

CERTIFICATION OF PREPARER:

I certify that I am the preparer of the response the questions answered by myself, Sue Carter in Case No. 2013-00188 and that the response is true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.

*Sue Carter* Date 6-14-13

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COMMISSION

CERTIFICATION OF PRPARER:

I certify that I am the preparer of the response the questions answered by myself, Garry Wade in Case No. 2013-00188 and that the response is true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.

Garry Wade

Date 6-14-13

RESPONSE TO APPENDIX  
IN CASE NO. 2013-00188

Garry Wade, District Manger

Sue Carter, Office Manger

Responding

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REGARDING FIELD OPERATIONS  
RESPONSE OF SUE CARTER TO QUESTIONS  
REGARDING OFFICE OPERATIONS  
OF APPENDIX TO CASE NO. 2013-00188

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RESPONSE OF SUE CARTER TO QUESTION NO. 1  
OF APPENDIX TO CASE NO. 2013-00188

1. Provide the minutes of each meeting of Allen District's Board of Commissioners in which the proposed rate Revision was discussed.

Response:

In the December 2012 and January 2013 meeting of the Allen County Water District Board of Commissioners, the matter of non recurring rates were discussed. In the January 2013 meeting of the Board of Commissioners instructed Garry Wade and Sue Carter to work up the information to increase the non-recurring charges. There is no record is in the minutes of either meeting because no motion was made until the figures were completed in February 2013.



RESPONSE OF SUE CARTER TO QUESTION NO. 2  
OF APPENDIX TO CASE NO. 2013-00188

2. Provide the resolution of Allen District's Board of Commissioners in which the proposed rate revision was approved or, if no resolution was separately prepared, the minutes of the meeting of Allen District's Board of Commissioners in which proposed rates were approved.

Response:

There was no resolution was separately prepared to increase the non-recurring charges. The Board of Commissioners made a motion at the February 2013 meeting to accept proposed non-recurring charges as part of the tarrif to be sent to Public Service Commission for approval to take effect on June 1, 2013.

A copy of the minutes of the February 2013 meeting follows this page.

**Regular Meeting Allen County Water District  
Board of Commissioners, February 5, 2013**

**The Allen County Water District Board of Commissioners met in regular session, February 5, 2013 at 4:00 p.m. in the district's office located at 330 New Gallatin Road Scottsville, Kentucky.**

**Commissioners present for the meeting were Tracy Oliver, Bobby Carter, Wayne Jackson, Doug McClure and Joe Young.**

**Meeting called to order by Bobby Carter, Chairman.**

**Bids for Generators on Phase VIII were taken; low bidder was Division XXVI Electrical from Bowling Green, Kentucky.**

**Motion made by Tracy Oliver, seconded Joe Young to accept Oscar Lee Conner Road for construction to be paid by Fiscal Court, contingent upon right of ways and meter payments, vote unanimous.**

**Motion made by Wayne Jackson, seconded by Tracy Oliver to accept proposed non - recurring charges to be sent to Public Service Commission for approval to be part of tariff, effective June 1, 2013, vote unanimous.**

**Motion made by Joe Young, seconded by Doug McClure to approve charging \$75.00 an hour for the backhoe and \$40.00 for labor per hour per employee, effective immediately, vote unanimous.**

**Motion made by Tracy Oliver, seconded by Bobby Carter to advertise for applications for office employee until March 5, 2013, vote unanimous.**

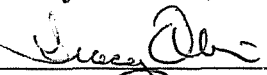
**Motion made by Tracy Oliver, seconded by Bobby Carter to upgrade 2" line with 4" line on J.W. York Road, vote unanimous.**

**Motion made by Doug McClure, seconded by Bobby Carter to approve the minutes, vote unanimous.**

**Motion made by Wayne Jackson, seconded by Joe Young to pay the bills, vote unanimous.**

**Motion made by Tracy Oliver, seconded by Doug McClure to adjourn the meeting, vote unanimous.**

  
\_\_\_\_\_  
Bobby G. Carter, Chairman

  
\_\_\_\_\_  
Tracy Oliver, Secretary/Treasurer

## Notice

The Allen County Water District proposes to make the following revisions to its schedule of charges. The proposed effective date is June 1, 2013.

<b>Meter Tap on Fees</b>	<b>Current</b>	<b>Proposed</b>	<b>% increase</b>
5/8 x 3/4 inch meter taps	500.00	1200.00	140 %
1 inch meter taps	700.00	1500.00	114 %
2 inch meter taps	1100.00	4000.00	264 %
All Larger Meters	Actual Cost	Actual Cost	N/A

### **Special Charges**

Security Deposit	40.00	75.00	88 %
Late Payment Penalty	10%	10%	N/A
Meter Reread Charge	30.00	80.00	167 %
Meter Test Charge	45.00	100.00	122 %
Reconnection/Connection	50.00	110.00	120 %
Reconnection Charge After Hours	62.00	130.00	110 %
Service/Investigation Charge	30.00	80.00	167 %
Service/Investigation Charge After hours	42.00	100.00	138 %
Returned Check Service Charge	25.00	35.00	40 %
Meter Relocation Charge	Actual Cost	Actual Cost	N/A
Equipment Damage Charge	Actual Cost	Actual Cost	N/A

The charges contained in this notice are the charges proposed by the Allen County Water District. It is important to note that the current charges have been in effect since 1990 and it has become necessary to increase them at this time. However, the Public Service Commission may order charges to be charged that differ from these proposed charges. Such action may result in charges for consumers other than the charges in this notice.

