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November 16, 2010

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PUBLIC SERVICE  
COMMISSION

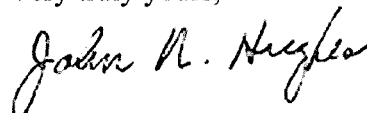
Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

Case No. 2010-00094

Dear Mr. Derouen:

Northern Kentucky Water District submits the responses to the Staff's hearing information request for descriptions of itemized invoices. This completes the responses to all hearing data requests. In accordance with the Commission's orders in this case, I certify that the electronically filed documents are a true representation of the original documents. A copy of the response has been served on the intervenor by electronic mail.

Very truly yours,



John N. Hughes

Attorney for Northern Kentucky  
Water District

CC: Attorney General

Description of selected expenditures from 2009 test year.

The District keeps in mind its Vision, Mission, Values, and more specifically Key Goals, when making expenditures. Attached is a Strategic Direction document explaining the defining statements that drive the operation of the District on a day to day basis. .

## STRATEGIC INITIATIVES

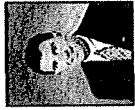
To reach our vision, to fulfill our mission, to reinforce our values, while accomplishing our goals, the District undertakes the following initiatives and maintains the following competencies:

- ◆ Strategic Planning with the Board and Management Team setting priority goals and strategic direction.
- ◆ The District has adopted an Asset Management Program (AMP) to provide a long-term planning guide (year 2020) to address changing regulatory requirements, infrastructure system needs and long-term rate strategy.
- ◆ Annual five (5) year Capital Budget to focus on larger capital items that will need financing in the near future.
- ◆ Annual one (1) year Operating, Maintenance, Capital Budget for current service delivery needs.

## STRATEGIC DISTRICT FACTS

- ◆ Serving approximately 300,000 people in Campbell and Kenton counties and portions of Boone, Grant and Pendleton counties.
- ◆ Over 300 square miles of total service area
- ◆ Over 1,247 miles of water main
- ◆ Three (3) water treatment plants with a capacity of 64 MGD
- ◆ Sixteen (16) pump stations
- ◆ Twenty (20) tanks

## Northern Kentucky Water District Board of Commissioners



From Left to Right: Andrew C. Collins, Chair; Douglas C. Wagner, Vice-Chair; and Fred A. Macke Jr., Secretary.

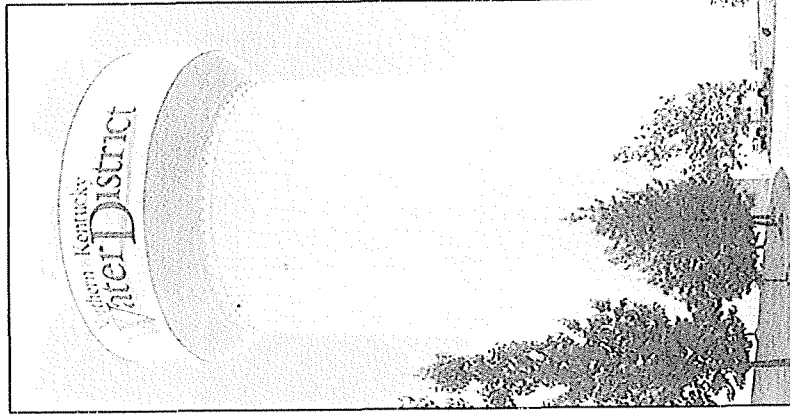


From Left to Right: Joseph J. Koester, Treasurer; Frank E. Jackson; and Dr. Patricia Sommerkamp.

## Northern Kentucky Water District Management Team



From Left to Right: Jack P. Bragg, Jr., VP-Finance; Richard B. Harrison, VP-Engineering; and C. Ronald Lovan, President/CEO.



