No N/A

If knowledge of a serious situation requires more expeditious notice, does the utility notify the customer by the most expedient means available? Yes No N/A

If the meter shows an average meter error greater than two (2) percent fast or slow, does the utility maintain the meter in question at a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint?

Yes No N/A

Section 14: Utility Customer Relations

Does the utility post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the commission regarding customer complaints?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the utility designate at least one (1) representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office?

Yes No N/A

If the utility has annual operating revenues of \$250,000 or more does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, five (5) days per week excluding legal holidays?

Yes No N/A

If the utility has annual operating revenues of less than \$250,000 does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) days per week?

Yes No N/A

Does the utility provide the following?

Maintain a telephone:

Yes No N/A

Publish the telephone number in all service areas:

Yes No N/A

Permit all customers to contact the utility's designated representative without charge:

Yes No N/A

Does the utility prominently display in each office open to the public for customer service (and shall post on its Web site, if it maintains a Web site) a summary, prepared and provided by the commission, of the customer's rights pursuant to this section and Section 16 of this administrative regulation?

Yes No N/A

Does the utility inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer?

Yes No N/A

Section 17: Meter Testing (replacing)

Does the utility maintain meter standards and test facilities, as more specifically established in 807 KAR 5:066?

Yes No N/A

Before being installed for use by a customer, are all meters tested and in good working order (and adjusted as close to the optimum operating tolerance as possible) as more specifically established in 807 KAR 5:066, Section 15(2)(a)-(b)?

Yes No N/A

Does the utility have all or part of its testing of meters performed by another utility or agency?

Yes No N/A

Does the utility or agency doing meter testing for a utility have in its employ meter testers certified by the commission?

Yes No N/A

Does the utility or agency employ apprentices in training for certification as meter testers?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Are all tests performed during this period by an apprentice witnessed by a certified meter tester?

Yes No N/A

Section 18: Meter Test Records (replaces meters)

Does the utility maintain a complete record of all meter tests and adjustments and data sufficient to allow checking of test calculations?

Yes No N/A

Do the records include the following?

Information to identify the unit and its location:

Yes No N/A

Date of tests:

Yes No N/A

Reason for the tests:

Yes No N/A

Readings before and after test:

Yes No N/A

Statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations employed:

Yes No N/A

Statement of repairs made, if any:

Yes No N/A

Identifying number of the meter:

Yes No N/A

Type and capacity of the meter:

Yes No N/A

Does the utility maintain a complete record of tests of each meter continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years?

Yes No N/A

Does the utility maintain numerically arranged and properly classified records for each meter that it owns, uses, and inventories?

Yes No N/A

Do these records include the following?

Identification number:

Yes No N/A

Date of purchase:

Yes No N/A

Name of manufacturer:

Yes No N/A

Serial number:

Yes No N/A

Type:

Yes No N/A

Name and address of each customer on whose premises the meter has been in service with date of installation and removal:

Yes No N/A

Do these records contain condensed information concerning all tests and adjustments including dates and general results of the adjustments?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Do these records reflect the date of the last test and indicate the proper date for the next periodic test?

Yes No N/A

Section 19: Request Tests

Does the utility make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months?

Yes No N/A

Does the utility afford the customer the opportunity to be present at the requested test?

Yes No N/A

If the tests show the as-found meter accuracy is within the limits allowed by 807 KAR 5:066, Section 15(2)(a), does the utility may make a reasonable charge for the test?

Yes No N/A

Has the utility filed a tariff (commission approved) establishing a meter test charge?

Yes No N/A

Section 20: Access to Property

Do employees of the utility (whose duties require him to enter the customer's premises) wear a distinguishing uniform or other insignia, identifying them as an employee of the utility, and show a badge or other identification that shall identify them as an employee of the utility?

Yes No N/A

Section 23: System Maps and Records

Does the utility have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve?

Yes No N/A

Is the map or maps available in electronic format as a PDF file or as a digital geographic database?

Yes No N/A

Is following data available on the map or maps?