Any corporation, association, body politic, or person may request leave to intervene by motion within thirty (30) days after publication of the proposed rate changes. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Ky. 40602, and shall set forth the grounds for the request including the status and interest of the party.

Those wishing to intervene may obtain copies of the application and related filings by contacting the Allen County Water District at 270-622-3040. A copy of the proposed changes shall be available for public inspection at the utility's office located at 330 New Gallatin Road, Scottsville, Ky.

This notice is published pursuant to 807 KAR 5:011-Tariffs.

Allen County Water District.

## Notice

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All Larger Meters	Actual Cost	Actual Cost	N/A
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Returned Check Service Charge	25.00	35.00	40 %
Meter Relocation Charge	Actual Cost	Actual Cost	N/A
Equipment Damage Charge	Actual Cost	Actual Cost	N/A

RESPONSE OF GARRY WADE TO QUESTION NO. 3  
OF APPENDIX TO CASE NO. 2013-00188

3. List separately for each calendar year from January 1, 2010 through December 31, 2012 the total number of Allen District's:
- a. New meter connections;
  - b. New 5/8 inch x 3/4 inch meter connections;
  - c. New 1-inch meter connections;
  - d. New 2-inch meter connections; and
  - e. New larger meter connections.

Response:

New meter connections a. through e. for the following years:

	2010	2011	2012
a.	111	87	83
b.	110	83	80
c.	0	3	1
d.	1	1	2
e.	0	0	0

RESPONSE OF GARRY WADE TO QUESTION NO. 4  
OF APPENDIX TO CASE NO. 2013-00188

4. State the number of spare meters that Allen District has in its inventory as of May 31, 2013.

Response:

As of May 31, 2013, the Allen County Water District has used up the inventory of meters and materials to set meter services and has currently ordered more to set meter services for the month of June, 2013. In anticipation of the proposed increase in price of meter services to the customers of The Allen County Water District, we did not want to have on hand excess materials to set the meter services that do not comply with the Division of Water requirements as of January 4, 2014, which is what the prior materials were and the proposed price increase was based on materials to meet that requirement.

We could not charge the increased price of a meter service, if the proposed tariff was approved, when using materials that were not in the increased price. We would have had to scrap the materials that were in stock.

The number of meters in inventory is--- 0----as of May 31, 2013.

RESPONSE OF GARRY WADE TO QUESTION NO. 5  
OF APPENDIX TO CASE NO. 2013-00188

5. State the number of meters that Allen District seeks to maintain in its inventory.

Response:

The Allen County Water District seeks to maintain an inventory of approximately 20 meters, in order to have on hand what is needed.

RESPONSE OF GARRY WADE TO QUESTION NO. 6  
OF APPENDIX TO CASE NO. 2013-00188

6. State the number of meters that Allen District purchases when it purchases 5/8-inch x 3/4 inch meters.

Response:

On a normal basis, The Allen County Water District purchases 20 to 30 meters at a time. At certain times of the year, we may purchase considerable more meters due to meeting the 10 year change out rule. If our inventory is near empty, due to more customers than usual, we may order more than 20 to 30 meters at a time.



RESPONSE OF GARRY WADE TO QUESTION NO. 7  
OF APPENDIX TO CASE NO. 2013-00188

7. For each of Allen District's last five purchases of 5/8-inch x 3/4-inch meters, state the date the purchase was made, the vendor and the number of meters purchased.

Response:

Most of the last 5 meter purchases of 5/8 x 3/4 inch meters were to meet the 10 year change out and to have some on hand also. We were changing District Managers as of March 2, 2012, so the Manager going out wanted to have meters on hand for the incoming Manager so he didn't have to take care of that just taking over.

The last 5 purchases were as follows:

12-15-11	1-17-12	2-1-12
G & C Supply Co.	G & C Supply Co.	G & C Supply Co
198 meters	108 meters	156 meters
9-1-12	11-26-12	
G & C Supply Co.	G & C Supply Co.	
24 meters	200 meters	

The current District Manager orders 20-30 meters at a time, unless to restock or meter change outs.

RESPONSE OF GARRY WADE TO QUESTION NO. 8  
OF APPENDIX TO CASE 2013-00188

8. Identify each vendor from whom Allen District solicited a bid or estimate regarding meters in the course of preparing its proposed rate revision and the vendor's address.

Response:

The Allen County Water District got bids from 2 companies for the meters in the rate revision.

The following companies are the two contacted for estimates:

G & C Supply Co. Inc  
P.O. Drawer 459  
Atwood, Tn. 38220

Consolidated Pipe & Supply Co.  
768 Interstate Drive  
Bowling Green, Ky. 42101

RESPONSE OF GARRY WADE TO QUESTION NO. 9  
OF APPENDIX TO CASE 2013-00188

9. State whether, in Allen District's opinion and experience, the cost per unit for meters is less when the purchase order is for a number of meters rather than one meter.

Response:

The Allen County Water District has not experienced any difference in price of meters based on how many were ordered. We have paid the same price for one meter as we do for one hundred per meter.

The meters are now the lead free meters and the price is higher per meter.

RESPONSE OF GARRY WADE TO QUESTION NO. 10  
OF APPENDIX TO CASE NO. 2013-00188

10. Identify each vendor from whom Allen District solicited a bid or estimate regarding meter-setting materials in the course of preparing its present application and provide the vendor's address.

