

**MINUTES OF THE
KRADD Water Management Council Meeting
4th Quarter Meeting
May 13, 2020**

Members Present

Mayor Laura Thomas – City of Jackson
Mayor Tracy Neice – City of Hindman

Mayor Todd DePriest – City of Jenkins

Mayor Tom Burns – City of Buckhorn
Carlos Campbell for Mayor Donald
“Happy” Mobelini – City of Hazard
Dena Rice for Mayor Kathi May – City of
Campton
Don Gibson, Chairman – Knott County
Water & Sewer District
L.J. Turner for Augustus Roberts –
Hyden/Leslie Water District
Scott Lockard – Wolfe County Sanitation
District

Other Attendees

Kevon Howard – Summit Engineering
Jamie Noe – Vaughn & Melton
Engineering
Andrea Begley – Congressman Rogers
Office
Allie Terrell – Servline
Todd Ritter – KRWA

Paul Nesbitt – Nesbitt Engineering, Inc

Alan Bowman – Bell Engineering

Brandon Hamilton – Kenvirons, Inc

Heather Stevenson – KRWA

John Jones – KRADD
Jennifer McIntosh - KRADD

1. Due to COVID-19, the fourth quarter meeting was held via video conference and streamed live on Facebook.
2. The meeting was called to order by Mayor Tracy Neice.
3. A motion was made by Scott Lockard and seconded by Mayor Tom Burns to approve the April 9, 2020 Regular Meeting Minutes. All in favor.
4. Ms. McIntosh went over the projects that had been approved throughout the 3rd/4th quarter.
5. A motion was made by Mayor Tom Burns and a second by Scott Lockard to approve the following projects:
 - a. WX21133064 – Cumberland River Water commission – Regional Decentralized WTP Project - New
 - b. WX21133016 – Letcher County Water & Sewer District – Letcher – HWY 510/Gordon Water Line Extensions – amended description, budget, project schedule, impacts, and mapping.
 - c. Wx21025053 – City of Jackson – Kings Ridge Water Improvement Project - New
 - d. WX21133063 – Letcher County Water & Sewer District – Red Star/Turkey Creek Water Line Extensions Phase III - New

- e. SX21133014 – Letcher County Water & Sewer District – Millstone Alternative Treatment System Decommission and Lift Station – amended title, description, budget, project schedule, impacts, and mapping.
- f. SX221193025 – City of Hazard – Hazard Sanitary Trunk Replacement – New
- g. SX21193024 – City of Hazard – Hazard Sanitary Sewer Lift Stations Replacement – New
- h. SX21133023 – City of Whitesburg – Whitesburg I&I Phase I - New


All in favor.

6. Ms. McIntosh introduced guest speaker Allie Terrell with Servline. Her presentation focused on asset planning and leaks. Are you planning? Useful life of a lot system is coming. A lot of systems have not had time to plan for this and it is serious because over the next 20 years the U.S. will spend 1.1 trillion on water systems. KY Infrastructure is estimated at 14.47 billion for water and wastewater to replace. The federal government is not prepared to fund these projects. By 2040 ASCE estimates only 27% will be funded by federal dollars.

Leaks are a problem for the entire country. According to an EPA study, residential lost water is over 1.3 billion gallons of water per year. This results in 2.8 billion in lost revenue every year. Ms. Terrell then gave a brief overview of products that Servline offers. A handout is attached with her contact information.

7. There were DOW updates.
8. Under KRWA, Todd Ritter announced that there would be an online training opportunity May 20, 2020 for water and wastewater operators for 3 CEU's starting at 8AM CT. Information is available on their website. He also informed the Council that there is a needs survey in regards to COVID-19 and that depending on the results KRWA may offer funds for systems struggling financially soon. Heather Stevenson explained that the information is available on the KRWA's COVID-19 alert page and that there is a flushing guide for businesses reopening that can be handed out. KRWA has also partnered with DOW to hand out face masks to utilities. KRWA will also be conducting a webinar on the 28th on the new electronic drinking water reporting criteria. If you wish to join the Apprenticeship program please contact Heather.
9. There were no utility updates.
10. Under other business Andrea Begley with Congressman Rogers's office let everyone know that the Congressman's office is available to assist in any way possible.
11. The next meeting will be Wednesday, August 12, 2020 at 11:00AM.