Operating districts: Yes No N/A

Rate districts: Yes No N/A

Communities served: Yes No N/A

Location and size of distribution lines, and service connections:

Yes No N/A

Section 24: Location of Records

Are all records required by 807 KAR Chapter 5 kept in the office of the utility and made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 25: Safety Program

Has the utility adopted and executed a safety program, appropriate to the size and type of its operations?

Yes No N/A

At a minimum, does the safety program include the following?

A safety manual with written guidelines for safe working practices and procedures to be followed by utility employees: Yes No N/A

Instruct employees in safe methods of performing their work? Yes No N/A

Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration:

Yes No N/A

Section 26: Inspection of Systems

Has the utility adopted inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5?

Yes No N/A

Have these inspection procedures been filed with the commission for review?

Yes No N/A

Upon receipt of a report of a potentially hazardous condition at a utility facility, does the utility inspect all portions of the system that are the subject of the report? Yes No N/A

Are appropriate records kept by a utility to identify the inspection made, the date and time of inspection, the person conducting the inspection, deficiencies found, and action taken to correct the deficiencies?

Yes No N/A

Water utility inspections. Each water utility shall make systematic inspections of its system as established in paragraphs (a) through (c) of 807 KAR 5:006 Section 26(6) to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less frequently than as established in paragraphs (a) through (c) of 807 KAR 5:006 Section 26(6) for various classes of facilities and types of inspection.

The utility shall annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity.

Does the utility inspect the structures listed below?

Dams Yes No N/A

Intakes Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Traveling screen Yes No N/A

Does the utility semiannually inspect the structures listed below?

Wells Yes No N/A

Well motors and structures Yes No N/A

Electric power wiring and controls Yes No N/A

The utility shall annually inspect all structures pertaining to purification for their safety, physical and structural integrity, and for leaks.

Does the utility annually inspect the structures listed below?

Sedimentation basins Yes No N/A

Filters Yes No N/A

Clear Wells Yes No N/A

Chemical feed equipment Yes No N/A

Pumping equipment Yes No N/A

Water storage facilities Yes No N/A

Hydrants Yes No N/A

Mains Yes No N/A

Meters Yes No N/A

Meter settings Yes No N/A

Valves Yes No N/A

Does the utility monthly inspect the equipment listed below for defects, wear, operational hazards, lubrication, and safety features?

Construction equipment Yes No N/A

Vehicles Yes No N/A

Section 27: Reporting of Accidents, Property Damage, or Loss of Service

Within two (2) hours following discovery does the utility notify the commission by telephone or electronic mail of a utility related accident that results in the following:

Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Actual or potential property damage of \$25,000 or more: Yes No N/A

Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less: Yes No N/A

Are summary written reports submitted by the utility to the commission within seven (7) calendar days of the utility related accident? Yes No N/A

Section 28: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations? Yes No N/A

807 KAR 5:011 (Tariffs)

Section 12: Posting tariffs, Administrative Regulations, and Statutes

Does the utility display a suitable placard, in large type, that states that the utility's tariff and statutes are available for public inspection? Yes No N/A

Does the utility provide a suitable table or desk in its office or place of business on which the public may view all effective tariffs? Yes No N/A

Section 13: Special Contracts

Does the utility have any special contracts that establish rates, charges, or conditions of service not contained in its tariff? Yes No N/A

If yes has the utility filed, the special contracts with the PSC? Yes No N/A

807 KAR 5:066 (Water)

Section 2: Information Available to Customers:

Does the utility provide the information listed below to any customer upon request?

A description in writing of chemical constitutes and bacteriological standards of the treated water as required by the Division of Water Yes No N/A

Schedule of rates for water service Yes No N/A

Method of reading meters Yes No N/A

Past readings of a customer's meter for a period of two (2) years

Kentucky Public Service Commission

Periodic Compliance Inspection

Yes No N/A

Section 3: Quality of Water

Is the utility in compliance with the Division of Water?

Yes No N/A

Section 4: Continuity of Service

Does the utility immediately notify the fire chief if an emergency interruption of service affects service to any public fire protection device?