Response:

The Allen County Water District solicited bids from G & C Supply Co. Inc. We have been using this company for a number of years because they sell a quality product and we like the results of the products available from them.

RESPONSE OF GARRY WADE TO QUESTION NO. 11  
OF APPENDIX TO CASE NO. 2013-00188

11. Describe how Allen District determined the number of hours of labor required for installing a meter.

Response:

The Allen County Water District made this determination by using the longest distance from our shop across the county to the end of our water lines and customer base to take our equipment to install a meter service. Then we added the length of time it takes to dig out to attach to our water lines and added the man hours for the number of employees it takes to set the meter service whether it is a onside service (short side) or a road bore (long side). Then we added the materials it takes to set a meter service to that cost.

An onside (short side) will take at least 3 hours, while a road bore (long side) will take 5 hours due to boring under the road to get to customers property. We have to dig under phone cables, in some instances they are fiber optic which requires extra care. And in some circumstances we have to dig under electrical cables and natural gas lines. All of which takes extra care.

Sometimes it takes longer, as much as all day, to set a long side service due to boring through rock or the bore comes up short of the depth it needs to be, then you have to pull out the bore from under the road and start all over again. The instance was not taken into consideration when figuring the increase.

RESPONSE OF GARRY WADE TO QUESTION NO. 12  
 OF APPENDIX TO CASE NO. 2013-00188

12. For each meter installation performed from January 1, 2010 through December 31, 2012, state the meter size, type of service ( short side or long side), and number of hours required for the installation.

RESPONSE:

The following are the meter sizes, types of services and total number of hours required to set the services for January 1, 2010 through December 21, 2012:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
5/8 x 3/4	110	83	80
1"	0	3	1
2"	1	1	2
Short side services	60	48	41
Long side services	51	39	42

Hours required for installation:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Short side services	180	144	123
Long side services	255	195	210

RESPONSE OF GARRY WADE TO QUESTION NO. 13  
OF APPENDIX TO CASE NO. 2013-00188

13. List all activities performed in installation expense for both short-side and long-side service and the amount of time for each activity.

Response:

30 minutes: Getting material together at shop and loaded on truck to transport to location.

1 hour: Transportation for backhoe as much as an hour depending on location.

30 minutes: The employees have to dig out around telephone cables and possibly gas lines and electric cables. Then they find the water line and clean out around it to get it ready for the saddle and put saddle on line.

30 minutes: Then they dig a level spot to set the meter box then they install the setter then they hook the service tubing to the saddle and then to the meter setter.

15 minutes: They fill in the holes that have been dug and around the meter box with dirt and level up.

1 hour: Pick up tools and transport time of back hoe back to shop or next job.

This is a short side service.

## CONTINUATION OF RESPONSE TO QUESTION NO. 13

Everything is the same for a long side except , on a long side service you dig a bigger hole for your boring machine to sit in. While they are making the bore under the road the backhoe is on the other side of the road digging out phone cables, electric or gas lines if any. Next dig hole for boring machine head to come out so they can take it off and pull the hose back out.

30 minutes: Getting material together and loading the truck to go to location.

1 hour: Transportation of backhoe to location, can take up to 1 hour depending on location.

30 minutes: Digging out water line around telephone cables and possibly electric cables and natural gas lines. They clean out around water line, to get it ready for saddle.

1 hour: It takes 1 hour or more depending on conditions under road (rock etc.) to bore under the road for long side services.

30-45 minutes: They dig out a level spot to set the meter box then they install the setter then they hook the service tubing to the saddle and run it under the road to the meter setter and hook service tubing to it.

45 minutes: To fill dirt back in on both sides of highway and meter box and level up.

1 hour: As much as 1 hour to pick up tools get back to shop or next location.



RESPONSE OF GARRY WADE TO QUESTION NO. 14  
OF APPENDIX TO CASE 2013-00188

14. In its calculation of installation labor expense, Allen District assumes an hourly wage rate of \$18.00
- a. State the number of Allen District employees whose primary duties include the installation of water meters.
  - b. State the hourly wage rate of each current Allen District employee whose primary duties include installation of water meters.
  - c. State whether the hourly wage rates provided in response to Item 13 (b) (should be Item 14 b) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick leave pay, annual leave pay, or employer health insurance contribution.

Response:

- a. The Allen County Water District has 6 field employees who do any and all of our work in the field including meter installation.
- b. 1—\$18.06, 2--\$18.06, 3--\$17.03, 4—\$16.45, 5--\$10.80 (1 of our newer employees) and 6--\$12.00 (new hire)
- c. We only figured the hourly wage of the oldest employee when getting an hourly wage to calculate.

RESPONSE OF GARRY WADE TO QUESTION NO. 15  
OF APPENDIX TO CASE NO. 2013-00188

15. a. List each type of equipment that is included in installation equipment expense.
- b. For each type of equipment listed in response to item 15 (a), state whether it is used for both types of service (i.e. short side or long side). If not used for both types, identify the type of service for which the equipment is used.
- c. For each type of equipment listed in response to item 15 (a), state whether Allen District owns such equipment.

Response:

- a. Backhoe, air compressor, piercing tool, and hand tools
- b. On a short side service we only use the backhoe and hand tools, on a long side service we use a backhoe, air compressor, and hand tools
- c. Allen County Water District owns all the equipment used in the installation of meter services.