12. The meeting then adjourned on a motion by Don Gibson and a second by Mayor Tom Burns. All in favor.



INFRASTRUCTURE TIDAL WAVE
ARE YOU READY

ARE YOU PLANNING? WE DON'T HAVE TIME!

- Do we really have a problem and what we are doing has worked so far
- Asset planning – where are we and where are we going
- Funding options and approaches – what are they
- Building community support – communicate with customers
- We need new ideas – we seem to be playing whack-a-mole
- How funding for leaks will help address the infrastructure problem

INFRASTRUCTURE TIDAL WAVE

- U.S. to spend **\$1.1 trillion** on water systems – next 20 years
- Large % of water systems over 70 years old
- KY infrastructure for the next 20 years **\$14.47 billion**
 - \$8.23 billion water
 - \$6.24 billion wastewater
- These costs are unbudgeted with no revenue planned for fixes

Federal government not prepared to fund this critical infrastructure need

WATER IS NOT PREPARED FOR COMING INFRASTRUCTURE NEEDS

- By 2040 ASCE estimates only 27% of water/wastewater is funded
- 47% inland water ways & ports funded
- 51% of surface transportation
- 71% of airports
- 85% of electricity

American Society of Civil Engineers, Failure to Act Report

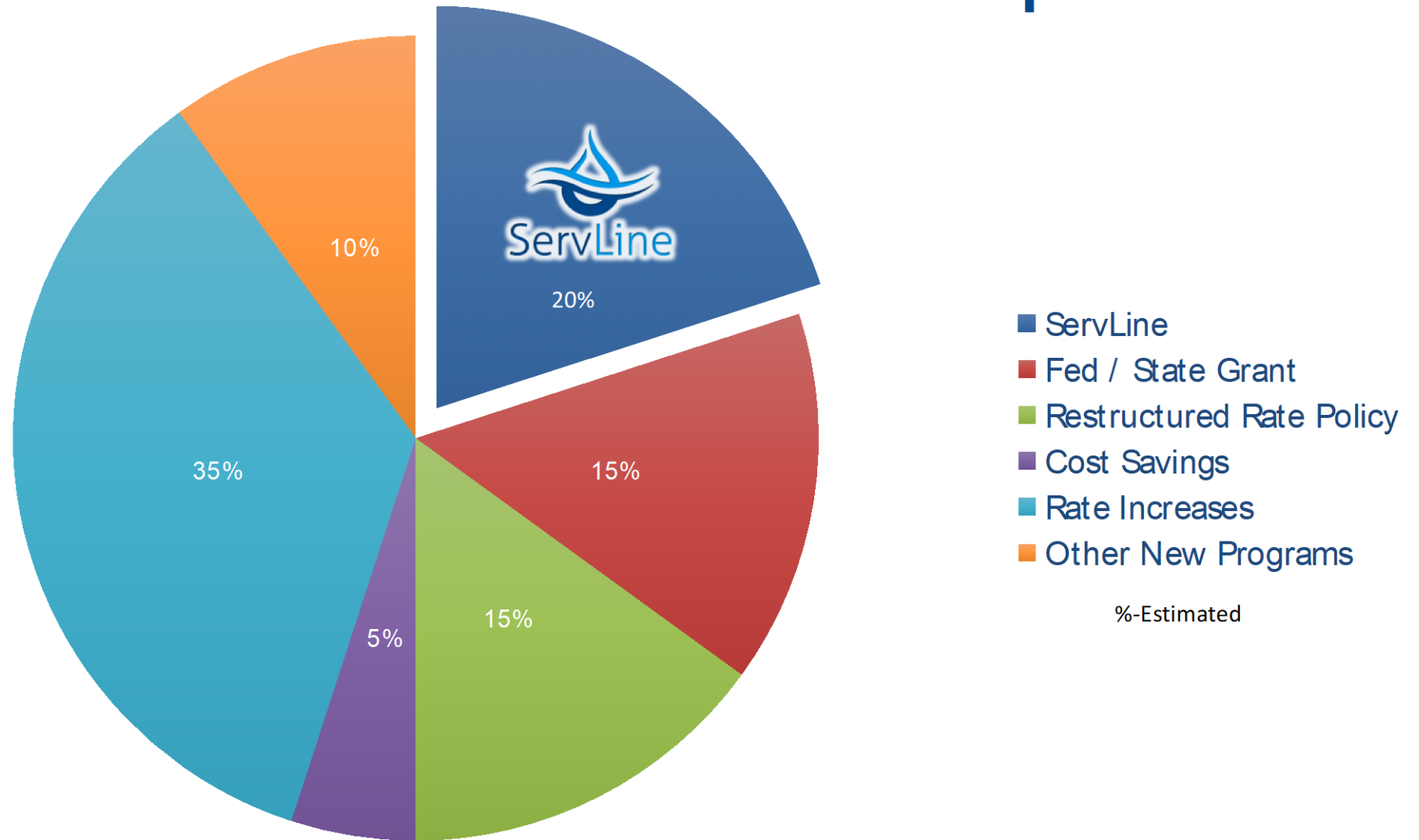
IGNORING INFRASTRUCTURE PROBLEMS CLEARLY MAKES IT WORSE

