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RECEIVED

MAR 24 2014

PUBLIC SERVICE
COMMISSION
HENRY E. SMITH
henry@smithlawoffice.net

BRUCE E. SMITH
bruce@smithlawoffice.net

March 24, 2014

HAND DELIVERED

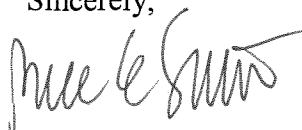
Mr. Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Case No. 2013-00470

Dear Mr. Derouen:

Delivered under cover of this letter is an original and six (6) copies of my client's Responses to the Commission's Information Requests.

Sincerely,



Bruce E. Smith

Enclosures

ORIGINAL

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

**PROPOSED REVISIONS TO JESSAMINE-)
SOUTH ELKHORN WATER DISTRICT'S)
RULES REGARDING THE PROVISION OF)
SEWER SERVICE)**

**MAR 24 2014
PUBLIC SERVICE
COMMISSION
CASE NO. 2013-00470**

**JESSAMINE-SOUTH ELKHORN WATER DISTRICT'S RESPONSES TO THE
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST SET OF REQUESTS FOR
INFORMATION**

Comes the Jessamine-South Elkhorn Water District ("Water District"), by counsel, and for its Responses to the First Set of Requests for Information from the Kentucky Public Service Commission ("PSC"), answer as follows:

REQUESTS FOLLOW ON NEXT PAGE

Jessamine-South Elkhorn Water District

Information Request No. 1: Provide the minutes of each meeting of Jessamine District's Board of Commissioners in which the proposed rate revision was discussed.

Answer: See meeting minutes (August 2013 –February 2014) attached.

[Witness: Diana Clark]

August 14, 2013

The Board of Commissioners of the Jessamine South Elkhorn Sewer Division August 14, 2013, with the following Commissioners present: Nick Strong, Jerry Haws, George Dale Robinson, Tom Beall and J F Hall. John Horne, Bruce Smith, Richard Decker, Diana Clark and Ron Eldridge were also present.

Joe Coons and Ken Angeluci on behalf of **Vita Development Group, Inc.** addressed the Board with a request for sewer service. A motion to approve execution of an SSEA was made by Mr. Haws, seconded by Mr. Robinson – approved.

There was a review of the Aged Receivables.

Mr. Smith was instructed to send letters for a 60-day remediation deadline for the following projects: **Clays Crossing, Wildcat Ford and White Reach**. Failure to comply would result in liens filed and the bond call.

Mr. Horne reported that the easement needed for the conveyance of the **Noland Phase 5** should be presented at the September meeting.

There was a discussion on the LFUCG-CAP. Mr. Horne recommended an audit on the capacity; however, the Board would like a more detailed scope of the study.

The Auditor's 6-month budget review was presented to the Board. Mr. Strong is going to set up a meeting with the auditor for an explanation.

Due to deficiencies on the Sewer Inspection, Mr. Smith is going to revise the sewer tariff to include non-recurring charges.

Due to Horne Engineering representing the **Vita Development Group, Inc.** project, a motion was made by Mr. Hall, seconded by Mr. Beall and approved to acknowledge Horne Engineering to design the project for Vita with plan review by another engineering firm. Mr. Smith disclosed that he formerly represented Vita when the zoning of the project property was approved by the City of Nicholasville, but that his engagement by Vita ended after the rezoning was completed several months ago.

There was a discussion on the payment of a manhole repair proposal and the receipt of asbuilts for the **Joseph Group** project. The manhole repair is to be paid up front before the repairs are made. The Board decided to refuse any further Sewer Permits for any project associated with Charbel Joseph or the Joseph Group and instructed Diana to notify the City Planning and Zoning to deny any Certificates of Occupancy without the Sewer Permits until this item is resolved.

A motion to approve the minutes of the July meeting was made by Mr. Robinson, seconded by Mr. Beall – approved.

The final EPA draw on the **N J Sewer** project has been received; therefore, the rodding machine and pumps will be ordered.

The motion to approve the July bills and pre-approval of contractual payables was made as a Water item.

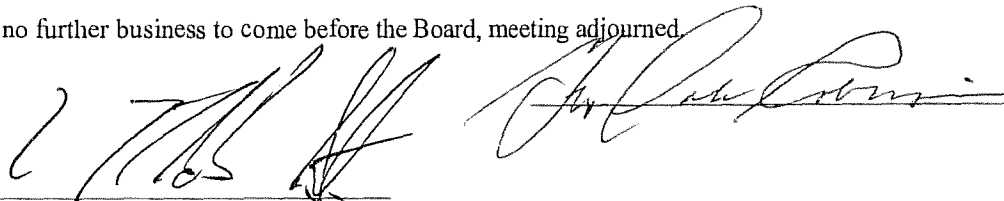
A motion to approve a pass through based on the LFUCG rate increase was made by Mr. Haws, seconded by Mr. Hall – approved.

The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

There being no further business to come before the Board, meeting adjourned.

ATTEST:

Chairman

The image shows several handwritten signatures in black ink. On the left, there are three distinct signatures. On the right, there is a larger, more prominent signature that appears to be the signature of the Chairman, written over a horizontal line.