## Northern Kentucky Water District

## Strategic Direction

Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, Kentucky 41018-0640  
Phone: 859-578-9898  
Fax: 859-442-0665  
[www.nkwater.org](http://www.nkwater.org)

Revised: 03/16/10

## VISION

*Our vision is to be the best, most innovative and pre-eminent utility for the Northern Kentucky region.*

## MISSION

*Our mission is to provide our customers a safe, clean and sufficient water supply through a reliable system that meets all state and federal regulations at the lowest reasonable cost.*

## VALUES

- We operate in a cost effective manner resulting in the lowest reasonable rates.
- We are fair, honest and responsive in meeting customer expectations.
- We are a good steward of the utility assets and infrastructure, positioning ourselves to anticipate future needs and regulations.
- We are a work force that values respect, safety, teamwork and professional development.
- We are a strong member of the business community and actively involved in bettering the Northern Kentucky region.
- We seek to create collaborative partnerships where appropriate.
- We seek to produce water that meets or exceeds federal/state standards.

## KEY GOALS

- **Security:** Represents an ongoing assessment and implementation of security measures in a cost-effective manner.
- **New Regulations:** Represents an ongoing assessment and implementation of new and future federal/state standards.
- **Fiscal Responsibility:** Represents a comprehensive approach to long-term fiscal soundness through planning, revenue enhancement, operational efficiency and long-term rate strategy.
- **Infrastructure:** Represents an ongoing assessment and management of the District's aging infrastructure and new infrastructure needs in a cost-effective manner.
- **Customer Service:** Represents the establishment of the most effective options to meet the expectations and needs of our customers.
- **Staff:** Represents an effort to maintain a safe and desirable workplace, remaining competitive with compensation, fringe benefits, recognition and on-going training and succession planning programs, with a focus on building teamwork and inclusiveness.
- **Education and Communication:** Represents continuous interaction with our customers, community, legislative bodies and regulatory agencies to inform and educate them as to how we operate and plan to meet their needs.

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
56707	1/5/2009	No. Ky. Chamber of Commerce	\$75.00	Legacy Fees	Dues Jeff Schucter Engineering Melissa Bielo H/R These are professional development programs to develop our Junior employees will be the future leaders of the District and be responsible for providing water service. Helps us meet our goals of community involvement and staff development
59622	9/4/2009	No. Ky. Chamber of Commerce	\$75.00	Legacy Fees	
56724	1/5/2009	Wallingford Coffee	\$102.10	Coffee orders	Coffee, Tea etc. for employee vending area. Done as a convenience for employees so they can leave facility and eliminate any stops before they begin addressing customer needs and issues Helps us to address goal of providing a desirable workplace for our employees Employees contribute to offset the cost as they consume the coffee.
56902	1/19/2009	Wallingford Coffee	\$188.69	Coffee orders	
56979	1/26/2009	Wallingford Coffee	\$4.13	Tea	
57117	2/9/2009	Wallingford Coffee	\$112.94	Tea, Coffee, Swiss Miss, Splenda	
57216	2/16/2009	Wallingford Coffee	\$110.53	Coffee orders	
57581	3/6/2009	Wallingford Coffee	\$156.24	Coffee orders	
57895	4/3/2009	Wallingford Coffee	\$323.02	Coffee orders	
58046	4/16/2009	Wallingford Coffee	\$120.48	Coffee orders	
58222	5/1/2009	Wallingford Coffee	\$63.79	Coffee orders	
58401	5/15/2009	Wallingford Coffee	\$332.27	Coffee Supplies	
58702	6/12/2009	Wallingford Coffee	\$91.50	Coffee Orders	
58876	6/26/2009	Wallingford Coffee	\$129.80	Coffee Orders	
59194	7/24/2009	Wallingford Coffee	\$127.26	Coffee Orders	
59360	8/5/2009	Wallingford Coffee	\$252.07	Coffee Orders	
59740	9/11/2009	Wallingford Coffee	\$269.23	Coffee Orders	
59801	9/18/2009	Wallingford Coffee	\$97.50	Coffee Orders	
59883	9/25/2009	Wallingford Coffee	\$96.13	Coffee Orders	
60099	10/15/2009	Wallingford Coffee	\$165.60	Coffee Orders	
60266	10/30/2009	Wallingford Coffee	\$144.68	Coffee Orders	
60567	11/30/2009	Wallingford Coffee	\$234.37	Coffee Orders	