- Consent decrees are only one example of the mounting problem
- St. Louis *\$5 billion* consent decree
- Chicago *\$3 billion*
- Washington *\$3 billion*
- Kansas City *\$2.5 billion*
- Springfield IL – Pittsburgh – Flint, MI – Chattanooga....

Delaying action is risky, costly, and usually avoidable (U.S. conf. of Mayors)

SHOW ME THE MONEY

How Do You Eat An Elephant



ServLine – Proven, Successful, & Helps W/Funding



Customer Leaks Impact on Water Systems and Solutions

LEAKS - PROBLEM FOR THE COUNTRY

- ✓ HUGE loss of time for each utility due to customer leaks
- ✓ Customers hit hard financially – Reduces spending locally
- ✓ Producing new water to replace leaked water increases costs
- ✓ Renters leave to escape leak charges, everyone pays for leaks

EPA Study

residential lost water = **1.3 trillion gallons** of water/yr

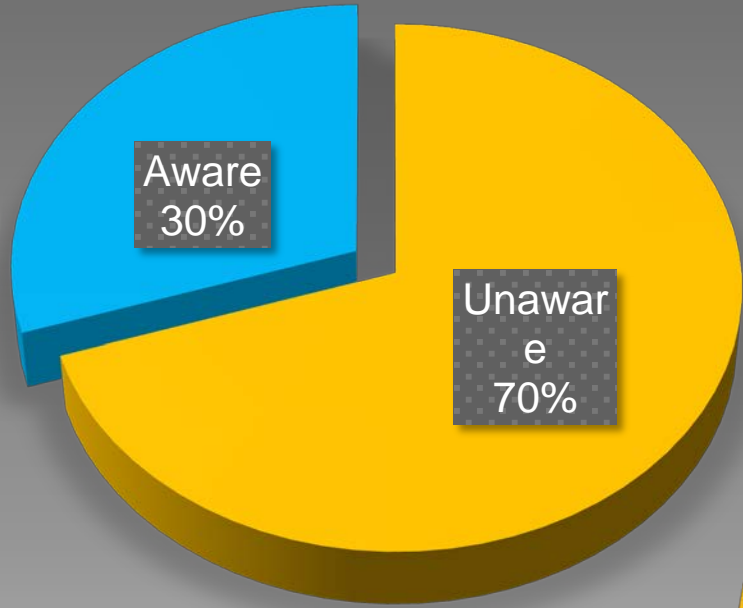
CUSTOMER LEAKS EPA – SERIOUS PROBLEM



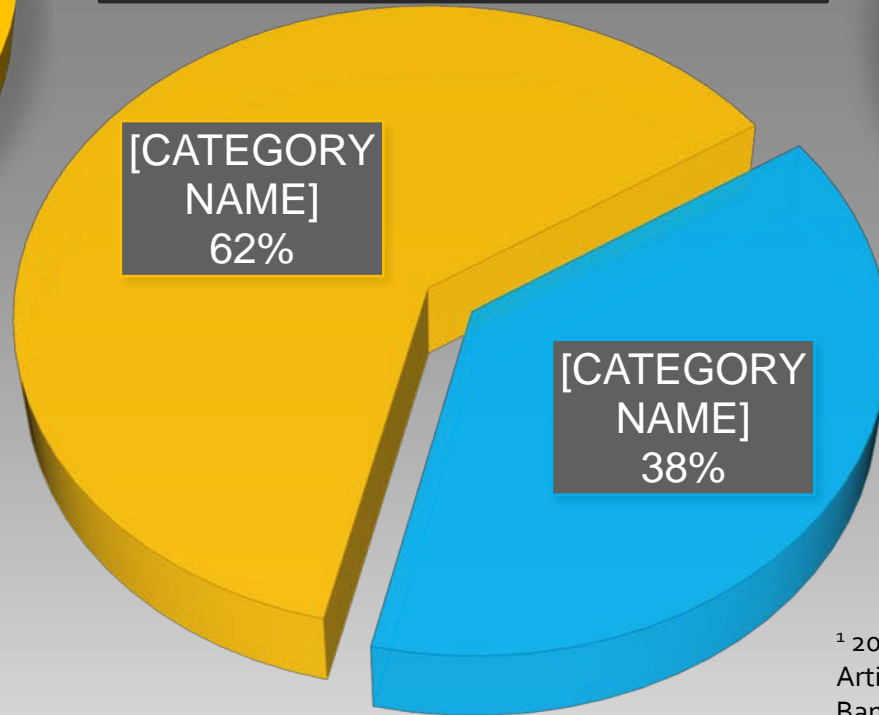
- **880,000** miles of pipes in service for decades
- **237,600** breaks/year
- Water loss requires additional water to be treated – requiring additional energy & chemicals (significant waste)
- Speed of leak repair impacts amount of water loss

\$2.8 Billion in lost revenue/year

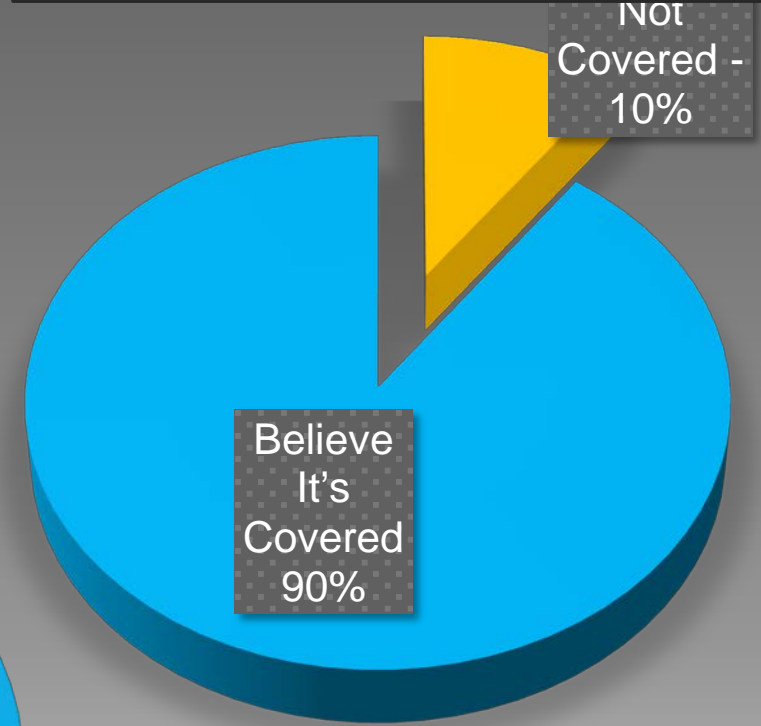
Utility Customer Awareness Of Responsibility