September 4, 2013

The Board of Commissioners of the Jessamine South Elkhorn **Sewer** Division September 4, 2013, with the following Commissioners present: Nick Strong, Jerry Haws, George Dale Robinson and Tom Beall. John Horne, Bruce Smith, Richard Decker, Tom Smith, Diana Clark and Ron Eldridge were also present.

There was a review of the Aged Receivables. Mr. Smith is to check the tariff to see if a finance charge can be applied to outstanding invoices.

Mr. Smith reported that certified letters were sent to owners and contractors for the **Clays Crossing, Wildcat Ford and White Reach** remediations with no response.

Mr. Smith reported that the warranty bond lawsuit with the City of Nicholasville was still on-going.

Mr. Horne reported that the easement for **Noland Phase 5** had still not been received.

Mr. Strong reported that the **Noland Phase 6, 2nd Amended** project would be completed according to the Lexon Bond rep.

Mr. Smith is still working on the LFUCG Privilege Fee collection.

Mr. Horne presented the proposal for the LFUCG-CAP study. Mr. Smith presented a legal analysis on the District's rights under the Interlocal Agreement with LFUCG in comparison to the EPA/LFUCG Consent Decree and the LFUCG Resolution/Ordinance recently passed. A motion to authorize Horne Engineering to complete the study based on the proposal and for Mr. Smith to continue his work was made by Mr. Haws, seconded by Mr. Robinson – approved.

Christopher Horne joined the meeting.

Diana reported that LFUCG did not give the District a notice that they were increasing the usage rate; therefore, PSC said they were sending a letter to LFUCG, with us copied, explaining that we were entitled to a refund since we were not notified. If the District receives a refund, then the District is not eligible to request a Purchased Sewer Adjustment.

There was a discussion on the **tariff** revisions which need to be added to the Sewer Tariff. 1.) Service charge to damage of facilities – actual cost; 2.) Grease trap inspection - \$50; 3.) Late penalty – 10% of bill charge; 4.) Extension charge - \$25; 5.) Service termination - \$50; 6.) Unauthorized usage - \$100 or actual charge, whichever is greater; 7.) Deposits – 2/12th average annual bill; 8.) Service line inspection charge - \$65; and 9.) Return check charge - \$10. Diana explained the cutoff procedure between the District and City of Nicholasville. There was a discussion on the extension procedure. Three extensions are allowed per year and if the customer does not pay as agreed, the customer is not allowed any more extensions. If the customer does not pay before the cutoff date, the \$25 fee is applied and stays on the account even if the customer is not cutoff.

There was a discussion on revising the tap-on fees **tariff**. Mr. Smith is reviewing this item and will present the tariffs for approval and signing.

Mr. Smith also presented revised sewer **tariff** text concerning legal fees on the acquisition of easements. A motion to authorize the signing of this revision was made by Mr. Robinson, seconded by Mr. Beall – approved.

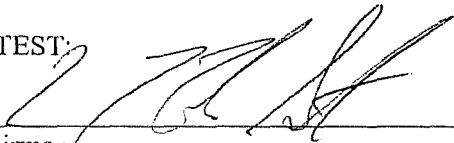
A motion to approve the minutes of the August meeting was made by Mr. Beall, seconded by Mr. Haws – approved.

The motion to approve the August bills and pre-approval of contractual payables was made as a Water item.

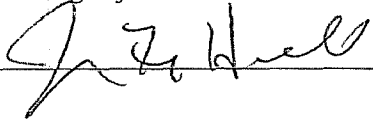
The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

There being no further business to come before the Board, meeting adjourned.

ATTEST:



Chairman



October 2, 2013

The Board of Commissioners of the Jessamine South Elkhorn **Sewer** Division met on October 2, 2013, with the following Commissioners present: Nick Strong, Jerry Haws, George Dale Robinson and J F Hall. John Horne, Bruce Smith, Richard Decker, Tom Smith, Diana Clark and Ron Eldridge were also present.

There was a review of the Aged Receivables. Finance charges are not allowed on Aged Receivables unless written into the contract with the non-customer and then the contract is submitted to the PSC for approval.

Mr. Horne reported on the **Clays Crossing** remediation. After a discussion, a motion to require the developer to repair the 4" sag was made by Mr. Robinson, seconded by Mr. Hall – approved.

Mr. Horne reported on the **Wildcat Ford** remediation. Ron Eldridge Excavating has submitted a proposal for the repair.

Mr. Horne reported on the **White Reach** remediation. Mr. Horne and Richard recommended accepting the line under E Brannon Rd as is. Mr. Smith reported that he was waiting to review the recently issued judgment between Town and Country Bank and Rite Aid.

Mr. Smith reported that depositions would be taken in November on the City of Nicholasville warranty bonds issue (Brannon Crossing). Ron is working on a proposal to the bonding company for Noland Farm, Phase 6, Section 2 which should address all of the District's problems in that Phase.

Mr. Horne reported that the easement for **Noland Phase 5** had still not been received. He has been in contact with William Frye.