RESPONSE OF GARRY WADE TO QUESTION NO. 16  
OF APPENDIX TO CASE NO. 2013-00188

16. Explain how Allen District determined the amount of time for installation equipment expense. Provide all records and show all calculations that Allen District used to make its determination.

Response:

The Allen County Water District determined the amount of time for installation equipment expense for backhoe only, did not charge for our boring machine and piercing tool for road bores. We charged by actual time from leaving shop, to location, to completion of job, to returning to shop. The back hoe is driven to the location of meter installation. The time is calculated by how long it takes to get to an average location. Our county roads are very narrow, winding, and hilly. Our employees are required not only by law, but by the Water District to drive our equipment at a safe and responsible manner and speed. We have no written records of calculating the time, we have always used what it takes to get to the location. If we send the backhoe to the far end of the county it takes one and a half to one and three quarter hours to arrive at destination. So we counted an hour to arrive at destination.

RESPONSE OF GARRY WADE TO QUESTION NO. 17  
OF APPENDIX TO CASE NO. 2013-00188

17. To the extent that installation Equipment Expense involves the rental of equipment, identify all suppliers from whom Allen District has rented equipment for installing meters during the period January 1, 2010 through December 31, 2012.

Response:

The Allen County Water District did not rent any equipment for the purpose of installing water meters for the period of January 1, 2010 through December 31, 2012.

RESPONSE OF GARRY WADE TO QUESTION NO. 18  
OF APPENDIX TO CASE NO. 2013-00188

18. Identify all persons from whom Allen District, in the course of preparing its proposed rates, solicited a bid or estimate regarding the rental of equipment listed in response to item 15 (a).

Response:

The Allen County Water District did not solicit bids or estimates from any suppliers or rental equipment companies because we own our own equipment and do not rent.

RESPONSE OF GARRY WADE TO QUESTION NO. 19  
TO APPENDIX OF CASE NO. 2013-00188

19. In determining the site clean-up component of installation miscellaneous expense, Allen District determined that six man hours are required for each installation. State whether this determination applies equally to short side service installations and long side service installations.

Response:

The Allen County Water District uses 3 employees for clean on all services. This includes dump truck driver to haul tractor to location for grading dirt and truck to haul out any rock there may be at the location. We put topsoil, which the truck hauls out to location, on the area to repair area disturbed if it has settled. Then we grade the area, one man driving the tractor and the other 2 getting the seed and straw ready and doing any shoveling of dirt and hand raking the dirt to level it out after grading. This gets the area ready for seed and straw. Then the employees seed and straw area for restoration. Next the tractor is loaded on the trailer, tools are gathered and put on truck to move to next location.

This work applies to both short side and long side services. On long side services we have to do both sides of road

RESPONSE OF GARRY WADE TO QUESTION NO. 20  
TO APPENDIX OF CASE NO. 2013-00188

- a. a. List and describe the equipment that is referenced in installation miscellaneous expense.
- b. For each type of equipment listed in response to item 20 (a), state whether it is used for both types of service (i.e. short side or long side). If not used for both types, identify the type of service for which the equipment is used.
- c. For each type of equipment listed in response to item 20 (a), state whether Allen District owns such equipment.
- d. Explain how Allen District determined the cost for the equipment component of installation miscellaneous expense. Provide all records and show all calculations that Allen District used to make its determination.
- e. To the extent that the equipment component of installation miscellaneous expense involves the rental of equipment, identify all suppliers from whom Allen District has rented such equipment during the period January 1, 2010 through December 31, 2012.
- f. Identify all persons from whom Allen District solicited a bid or estimate regarding such equipment rental in the course of preparing its proposed rates.

Response:

- a. The equipment referenced in installation miscellaneous expense includes a dump truck, lowboy trailer, a tractor with frontend loader and grader box.
- b. We use the same equipment for both short side and long side services.

## CONTINUATION OF RESPONSE TO QUESTION NO. 20

- c. The Allen County Water District does not rent any equipment used in installation of meter services, we own all that is used.
- d. The Allen County Water District charged \$100.00 for dump truck, trailer, and tractor, this charge also includes any topsoil that may have to be purchased. There are no records of calculations for this amount, we did not want to overcharge and felt this would be a fair charge. Top soil sells for anywhere between \$50 and \$100 a load.
- e. The Allen County Water District does not rent any equipment used in the installation of meter services. We own all equipment use.
- f. We do not rent any equipment so there were no bids or estimates solicited in the course of preparing the proposed rates.



RESPONSE OF GARRY WADE TO FIRST QUESTION NO. 21  
OF APPENDIX TO CASE NO. 2013-00188

First No. 21 List and describe the costs that Allen District has included in overhead expense.

Response:

The Allen County Water District included in the overhead expense the following components of installation:

1. Installation labor expense
2. Installation equipment expense
3. Installation miscellaneous expense

RESPONSE OF GARRY WADE TO FIRST QUESTION NO. 22  
OF APPENDIX TO CASE 2013-00188

First No. 22. Describe how Allen District determined its overhead rate to be 10 percent.

Response:

The last tariff for the Allen County Water District was done in 1993. In the components of charges the Water District assumed 10 percent to cover increase in fuel cost, rising cost of materials for clean-up and increase in material cost for installation of meter services. This is what we went by when calculating charges for increase in non recurring charges.

RESPONSE OF SUE CARTER TO FIRST QUESTION NO. 23  
OF APPENDIX TO CASE 2013-00188

First No. 23. List all activities included in the administrative expense of \$17.00 and the amount of time that each activity takes. Explain how Allen District determined the amount of time for each activity.