Americans Unable to Cover an Unexpected Expense of \$500 ¹



Customers believe Home Owners Insurance Covers Water Lines



¹ 2015 CNBC Article referencing Bankrate Study

3 INNOVATIVE NEW UTILITY PROGRAMS

A Proven Customer Service Relation
Tool With 97% Of Utilities Customers
Satisfied

A Whole New Source Of Funding
For Infrastructure Needs

A Revolutionary And Easy To Use
Leak Adjustment Program



ServLine

ABOUT HOMESERVE

- Affinity partner with the National Rural Water Association
- Endorsed by the National League of Cities
- Partnered with over 900 utilities and cities
- Over 4 million customers
- Performed over 400,000 repairs (past 3 years)
- Saving homeowners over \$232 million in costs (past 3 years)



NATIONAL RURAL WATER ASSOCIATION

NRWA America's Largest Utility Membership



Customer Water Leaks Redesigned:

How to be a hero to your
customers during a
difficult situation.

Leak Protection and Service Line Protections



OUR PRODUCTS

1. ServLine Leak Protection
2. Exterior Line Protections
 - ✓ Water Line Protection
 - ✓ Sewer Line Protection
3. Interior Line Protection



LEAK ADJUSTMENT PROTECTION

- ✓ **Your Utility sets the Leak Adjustment Policy, ServLine insures and administers that policy.**
- ✓ **Your Utility Chooses system wide protection limit:**
\$500, \$1,000, or \$2,500
- ✓ **Cost avg. of \$1-\$2 per customer per month**
Cost based on your utilities > leak adjustment history & leak adjustment policy
- ✓ **Customers choice to remove coverage, add, or re-add coverage**
- ✓ **No deductible to the customer or utility**
- ✓ **Zero cost to Utility**



LEAK ADJUSTMENT PROTECTION

- ✓ **97%** participate – national average
- ✓ Customizable to Your Utility
- ✓ ZERO cost to Utility and low cost to Customer
- ✓ Utility recaptures lost revenue and bad debt
- ✓ Reduces staff workload associated with leak adjustments
- ✓ No out of pocket costs for leak protection
- ✓ Improved customer relations



WATER LINE & SEWER LINE PROTECTIONS

- ✓ **Complete turnkey solution for the Utility**

We handle all of the marketing, billing, customer service, and claims

- ✓ **Incremental Revenue Stream for Utility/City**

- ✓ **Water and Sewer protection limits:**

Up to \$10,000 per incident for each product

- ✓ **No annual or lifetime limits, service fees, forms, or paperwork**

- ✓ **Customer pays no out of pocket costs**

All repairs are completed by local licensed contractors

- ✓ **Monthly Costs for Line Products**

Water \$5 - \$7 per month per customer | Sewer \$7 - \$9 per month per customer

- ✓ **Customers choice to remove coverage, add, or re-add**

- ✓ **No deductible and zero cost to Utility/City**



IN-HOME PLUMBING PROTECTION

- ✓ **Complete turnkey solution for the utility**

We handle all of the marketing, billing, customer service, and claims

- ✓ **Incremental Revenue Stream for Utility/City**

- ✓ **In-Home Plumbing protection limits:**

Up to \$3,000 per incident

- ✓ **No annual or lifetime limits, service fees, forms, or paperwork**

Includes coverage for lines under the slab or basement floor and clogged toilets

- ✓ **Customer pays no out of pocket costs**

All repairs are completed by local contractors and paid directly by HomeServe

- ✓ **Monthly Costs for In-Home Plumbing Products**

\$10-\$11 per month per customer

- ✓ **Customers choice to remove coverage, add, or re-add**

- ✓ **No deductible and zero cost to Utility/City**



QUESTIONS?

For more information contact:

Allie Terrell

allie@servline.com

606-356-2153

NLC Service Line
Warranty Program

by