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
60740	12/11/2009	Wallingford Coffee	\$141.13	Coffee Orders	See above
60874	12/28/2009	Wallingford Coffee	\$107.22	Coffee Orders	
56740	1/12/2009	AWWA	\$364.00	Two Membership Renewals	<p>Scott Shepherd/John Scheben Engineering Becky McCormick Lab Don Gibson Distribution Ed Prather Distribution Chris Wetherell Field Service Commissioners Dave Powell Meter Shop AWWA is the leading professional organization for water professionals and covers the spectrum of topics that address issues of providing safe water. It is necessary to include many from across our organization in order to cover all the facets of our operation to provide vital information to our employees and put them in a valuable peer group. Helps us to meet our staff development goal and supply the customer with well trained and relevant personnel.</p> <p>Provides off site meeting facility and aids in participation in the community as many area leaders meet at this venue CEO participates in gatherings with top community leaders Assists in goal of education and communication allowing District to participate in the business community Location is the meeting place for monthly Chamber Government Forums</p>
57050	2/9/2009	AWWA	\$182.00	Membership dues	
58232	5/8/2009	AWWA	\$182.00	Membership dues	
58736	6/19/2009	AWWA	\$182.00	Membership dues	
58811	6/29/2009	AWWA	\$183.00	Membership dues	
59511	8/28/2009	AWWA	\$1,092.00	Membership dues 6 Commissioners	
60205	10/30/2009	AWWA	\$75.00	Annual membership renewal	
56785	1/12/2009	Metropolitan Club	\$267.45	Monthly Charges	
57643	3/13/2009	Metropolitan Club	\$118.00	Monthly Dues	
58687	6/12/2009	Metropolitan Club	\$246.00	Monthly Charges	
59470	8/21/2009	Metropolitan Club	\$115.00	September Dues	
59709	9/11/2009	Metropolitan Club	\$170.02	membership dues	
60020	10/9/2009	Metropolitan Club	\$169.98	membership dues	
60405	11/13/2009	Metropolitan Club	\$172.47	Dues	
60782	12/17/2009	Metropolitan Club	\$394.85	membership dues	

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
56792	1/12/2009	NKWD Vending Account	\$481.75	Detainees soft drinks, coffee, snacks	<p>Detainees are a work program from local sheriffs that cost the District nothing for labor but we do provide drinks etc.</p> <p>The Board Room supplies are for meetings conducting District business.</p> <p>The Vending fund is run and paid for by the employees to provide snack and drink items. The employees pay individually for all items and any profits to charity.</p> <p>Assists the District in the area of fiscal responsibility, as we don't have to contract vending services while providing our on call employees food items so they can more efficiently get to customer needs.</p>
57267	2/23/2009	NKWD Vending Account	\$96.00	Soft Drinks for Board Room Kitchen	
57651	3/13/2009	NKWD Vending Account	\$58.00	Soft Drinks for Board Room Kitchen	
57795	3/27/2009	NKWD Vending Account	\$586.00	Soft Drinks for Board Room Kitchen, Detainees	
57875	4/3/2009	NKWD Vending Account	\$136.00	Soft Drinks for Board Room Kitchen	
58348	5/12/2009	NKWD Vending Account	\$136.00	Soft Drinks for Board Room Kitchen	
58856	6/26/2009	NKWD Vending Account	\$72.00	Supplies for Board Room	
59328	8/5/2009	NKWD Vending Account	\$95.00	Retirement party soft drinks	
59399	8/13/2009	NKWD Vending Account	\$602.00	Detainee soft drinks and FTTP	
59474	8/21/2009	NKWD Vending Account	\$144.00	Soft Drinks for Board Room Kitchen	
59865	9/25/2009	NKWD Vending Account	\$72.00	FTTP 30 Cases Coke	
60332	11/6/2009	NKWD Vending Account	\$1,020.50	Soft Drinks for Board Room Kitchen, Detainees	
60789	12/17/2009	NKWD Vending Account	\$112.00	Supplies for Board Room & Holiday Reception	
56868	1/19/2009	Kentucky-Tenn. Section AWWA	\$1,500.00	Legislation & Regulatory Monitoring	
56924	1/26/2009	Aynie's Catering	\$388.25	NKWD's portion of catering Lou Noll Symposium held at SD 1	<p>Symposium is a gathering of local government leaders where NKWD can effectively communicate with many leaders at one venue to meet our Education and Communication goals Collaborative/shared effort with Sanitation District 1 and the Area Planning Commission</p>