Yes No N/A

If the utility schedules an interruption of service are all customers notified that are affected by the interruption?

Yes No N/A

Does the utility have standby pumps capable of providing the maximum daily pumping demand?

Yes No N/A

Does the utility's minimum storage capacity equal the average daily consumption?

Yes No N/A

Does the utility keep a record of all interruption?

Yes No N/A

Does the record contain the information listed below?

Cause of interruption

Yes No N/A

Date

Yes No N/A

Time

Yes No N/A

Duration

Yes No N/A

Remedy and steps taken to prevent recurrence

Yes No N/A

Section 5: Pressure (Telemetry)

Does the customer's service pipe under normal conditions fall below thirty (30) psig or static pressure exceed 150 psig?

Yes No N/A

Does the utility have one (1) or more recording pressure gauges to make pressure surveys?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Is the utility maintaining one (1) or more of these recording pressure gauges at some representative point on the utility's mains at a minimum of one (1) week per month in continuous service?

Yes No N/A

Is the utility, at least once annually, making a survey of pressures in its distribution system?

Yes No N/A

Section 6: Water Supply Measurement

Has the utility installed a measuring device at each source of supply?

Yes No N/A

Section 7: Standards of Construction

Is the utility failing to operate its facilities so as to provide adequate and safe service to its customers due to water loss exceeding 15 percent?

Yes No N/A

Section 8: Distribution Mains

Are dead ends provided with a hydrant, flushing hydrant, or blowoff for flushing purpose?

Yes No N/A

Section 9: Service Lines

Does the utility inspect the customer's service line?

Yes No N/A

Does the utility substitute its inspection for the proof of an inspection done by the appropriate state or local plumbing inspector?

Yes No N/A

Section 13: Measurement of Service

Does the utility meter all water sold?

Yes No N/A

Does the utility have any flat water rates?

Yes No N/A

Has the utility adopted a standard method of installing meters and service lines?

Yes No N/A

Section 15: Accuracy requirement of Water Meters

Are all new meters, and any meter removed from service for any cause tested for accuracy prior to being placed into service?

Yes No N/A

Do the meters tested register within the accuracy limits specified in 807 KAR 5:066, Section 15 (2)(a)?

Yes No N/A

Section 16: Periodic Tests

Kentucky Public Service Commission

Periodic Compliance Inspection

Is the utility testing all water meters so that no meter remains in service without testing for a period longer than specified by the table in 807 KAR, Section 16 (1)? Yes No N/A

Section 17: Water Shortage Response Plan

Has the utility submitted a copy of its Water Shortage Response Plan with the Commission? Yes No N/A

Section 18: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations? Yes No N/A

807 KAR 5:095 (Fire Protection Service for Water Utilities)

Section 9

Does the utility allow a utility to withdraw water from its distribution system for fire protection and training purposes at no charge? Yes No N/A

Does the utility require a fire department to submit quarterly reports demonstrating its water usage? Yes No N/A

Does the utility's tariff state the penalty to be assessed for failure to submit water usage reports? Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Review of Facilities:

1.

Tank: Shakerag

Capacity: 100,000

Condition: Discoloration on underside of bowl

2.

Tank: Island Ford #1

Capacity: 100,000

Condition: No Visual Issues

3.

Tank: Island Ford #2

Capacity: 100,000

Condition: No Visual Issues

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

Utility is failing to operate its facilities so as to provide adequate and safe service to its customers as required in 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (2018 29.58%)

Utility has 5/8 x 3/4 meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1). (1,000 meters)

Utility is not instructing their employees who, in the course of their work, are subject to the hazards of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration as required in 807 KAR 5:006, Section 25(3).

Utility is not testing master meter as required in 807 KAR 5:066, Section 16(1). (Brown Road)

Additional Inspector Comments

North Hopkins Water District has project profiles of new radio read system and interconnection with Webster County Water District to help with TTHM's. The project also allows for master meters at tank sites. Buying from Webster County Water District will lower the costs of water purchased. (Rural Development loan and grant money)

North Hopkins Water District stated they are getting their tanks inspected by Pittsburgh Tanks in 2020.