Response:

The Allen County Water District determined \$15 an hour labor and \$2 for supplies (work order, receipts, etc.), in calculating administrative expense.

The activities included in administrative expense is as follows:

The employee meets with customer to determine what customer needs. If the customer wants a new meter service, employee looks on computer and on maps to determine if where the customer wants a service set and if we have a water line there. If so, employee has customer fill out service contract or employee fills it out with information given by customer. Then employee makes a copy of the driver's license for photo ID to attach to service contract. Employee makes a copy of service contract for customer's records. Employee collects tap fee and security deposit from customer. Employee checks the computer to see if customer has had water with us before and may still owe money to the Water District. If so, we collect at that time. Employee writes a separate receipt for each fee and gives a meter flag to the customer for placement of meter service. Some customers don't want a receipt for the meter service fee and just use their check for a receipt, but a security deposit receipt is written. Then the employee writes all money collected and from whom on the daily balance sheet to be calculated and put in computer for daily totals. Employee then gets a work order and fills it out with all pertinent information for the

## CONTINUATION OF RESPONSE TO FIRST QUESTION NO. 23

meter service to be set and finds out if possible if it is a road bore or onside service. Employee then calls the phone company, electric company and gas company to have all cables and or lines marked that may be located along customer's property, to avoid digging into them. When the phone company and electric and gas companies call to verify cables and lines are marked, the employee writes this on the work order, so the field employees know they can go ahead with the work order. The employee then gives the work order to District Manager to give to field employees to schedule meter service to be set. All of this takes about 25-30 minutes.

When the meter service is set, the work order is turned back into the office to be matched with the other part of work order and contract. This is put on a list of new meter services, before meter reading, a new card is typed up to send out with meter reader to determine where this account will be located in account numbers. This takes 10 minutes.

When the card comes back into the office in location to be assigned an account number in the order it belongs, the office manager assigns an account number to new account and enters all information into computer for new customers and sets up new meter record for tracking meter. Then office manager determines what road file the contract and photo ID goes into and marks for that file. Then office manager puts contract with photo ID, work order and security deposit receipt in appropriate location to be filed by office employee. This takes 15 minutes.

Office employee files contract with photo ID in road files, security deposit receipt in file for security receipts and work order in file with other work orders for the month. This takes 5 minutes.

## CONTINUATION OF RESPONSE TO FIRST QUESTION NO.23

Office manager gives employee a list of new customer accounts for the month to be put on new addition list in computer and printed out. This is given to office manager for determining total new customers for month and file to be filed in and employee files appropriately.

This takes 5 minutes

If customer has applied for ACH (bank draft) this takes about 10 minutes longer. There would be a copy made and given to customer and it would be entered in the computer by office manager and checked by office employee. Office manager would then file in appropriate file.

RESPONSE OF SUE CARTER TO SECOND QUESTION NO. 21  
OF APPENDIX TO CASE NO. 2013-00188

Second No. 21. Show all calculations that Allen District used to develop its estimate for administrative expense.

Response:

The Allen County Water District employees four office employees at hourly rates of \$13.48, \$13.48 \$12.71 and \$10.82 which equals \$50.49. We took the \$50.49 and divided it by 4 to get an average hourly rate of \$12.62.

Office manager rate, assuming a 40 hour week would be \$24.24 per hour.

Office employee at 45 minutes would total \$9.48 and 15 minutes for office manager at \$6.06 would total \$15.54. We rounded down to \$15.00 with using \$2.00 for work order, security deposit receipt, photo ID. , which totals \$17.00

We did not add in the meter location flag or copies given to employee of contract or if needed copy of ACH.

RESPONSE OF SUE CARTER TO SECOND QUESTION NO. 22  
OF APPENDIX TO CASE NO. 2013-00188

Second No. 22. List separately for each calendar year from January 1, 2010 through December 31, 2012 the total number of Allen Districts connections or reconnections for which Allen District assessed a reconnect fee or connection fee.

Response:

Total number of reconnect fee or connection fee for the following years from January 1 through December 31:

<u>2010</u>	<u>2011</u>	<u>2012</u>
495	487	541

RESPONSE OF GARRY WADE TO SECOND QUESTION NO. 23  
OF APPENDIX TO CASE NO. 2013-00188

Second no. 23. Describe how Allen District determined that two hours of labor was required for a connection or reconnection. Provide all records and show all calculations that Allen district used to make its determination.

Response:

The Allen County Water District made its determination by using the longest distance from our shop across the county to the end of our water lines and customer base. From the office to the furthest distance is 25 miles to get there and 25 miles to get back to the office with the work order. The roads are narrow, curvy and very hilly so you have to drive at a safe speed and manner so it takes one hour and 45 minutes for the round trip on the county roads. Then to reconnect or connect service the employee gets the meter out of the back of the truck along with tools for reconnection or connection. Then takes the lid off service, to reconnect or connect the meter. Employee then connects meter to setter, tightens all connections and checks to see if meter is turning to detect if there is a leak or faucet left on in the house. If so, employee goes to the house to see if someone is home to advise of leak. If no one home, employee turns meter off and leaves a card on the door of house to advise customer that meter is off and to check for leaks or faucets left on. Then employee writes the meter number and the reading on meter on work order to turn it to office, closes the lid on meter service and returns to truck.