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
56954	1/26/2009	Mchale's Catering LLC	\$3,986.40	Catering for Winterfest (Holiday Reception)	Employee recognition that is now held at our facility. Promotes teamwork & morale Assists the District in meeting the staff goal of making it a desirable workplace
56963	1/26/2009	No. Ky. Chamber of Commerce	\$250.00	Government Forum Subscription	CEO participates, gathering of N. KY government leaders, assists in meeting our communication and education goal and participating in the community Features local speakers such as Tea Party Attn.
57090	2/9/2009	No. Ky. Chamber of Commerce	\$200.00	2009 Taking Care of Business Campaign Spons.	Sponsor of relevant events that District participates in for same reasons as above
57557	3/6/2009	No. Ky. Chamber of Commerce	\$50.00	Night of Potential Event	CEO attended community participation and education and communication
57876	4/3/2009	No. Ky. Chamber of Commerce	\$25.00	Gov. Forum March-Fred Macke	Board member participates community involvement, education and communication
58806	6/25/2009	No. Ky. Chamber of Commerce	\$200.00	Sponsorship for Campaign	Sponsor of relevant events that District participates in for same reasons as above
59177	7/24/2009	No. Ky. Chamber of Commerce	\$15.00	Reservations for Egg's N Issues	CEO attended community participation and discussion of regional issues
59475	8/21/2009	No. Ky. Chamber of Commerce	\$375.00	Executive Roundtable Annual Dues	CEO participates gathering of top executives. Meets community involvement and communication goals
59628	9/4/2009	No. Ky. Chamber of Commerce	\$1,500.00	2010 Washington Fly in	Ongoing education of employees CEO attends the meeting with legislators who control regulations and funds available for projects
60408	11/13/2009	No. Ky. Chamber of Commerce	\$160.00	Subscription renewal Gov. Forum	CEO participates with leaders form various agencies in N. KY Communication and community involvement Cost of luncheon with speakers of various topics



Northern Kentucky Water District Post Hearing Information Case 2010-00094 Operating & Maintenance Checking				
Check No.	Date	Payee/Vendor	Amount	Description
57051	2/9/2009	The Bank of Kentucky	\$3,425.00	Service award Gift Cards
59198	7/28/2009	The Bank of Kentucky	\$328.00	Retirement Gift Card
57055	2/9/2009	Case's Goldenleaf Florist	\$191.40	Floral arrangements for January
57520	3/6/2009	Case's Goldenleaf Florist	\$297.30	Floral deliveries February
57919	4/9/2009	Case's Goldenleaf Florist	\$149.45	Floral deliveries March
58241	5/8/2009	Case's Goldenleaf Florist	\$314.85	Floral deliveries April
58580	6/5/2009	Case's Goldenleaf Florist	\$215.85	Floral deliveries May
59061	7/17/2009	Case's Goldenleaf Florist	\$64.95	Flower arrangements
59144	7/24/2009	Case's Goldenleaf Florist	\$95.95	Floral deliveries June
59289	8/5/2009	Case's Goldenleaf Florist	\$156.35	Floral deliveries July
59677	9/11/2009	Case's Goldenleaf Florist	\$180.40	Floral deliveries August
59976	10/9/2009	Case's Goldenleaf Florist	\$284.85	Floral deliveries September
60292	11/6/2009	Case's Goldenleaf Florist	\$261.30	Floral deliveries October
57119	2/11/2009	Robert W. Buhriage	\$2,890.00	Distinguished Service Awards
57239	2/23/2009	Everywhere Promotions	\$947.88	Aluminum Sports Bottles

**Benefit to NKWD & Customers**

Recognizes employee service at 5, 10, 15, 25 30 etc years of service. Meets goal of staff recognition

Retirement card for F. Robinson \$325 + fee. Employee recognition

Arrangements for employees who are ill or when deaths in the family occur  
Contributes to the goal of supporting employees to create a desirable work place  
meets the staffing goal of providing good workplace

Awards to recognize employee performance as nominated by their peers.  
Contributes to development of the staff and the workplace satisfaction and ability to deliver service.