2019 water loss is down to 20.9%

Case No. 2019-0100 rate increase

Commissioners:

Norman Adams- Chairman, coal miner (stepped down due to health reasons)

Alan LaGrande- Acting Chairman, farmer

James Ashby- electrician, farming

Kentucky Public Service Commission

Periodic Compliance Inspection

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

Report by:

Date: January 31, 2020

Erin Donges

Erin Donges

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachment(s): A.) Water Storage Tanks, Pump Stations, Master Meters, Water Loss

B.) Pictures

Attachment A

NORTH HOPKINS WATER DISTRICT

<u>WATER STORAGE TANKS</u>	<u>CAPACITY</u>	<u>LAST INT INSP</u>	<u>LAST EXT INSP</u>
<u>ISLAND FORD #1</u>	100,000		2019
<u>ISLAND FORD #2</u>	100,000		2019
<u>SLAUGHTERS LAKE ROAD</u>	100,000		2019
<u>SHAKERAG</u>	100,000	2016	2019
<u>TOTAL STORAGE CAPACITY</u>	400,000		

<u>PUMP STATIONS</u>	<u>PUMPS/GPM</u>	<u>LAST INSP</u>
<u>BROWN ROAD</u>	2/450	2019
<u>VANDETTA</u>	2/225	2019
<u>SLAUGHTERS</u>	2/150	2019

<u>MASTER METERS</u>	<u>LAST TESTED</u>
<u>BROWN ROAD</u>	2016

<u>WATER LOSS PERCENTAGE</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	20.9	29.58	28.76	4.47	3.7

Attachment B

Water main leak closes road



Kelly Farrell/The Messenger

North Hopkins Water District workers Jody Larkins, Timmy Moore and Steve Oakley observe an excavator move dirt late Saturday morning on Brown Road. The road was closed to traffic from Carriage Lane to the Gill Field Road area for several hours Saturday as workers repaired a water main leak.