Normally this takes about 15 minutes, but can take longer if the meter is turning when installed. Total for reconnect or connects is figured at 2 hours.



## CONTINUATION OF RESPONSE TO SECOND QUESTION NO. 23

There are no records to this effect, but the District Manager used to be the one who did this work and knows first-hand how long it takes and what is involved.

RESPONSE OF SUE CARTER TO QUESTION NO. 24  
OF APPENDIX TO CASE 2013-00188

24. List and describe the clerical labor activities that are involved in reconnection or connection.

Response:

Employee meets with customer to determine what the customer needs. If, a customer wants a reconnect or connect, employee looks on computer to determine where the customer is located and the account number to be assigned to customer. Sometimes the customer does not know what the address is they want reconnected or connected. The employee then has to do more investigating such as calling the owner of the property or former owner of property to find out location and address. Sometimes customer doesn't know who the owner is and we do more investigating to find out who owns the property or the former owner. Also the employee searches the records to see if customer has had service with us before and if they still owe money for any service we have provided. If they have a back bill, bad debt or returned check that has not been picked up, that has to be taken care of before service. After collecting any outstanding balances if owed, the employee has the customer fill out a service contract or fills it out for them with information given by customer and has the customer sign contract. Employee makes a copy of customer's driver's license for photo ID and a copy of service contract for customer's records. Employee collects reconnect/connect fee and security deposit and writes a receipt for both and gives customer a copy of each. Then the employee writes the fees collected on daily balance sheet along with name and amount to be calculated at end of day and entered into computer for totals. Employee then gets a work order and fills out information on location of reconnect or connection and account number assigned along with name of customer date and time. This takes approximately 30 minutes.

## CONTINUATION OF RESPONSE TO QUESTION NO. 24.

The work order is given to field employee that is doing the reconnect or connect, for completion. When the work order is returned to the office completed, it is matched up with the other part of work order and service contract to be entered into computer as a beginning account. Employee sets up new account in computer from information on contract and work order and sets up meter history information also for tracking of meter. Employee signs off on work order that she has completed it and it is ready for checking. Each employee then checks information on customer account against what is on the contract and work order to see if information is correct and complete and to be sure the meter history is following the meter. This takes 20-25 minutes.

Work order is then given to office manager to check the information also and enter the security deposit information to account. Office manager then designates what road file the contract and photo ID is to be filed in and puts the contract, security deposit receipt and work order in appropriate trays for filing. This takes approximately 10 minutes.

Employee files contract with photo ID in appropriate road file, security deposit receipt in file for security receipts and work order in work order folder for that month. This takes 5 minutes at least.

If customer wants to sign up on ACH bank draft, this information is also added to account in computer and customer is given a copy of bank draft, service contract, security deposit receipt and reconnect or connect receipt. This takes at least 10 minutes. We have about 10-15 percent of customers on ACH.

RESPONSE OF SUE CARTER TO QUESTION NO. 25  
OF APPENDIX TO CASE NO. 2013-00188

25. Describe how Allen District determined clerical and office expense for a connection or reconnection. Provide all records and show all calculations that Allen District used to make its determination.

Response:

The Allen County Water District has four office employees at the following hourly rates, \$13.48, \$13.48, \$12.71 and \$10.80 that equals \$50.49 divided by 4 = \$12.62. Office manager assuming a 40 hour week is \$24.24 an hour.

With 55 minutes for office employee at \$11.78 and 10 minutes for office manager at \$4.04 totals \$15.82, rounded to \$15.00 with \$5.00 for supplies such as work orders, security deposit receipt, reconnect or connect receipt, copies of contract to customer, copy of photo ID and copy of bank draft to customer.

RESPONSE OF GARRY WADE TO QUESTION NO. 26  
OF APPENDIX TO CASE NO. 2013-00188

26. Explain why Allen District based the transportation component of miscellaneous expense for reconnection/connection fee on 50 miles.

Response:

From the Allen County Water District shop or office it is 25 miles across our county to the end of our water lines and customer base. This makes 50 miles roundtrip. This is what our transportation component consists of.

RESPONSE OF GARRY WADE TO QUESTION NO. 27  
OF APPENDIX TO CASE 2013-00188

27. List the hourly wage rates of each Allen District employees who connect or reconnect a customer's service.

Response:

The employee that does our reconnects/connects hourly wage is \$18.06 per hour.

RESPONSE OF SUE CARTER TO QUESTION NO. 28  
OF APPENDIX TO CASE 2013-00188

28. Describe how Allen District determined clerical and office expense for a returned check or dishonored bank draft. Provide all records and show all calculations that Allen District used to make its determination.

Response:

A returned check is a lengthy process from the time it comes into the office until time the customer picks up the check. If they don't pick it up we have to drive it to the county attorney's office for collection.

The Allen County Water District has four office employees at the following hourly rates: \$13.48, \$13.48, \$12.71 and \$10.82 equals \$50.49 divided by 4 equals \$12.62 an hour. Assuming office manager works a 40 hour week this is \$24.24 an hour. The office employees work about 1 and ½ hours and the office manager works about 10 minutes totaling \$4.04 bringing the total for 1 and ½ hour to \$22.97 rounded to \$22.50 . Supplies were counted at \$5.00 for copies, work orders, receipts used when the check is picked up and possibly reconnected.(reconnect receipt, payment receipt, copy of check, security deposit receipt, receipt on returned check, copies for our files). Then we added \$1.00 for envelope, letters, and postage to mail letters, totaling \$6.00. This brings total to \$28.50.