For Employee Appreciation Luncheon  
Contributes to development of the staff and the workplace satisfaction and ability to deliver service. Supports staff key goal

Northern Kentucky Water District Post Hearing Information Case 2010-00094 Operating & Maintenance Checking					
Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
57244	2/23/2009	Grimes Promotional Products	\$232.68	Lollipops for Counter	Items for the children of customers who come into office to pay bills etc.
58604	6/5/2009	Grimes Promotional Products	\$208.30	Crayons	Frisbee for AquaVenture for students
59767	9/18/2009	Grimes Promotional Products	\$578.17	Lollipops for Counter, Frisbees	A component of customer service amd education
57621	3/13/2009	Grimes Promotional Products	\$17,765.60	Water Bottles for bottling	Bottled water to promote the tap water produced and tap water consumption
59450	8/21/2009	Grimes Promotional Products	\$17,765.60	Water Bottles for bottling	Education and Communication goal
57265	2/23/2009	Municipal Gov. League NKY	\$125.00	Membership renewal	General Membership of District Community activity and education and communication opportunity
57558	3/6/2009	No. Ky Leadership Foundation	\$120.00	Annual dues for two	Ron Lovan CEO, Jack Bragg VP Fin. Both participated in leadership program part of the Community participation initiative
59011	7/10/2009	No. Ky Leadership Foundation	\$1,900.00	Leadership Training	Chris Bryant IT Participant in Leadership Program Contributes to development of the staff and the workplace satisfaction and ability to deliver service. On going training Staff development
57802	3/27/2009	Jane Proctor LMT	\$350.00	Chair Massage Central Facility & FTTP	Part of the overall employee wellness program attempting to lower our health insurance premiums long term.
58212	5/1/2009	Jane Proctor LMT	\$100.00	Chair Massage FTTP	Supports our commitment to staff This service has been discontinued
58862	6/26/2009	Jane Proctor LMT	\$350.00	Chair Massage Central Facility & FTTP	
59245	7/31/2009	Jane Proctor LMT	\$250.00	Chair Massages Central Facility	
59563	8/28/2009	Jane Proctor LMT	\$250.00	Chair Massages	
59636	9/4/2009	Jane Proctor LMT	\$100.00	Chair Massage FTTP	
60173	10/23/2009	Jane Proctor LMT	\$350.00	Chair Massage Central Facility & FTTP	

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
57840	4/3/2009	Duck Manor Productions	\$285.50	Grow sticks for Earth Day	Part of the education and communication effort through participating in an environmental program
58003	4/16/2009	Duck Manor Productions	\$662.36	Promotional Products for Ft. Thomas Earth Day	
58059	4/17/2009	Covington Catholic High School	\$125.00	1 ticket for Northern Kentuckian of the Year	Honoring the president of Vision 2015 a regional planning and economic development group attended by the CEO. Supports our goal to be an integral part of the community and interact with customers
58091	4/24/2009	Covington Rotary Club	\$300.50	Semi-annual dues	Bill Wulfeck WQP Richard Harrison Engineering Contributes to the education and communication goal of the District
58172	5/1/2009	Covington Rotary Club	\$300.50	Membership dues Jan 09-June 09	
59293	8/5/2009	Covington Rotary Club	\$300.50	Semi-annual dues	
59376	8/13/2009	Covington Rotary Club	\$300.50	Semi-annual dues	
58198	5/1/2009	Legacy	\$75.00	Annual dues for Legacy	Dues Jeff Schucter Engineering programs to develop our Junior employees will be the future leaders of the District and be responsible for providing water service. Helps us meet our goals of community involvement and staff development
58200	5/1/2009	Ron Lovan	\$80.40	Reimburse expenses AMWA	Misc. fares etc. AMWA Conference CEO attends with other top water professionals for exchange of ideas and knowledge Goes to the education and communication goals