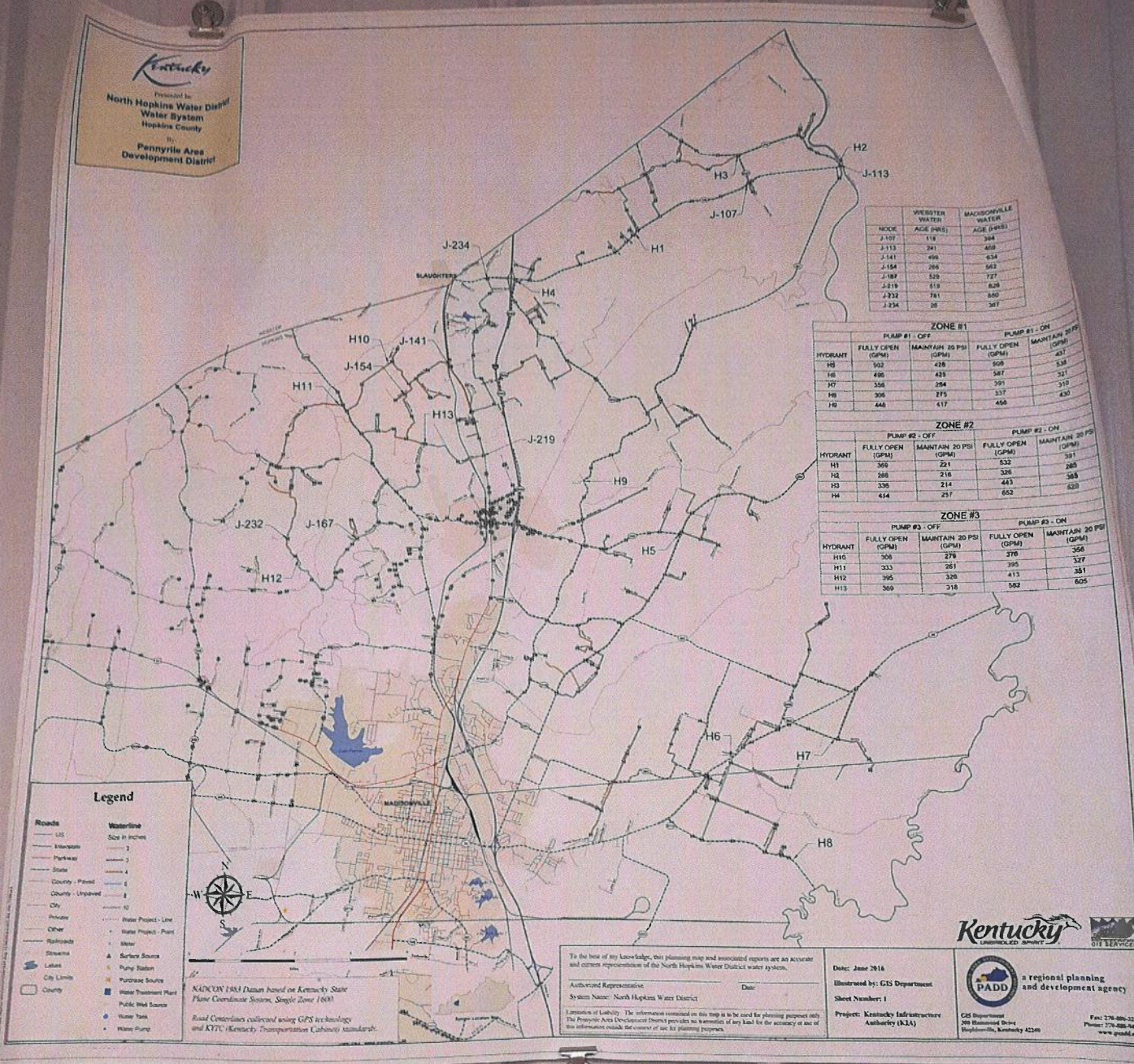
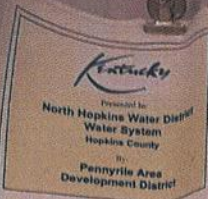
Kelly Farrell/The Messenger

Men work at the site of a water main leak Saturday morning on Brown Road, which involved pumping out water from a large ditch and using an excavator to access the line in order to repair it.



Kelly Farrell/The Messenger

Water stemming from a Brown Road water main leak is pumped out of a ditch Saturday morning and released across the road. The area was blocked off to traffic for several hours as workers repaired the leak.



NOCK	WEBSTER WATER	MADISONVILLE WATER
AGE (YRS)	AGE (YRS)	AGE (YRS)
J-107	118	304
J-113	241	408
J-141	496	634
J-144	286	563
J-187	529	727
J-219	519	828
J-232	781	880
J-234	28	287

HYDRANT	PUMP #1 - OFF		PUMP #1 - ON	
	FULLY OPEN (GPM)	MAINTAIN 20 PSI (GPM)	FULLY OPEN (GPM)	MAINTAIN 20 PSI (GPM)
H8	502	428	508	437
H6	496	429	507	431
H7	358	294	391	310
H9	296	275	317	270
H9	448	417	456	430

HYDRANT	PUMP #2 - OFF		PUMP #2 - ON	
	FULLY OPEN (GPM)	MAINTAIN 20 PSI (GPM)	FULLY OPEN (GPM)	MAINTAIN 20 PSI (GPM)
H1	369	221	332	301
H2	288	218	326	280
H3	336	214	443	388
H4	414	257	652	620

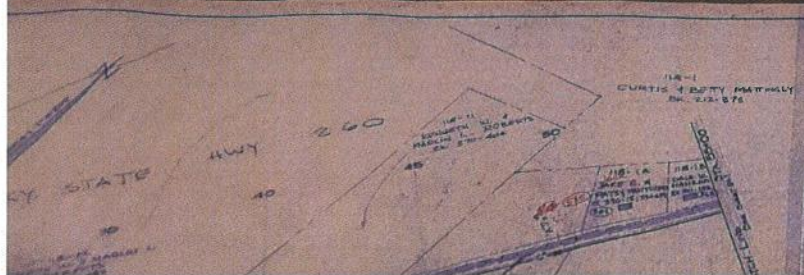
HYDRANT	PUMP #3 - OFF		PUMP #3 - ON	
	FULLY OPEN (GPM)	MAINTAIN 20 PSI (GPM)	FULLY OPEN (GPM)	MAINTAIN 20 PSI (GPM)
H10	306	278	376	356
H11	333	261	395	327
H12	395	328	415	381
H13	369	318	582	605