RESPONSE OF SUE CARTER TO QUESTION NO. 29  
OF APPENDIX TO CASE NO. 2013-00188

29. List and describe the clerical activities involved when Allen District receives a dishonored check or bank draft.

Response:

The Allen County Water District does not have mail delivery to our office so we send an employee to the post office daily. This is about 20-25 minutes, (not figured in calculation). When a returned check comes in the mail, the office employee checks to see if check was written for a reconnect of a bill due to be shut off due to lack of payment or to avoid a shut off for lack of payment or a regular bill, reconnect or security deposit. Most of our returned checks have been for shut offs and a few are for regular bills. If the check was written to avoid a shut off, the employee writes a work order to pull the meter for lack of payment, same thing, if the check was written for a reconnect of a pulled meter due to lack of payment. Then the employee makes 2 copies of check and attaches one to work order. Employee sends work order out to be completed for non-payment. Employee checks to see if it is the first returned check or the second returned check. A copy of a letter that is appropriate to the first or second returned check is signed by office manager and put in addressed, stamped envelope for mailing on next trip to post office. A copy of the returned check is put in tray for collection and written up on list in computer and on list in tray with copy of returned check. Employee then calls the customer to advise of returned check. If customer has called and said they have a check being returned, we give them some time to pick it up before we send field employee out to pull meter. If customer has not picked up check in a week, it is taken to the county attorney's office for collection. A record of where the check is and if and when it is paid is kept.



## CONTINUATION OF RESPONSE TO QUESTION NO. 29

When the customer comes in to pay the check and possible past due bill and reconnect/connection fee they are given a copy of returned check (bank only sends a copy, not the actual check). Then the work order is written to reconnect the pulled meter. The amount and date of returned check is put on the appropriate check book to be deducted from total and on comments line of customer file with amount, date, service charge amount and total and if it is first or second returned check and when it is paid the comments line of customer file is updated with date paid. When paid, they also update list in computer and list in tray with returned checks. The amount collected is put on daily balance sheet along with service charge to put in computer and total at end of day and put in computer for daily reports.

If the returned check is not for a disconnected meter service for lack of payment or to avoid disconnect all work is the same, except for work order and 1 copy of check. If the check is not for a disconnect the customer may not be in a hurry to pick up check and we take to county attorney for collection after 5 days. This is an added 20 minutes (not in calculation).

If there is an ACH return, the bank first calls our office and then sends confirmation on returned Ach. Employee calls customer to advise of returned ACH. An ACH is normally not for a disconnect but has been known to be depending if the customer had a previously returned ACH last month. If it is for a disconnect, employee writes a work order to pull meter for nonpayment. Then everything that pertains to a pulled meter for nonpayment for a returned check stands for a returned ACH. Office manager usually is the one to take the call from the bank and add back to account and put info on comments line with amount and service charge, total and date of return. The amount is taken off total of appropriate check book.

## CONTINUATION OF RESPONSE TO QUESTION NO. 29

Employee prints out a letter for mailing depending upon which return it is, first or second after investigating all returns for that customer. Employee calls customer after researching to see if it is the second one in a year and if customer goes on cash basis for a year. In which case customer file is updated to reflect that information with the date they come off cash basis. Employee tells customer that the amount plus service charge is being added back to their account. They can come in and pay if they like or wait till next month to come out on bank draft if they don't go on cash basis. Employee addresses and stamps envelope for letter to be mailed on next trip to post office.

If meter is pulled for nonpayment, and is paid later a work order is written for a reconnect of service and sent out with field employee for reconnection.

All of this information is checked by 3 other employees and office manager. The entire process takes about 1 and ½ hours including the double checking and the collections of the returned checks.

We used \$15.00 an hour for purpose of calculations, this would be \$18.96 for office employees and \$3.54 for office manager.

RESPONSE OF SUE CARTER TO QUESTION NO. 30  
OF APPENDIX TO CASE NO. 2013-00188

30. State whether the hourly wage rates provided for the returned check fee includes any of the following: employer social security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick leave pay, annual leave pay or employer health insurance contribution.

Response:

The Allen County Water District did not add any of the following to the hourly rates of office employees or office manager: employer social security tax, employer Medicare tax, employer contribution to retirement plan, workers compensation insurance, sick leave pay, annual leave pay, or employer health insurance contribution.

RESPONSE OF SUE CARTER TO QUESTION NO. 31  
OF APPENDIX TO CASE NO. 2013-00188

Response:

31. State the hourly wages of the employees who perform clerical duties for Allen District.

Response:

The Allen County Water District has four employees that perform clerical duties plus the office manager. The following are the hourly rates of those employees: \$13.48, \$13.48, \$ 12.71 and \$10.82

The office manager assuming a 40 hour week is \$24.24

RESPONSE OF GARRY WADE TO QUESTION NO. 32  
OF APPENDIX TO CASE NO. 2013-00188

32. Explain why Allen District based the transportation component of miscellaneous expense for meter reading recheck charge on 50 miles.

Response:

The Allen County Water District made its determination on the longest distance from our shop or office across to the end of our water lines and end of customer base. It is 25 miles across our county from our shop or office and a round trip is 50 miles.