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
58368	5/15/2009	Dixie Novelty	\$95.00	Popcorn machine Rental	For open house to benefit customers allowing them to see the District's HQ. Part of our communication and education goal.
58374	5/15/2009	Home Builders association	\$425.00	Membership dues	General membership allows us to interact, communicate, and educate group that ultimately provides the additional service tie ins.
58541	5/29/2009	No. Ky. Public Works	\$120.00	2009 Roadeo	Participation with other public works entities by distribution personnel that they work with in an ongoing basis in the various communities we serve. Assists in the development of our staff to provide service to our customers in those communities.
58857	5/29/2009	No. Ky. Public Works	\$24.00	Lunch 06/24/09	
58522	5/29/2009	STARS	\$500.00	Strides for Stars 5K Run/Walk	Sponsorship of leadership project from Leadership N KY Supports staff goal and community involvement
58287	5/8/2009	Cahill, Jill	\$1,110.00	Service for June	
58579	6/5/2009	Cahill, Jill	\$610.00	Public Relations 05/09	Outsource public relations assistance as opposed to having on staff. Assists in the Education and Communication goals of the District
59439	8/5/2009	Cahill, Jill	\$740.00	Monthly Service July	
59580	8/28/2009	Water Environment Federation	\$110.00	Membership renewal	Ron Lovan Group that provides pertinent information in regard to topics related to the Water industry relating to the education goal.
58920	7/2/2009	Info-Tech Research Group	\$495.00	Membership	IT group an online data base of common errors that allow them to trouble shoot without any outside assistance Contributes to the Fiscal responsibility goal.
58700	6/12/2009	University of Kentucky	\$450.00	Civil engineering Banquet	Staff guests for CEO receiving career achievement award Contributes to the staff development and recognition goal
58737	6/19/2009	AWWA Research Foundation	\$18,607.60	Subscription AWWA Research 2008	Delayed paying 2008
60587	12/4/2009	AWWA Research Foundation	\$19,030.50	Subscription AWWA Research 2009	These are for research topics the District has access to and collaborative input as to research ie (unfunded mandates, regulations). Assists in the education and communication goal

**Northern Kentucky Water District  
Post Hearing Information Case 2010-00094  
Operating & Maintenance Checking**

Check No.	Date	Payee/Vendor	Amount	Description	Benefit to NKWD & Customers
59279	8/5/2009	Be Creative Catering	\$1,105.00	Catering F Robinson retirement	Staff recognition and making a desirable workplace
59971	10/9/2009	Be Creative Catering	\$330.00	Breakfast FTTP	
60530	11/30/2009	Be Creative Catering	\$1,105.00	Catering Thanksgiving Lunch	
60119	10/23/2009	AMWA	\$6,009.30	Dues	CEO to meet with other leaders in the water industry and other metro systems for the exchange of ideas and best practices. Contributes to Education and communication goal, fiscal responsibility and other strategic goals
59640	9/4/2009	Senior Services of N. Ky Rememb.	\$75.00	Memorial Anna Mae Eger	memorial for mother of CEO at SD-1
59651	9/4/2009	Trophy Awards Mfg Inc.	\$55.00	Recognition award	Recognition of staff leaving District Contributes to staff goal
59753	8/28/2009	Bluegrass Domestic Violence Pr.	\$100.00	Donation for Amanda Ross	Donation in memory of daughter of Fiscal Agent
60002	10/9/2009	Healthpoint Family Care	\$500.00	Hopebox Derby	Done in conjunction with Sanitation District 1, Transit authority of Northern Kentucky to support project from staff leadership project Meets the goals of community involvement, and support of the staff development
60211	10/30/2009	Chef Barone Catering	\$136.50	Lunch	Lunches provided at the Board meeting
60294	11/6/2009	Chef Barone Catering	\$176.95	Catering	
60407	11/13/2009	NKSPE	\$50.00	Professional engineering meeting	CEO to attend Professional Engineer function. Contributes to education goal as well as community involvement
60416	11/13/2009	Sandwich Block Deli	\$119.66	Lunch	meeting for field service group Supports staff development
60455	11/23/2009	Coney Island	\$7,540.00	Company picnic	Company picnic Contributes to employee recognition and providing a desirable workplace
60562	11/30/2009	Snappy Tents . Inc.	\$597.30	Health fair booths	Part of the overall wellness program to assist in keeping health insurance costs under control and providing a desirable workplace for employees