- Legend**
- Roads**
 - US
 - Interstate
 - Parkway
 - State
 - County - Paved
 - County - Unpaved
 - City
 - Highway
 - Other
 - Highways
 - Streams
 - Lakes
 - City Limits
 - County
 - Waterline**
 - Size in Inches
 - 1
 - 2
 - 4
 - 6
 - 8
 - 10
 - Water Project - Line
 - Water Project - Point
 - Water
 - Surface Source
 - Pumph Station
 - Pressure Source
 - Water Treatment Plant
 - Public Well Source
 - Water Tank
 - Water Pump

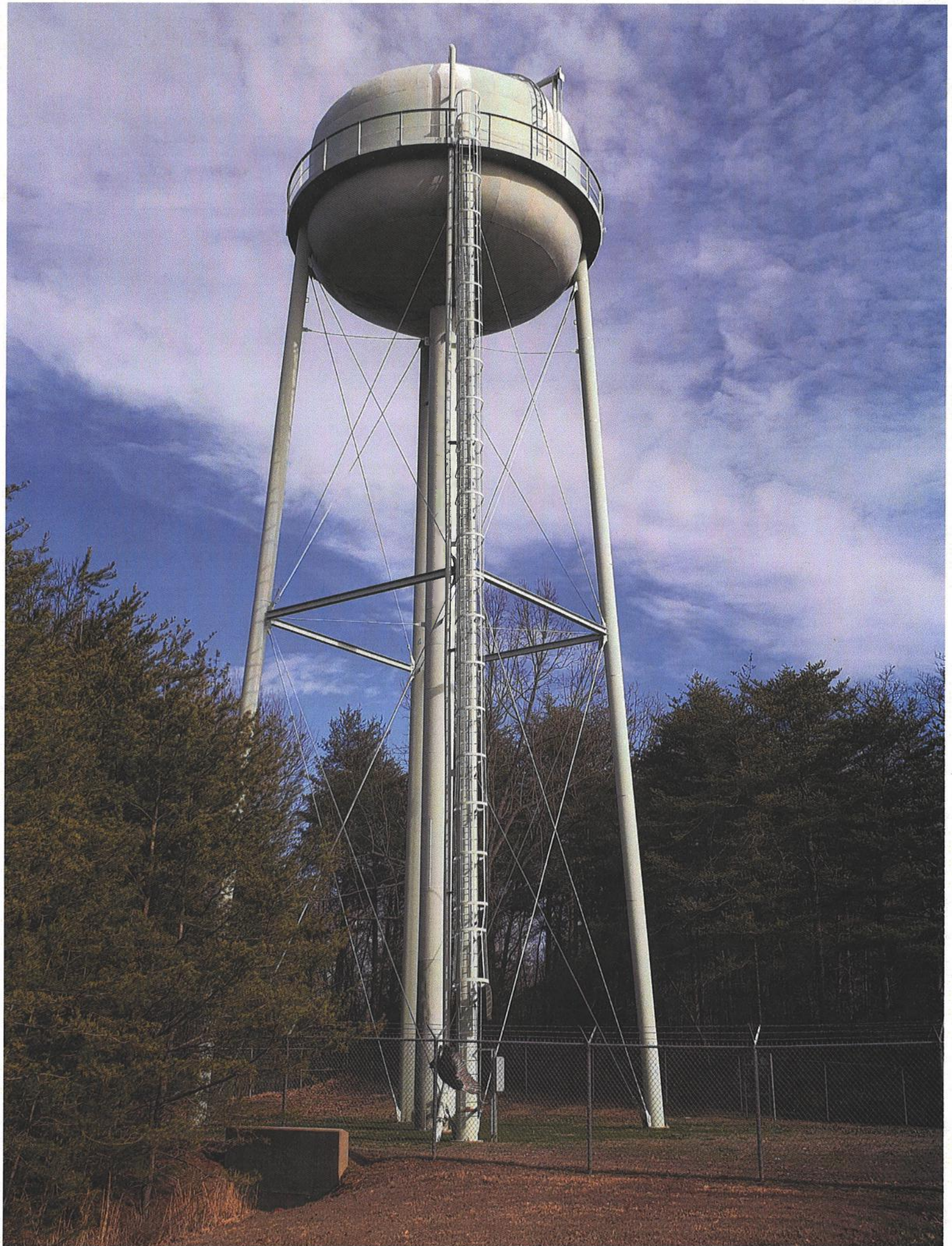
NAD83 datum based on Kentucky State Plane Coordinate System, Single Zone 1000
 Road Centerlines collected using GPS technology and KTC (Kentucky Transportation Cabinet) standards.