RESPONSE OF GARRY WADE TO QUESTION NO. 33  
OF APPENDIX TO CASE NO. 2013-00188

33. List and describe the activities involved in performing a meter reading recheck.

Response:

The Allen County Water District employee drives to the job site gets out of truck and gets the tools he needs to get into meter box to reread meter from the back of the truck. He then raises the lid on the box to get to the meter and raises the lid on the meter and reads meter and puts the reading down on the work order. He then puts the lid back on the meter and puts the lid back on the meter box. Puts his tools back on the truck and gets back in truck and drives back to the office with work order.

If there is mud or dirt on the face of the meter, he has to get something from the truck to clean it off so he can get a reading. If there is standing water in the box he has to get the scope from the truck and look down through the water and get any dirt off face of meter to get a reread on a meter.

RESPONSE OF GARRY WADE TO QUESTION NO. 34  
OF APPENDIX TO CASE 2013-00188

34. Describe how Allen District determined that two hours of labor are required to perform a meter reading recheck.

Response:

The Allen County Water District's water lines and customer base goes to the county line. The distance from our shop or office is 25 miles one way. It takes 45 to 50 minutes at least to get there, 20-25 minutes to reread meter and if it's leaking he goes to the house to tell the customer they have a leak and the first thing they ask is where is it. Before you know it you have been there 30 minutes explaining to them how to tell if you have a leak and some pointers on how to find one. Then you drive back to the office to turn in work order for the office personnel to take care of the work order, another 45-50 minutes. In some cases it takes over 2 hours.

RESPONSE OF GARRY WADE TO QUESTION NO. 35  
OF APPENDIX TO CASE NO. 2013-00188

35. List and describe the activities involved in performing a service call or investigation.

Response:

The Allen County Water District advises customer there will be a service call billed to them if the problem is theirs and not the water districts when the call comes in to the office. The customer can make the decision if they still want us to come out or if our office personnel can help them by telling them some things to check in the house and how to tell if they have a leak by watching the meter. If they still want our field personnel to come out we send them out. The service call could be for a number of things. The customer could have a leak or no water pressure or my meter box got run over and busted. Our personnel travel to the location, open the meter box to see if they can tell what the problem is. If the customer calls and says they have no water pressure, we check the pressure at the meter box on our side to see if we are providing enough pressure to them. If not, it is on our lines. If we are providing enough pressure, the customer probably has a bad pressure regulator or a blockage in their lines or even a broken line. Our personnel tries to talk to the customer personally to let them know what he found. And if it is their problem, he tries to help by telling them some things they can do to remedy the problem. If the problem is ours we get it scheduled to be repaired. Then the field person drives back to the office with the work order.

A service call can be for our office also which is not billed to anyone. If there seems to be a problem with a reading or suspicion of a straight pipe in the service stealing water, we check that out also.



RESPONSE OF GARRY WADE TO QUESTION NO. 36  
OF APPENDIX TO CASE NO. 2013-00188

36. Describe how Allen District determined that two hours of labor are required to perform a service call or investigation.

Response:

The Allen County Water District's water lines and customer base go to the county line which is 25 miles from the shop or office. It takes time to drive to the location, about 45-50 minutes and time to investigate the problem or perform a service call request, this takes 20-25 minutes or longer depending on the problem. Then drive 25 miles back to shop or office to turn in work order, another 45-50 minutes. The roads in our county are narrow, winding and hilly. Our employees , are required to drive at a safe speed and manner on them.

RESPONSE OF GARRY WADE TO QUESTION NO. 37  
OF APPENDIX TO CASE NO. 2013-00188

37. Explain why Allen District based the transportation component of miscellaneous expense for service call charge on 50 miles.

Response:

The Allen County Water District has water lines and customer base to the county line which is 25 miles from our shop or office. We based this on 25 miles one way and 50 miles round trip.

RESPONSE OF SUE CARTER TO QUESTION NO. 38  
OF APPENDIX TO CASE NO 2013-00188

38. Provide a copy of all Allen District's written policies and rules regarding the payment of overtime pay.

Response:

Attached is a copy of the page from our personnel policy manual regarding overtime pay.

Allen County Water District  
Personnel Policy Handbook  
Effective Date  
September 1, 2011

## **Working Hours:**

### **Regular Hours:**

Monday through Friday beginning at 7:00 for the field employees and 7:30 for the office employees, until 4:00 p.m. with one hour for lunch for field employees and ½ hour for office employees. There will be NO set time for lunch break for field employees, due to job priority. The lunch break consists of from time the job site is left until returning to job site for field employees. Office employees have set times for lunch break set by the Office Manager.

### **Overtime Hours:**

All hourly paid employees will be paid time and a half or one and ½ times their regular hourly wage for all hours over 40 hours a week.

### **Emergency Response:**

All employees called out on emergency response calls after normal working hours or weekends or holidays will be paid from the time they leave home until returning home from the call.

### **Emergency Response Program:**

The Allen County Water District has in effect an Emergency Response Program that all employees aware of, along with local Police Departments and the local D.E.S.

### **On Call hours paid:**

One person is to be on call everyday of the week including week-ends. The person on call shall be paid 1 hour for each week day and 8 hours a day for both Saturday and Sunday. If they work more than 1 hour on call on week days, they will be paid for the hours worked.

The person on call will be able to take a truck home for use during times of being called out to problems or potential problems. The truck is to be used on company business only. If this privilege is abused in any way, the truck will be taken from the person on call, NOT TO BE RETURNED.

THERE WILL BE NO UNAUTHORIZED PERSONS IN COMPANY VEHICLES AT ANY TIME.