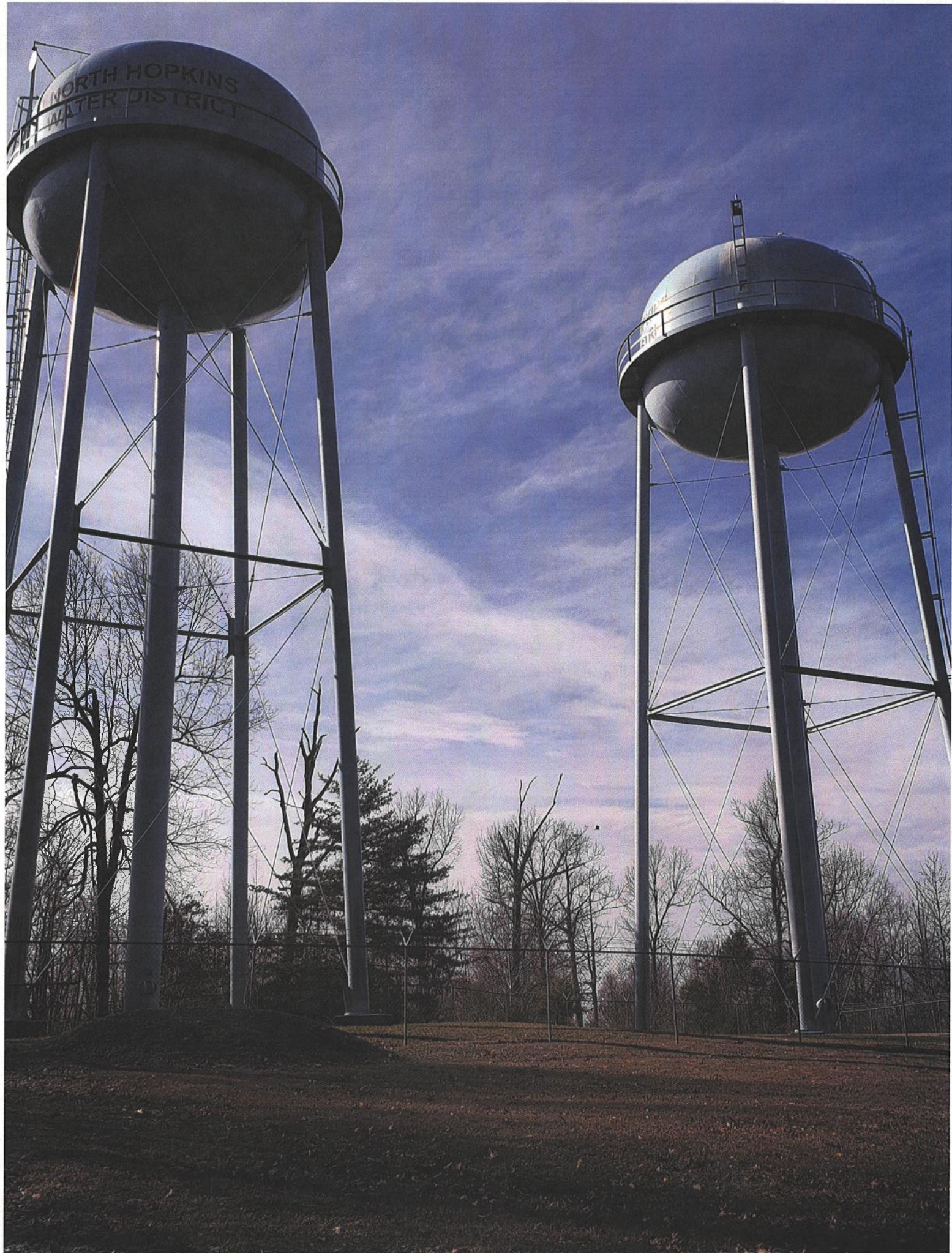
To the best of my knowledge, this planning map and associated reports are an accurate and correct representation of the North Hopkins Water District water system.
 Authorized Representative _____ Date: _____
 System Name: North Hopkins Water District
 Limitation of Liability: The information contained on this map is to be used for planning purposes only. The Pennyrile Area Development District provides no warranties of any kind for the accuracy or use of this information outside the context of use for planning purposes.

Date: June 2014
 Illustrated by: GIS Department
 Sheet Number: 1
 Project: Kentucky Infrastructure Authority (KIA)
 CSD Department
 200 Blountwood Drive
 Hendersonville, Kentucky 42420
 Fax: 779-886-2221
 Phone: 779-886-2400
 www.padd.org



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 er Landscaping Systems
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 Tennessee







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Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

January 31, 2020

Steve Oakley
North Hopkins Water District
316 Liberty Church Road
Madisonville, KY 42431

Re: Periodic Water Inspection
North Hopkins Water District Water System
Hopkins County, KY

Dear Mr. Oakley:

Public Service Commission staff performed a periodic inspection of the North Hopkins Water District water system on January 16, 2020, reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, the following deficiencies were identified:

1. Utility has 5/8 x 3/4 meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1). (1,000 meters)
2. Utility is not instructing their employees who, in the course of their work, are subject to the hazards of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration as required in 807 KAR 5:006, Section 25(3). (cpr expired)
3. Utility is not testing its master meter as required in 807 KAR 5:066, Section 16(1). (last tested 2016)
4. Utility is failing to operate its facilities so as to provide adequate and safe service to its customers as required in 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (2018-29.58%)

According to the North Hopkins Water District's annual report for 2018, unaccounted-for water loss equaled approximately 29.58 percent of the District's total water purchased.

North Hopkins Water District purchased \$57,469 of water that cannot be recovered for rate making purposes.

For the four deficiencies listed above, an explanation of why these deficiencies occurred and how these deficiencies will be remedied and prevented in the future needs to be provided. A letter addressing the organization's actions regarding these deficiencies shall be submitted by March 2, 2020.

Please review the enclosed inspection report in its entirety as you will find further information noted in regard to the inspection. If you have any questions regarding this inspection, feel free to contact Erin Donges at 502-782-2627 or via email at erin.donges@ky.gov.

Sincerely,
Erin Donges
Erin Donges

1. When we started at the District there were no records of meter tests or where meters had been changed.

The District decided to apply for money for multiple projects including meter change outs of the whole system expecting to receive money by 2017. Through various hold ups, money has been delayed the last step is getting a new contract with the city of Madisonville which they have told me will get by April. The District is then ready to take bids. Expecting to start change outs by July 1, 2020.

2. We are setting up a trainer to do CPR training will complete by the end of March 2020.
3. Working with the city of Madisonville to replace meter, if not we will have master meter tested by the end of March.
4. We have worked with Kentucky Rural Water to find leaks. The District employees continue to search for leaks fixing them in a timely manner.

Water loss has decreased from 2018 to 2019. I also believe meter change outs will help improve our water loss while waiting we will continue with efforts to identify leaks.

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