Mr. Smith is still working on the LFUCG Privilege Fee collection. Smith was directed to file suit against Azalea Properties (Rob Bolton) to collect the share of the fee owed by it.

Mr. Strong reported that he had met with the auditor on the budget review. Several adjustments were made to the 2013 Budget and figures were sent for the 2014 Budget. The **2014 Budget** was presented to the Board for review. A motion to approve the 2014 Budget was made by Mr. Haws, seconded by Mr. Hall – approved.

Diana reported that the letter from PSC on the LFUCG sewer rate increase has still not been sent out.

Mr. Smith reported that the non-recurring fee tariffs are not yet completed. Ron is to submit some figures for completion.

A motion to authorize Horne Engineering and Chairman Strong to negotiate with LFUCG on the CAP study was made by Mr. Haws, seconded by Mr. Robinson – approved.

Mr. Horne reported on the three Legislative Grants. These projects will not occur; however, it is possible for the District to request reallocation of the grants to other projects during the next legislature. A motion to reallocate the funding to the **Catnip Hill Tank**, if approved by mid December and otherwise to the **Northwest Replacement Pipe** project, was made by Mr. Haws, seconded by Mr. Robinson – approved.

A motion to approve the minutes of the September meeting was made by Mr. Robinson, seconded by Mr. Hall – approved.

Diana reported to the Board that two sewer customers had complained to PSC concerning the \$25 service charge applied to accounts when they go to cutoff. PSC instructed the District to reimburse the service charge to any customer contacting PSC until the tariff is revised. PSC also gave guidance on how the service charge is to be applied. There was also a discussion on the extension procedure.

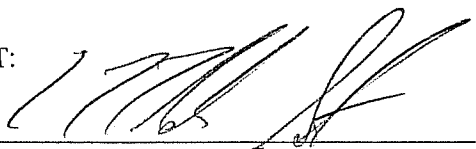
Mr. Smith reported on the "extension of payment terms" for customers as permitted in the KARs and will review a more up-to-date copy and report back to the District.

The motion to approve the September bills and pre-approval of contractual payables was made as a Water item.

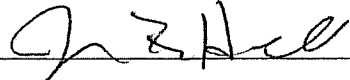
The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

There being no further business to come before the Board, meeting adjourned.

ATTEST:



Chairman



November 6, 2013

The Board of Commissioners of the Jessamine South Elkhorn **Sewer** Division met on November 6, 2013, with the following Commissioners present: Nick Strong, Jerry Haws, Tom Beall and J F Hall. Bruce Smith, Richard Decker, Christopher Horne, Diana Clark and Ron Eldridge were also present.

There was a review of the Aged Receivables. It was suggested to remove this item from the agenda.

Mr. Smith reported on the **White Reach** foreclosure. The circuit court's decision against WR has been appealed.

Noland Farm, Phase 5 (Grey Oak) conveyance not yet made – still waiting on easement per Christopher Horne.

Richard reported that the sewer line in **Clays Crossing** had been repaired.

Ron reported that he had made the repairs to the **Wildcat Ford** line.

Richard reported that the **White Reach** line is in progress with repairs being made at nights.

The Brannon Crossing bond lawsuit is ongoing and looks somewhat more promising as to an outcome in the District's favor.

There was a discussion on the LFUCG Privilege Fees.

Mr. Smith reported on the Payment Extension requirements. A second extension will not be granted to any customer with an extension already in place.

Diana reported that PSC is still holding up the Sewer Pass-thru.

Mr. Smith is still working on the tariff revisions and hopes to have them ready to submit shortly.

Diana presented a proposal for a web-based software billing program with Master Meters. A motion to approve the purchase was made by Mr. Haws, seconded by Mr. Beall – approved.

Richard and Ron reported on a manhole in the backyard of a house on Patmore. The customer wants to raise the manhole. Ron gave a proposal; however, the customer wants to hire another contractor. A letter will be sent informing the customer that the District's contractor will have to do any work to the District's lines.

Ron reported that Charbel Joseph had paid for the manhole repairs.

A motion to approve the minutes of the October meeting was made by Mr. Hall, seconded by Mr. Beall – approved.

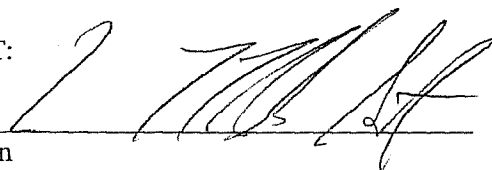
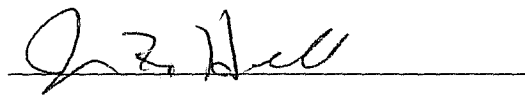
The motion to approve the October bills and pre-approval of contractual payables was made as a Water item.

The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

There being no further business to come before the Board, meeting adjourned.

ATTEST:

Chairman

A handwritten signature in black ink, appearing to be "J. M. H.", written over a horizontal line.A handwritten signature in black ink, appearing to be "J. Z. Hill", written over a horizontal line.

December 4, 2013

The Board of Commissioners of the Jessamine South Elkhorn **Sewer** Division met on December 4, 2013, with the following Commissioners present: Nick Strong, George Dale Robinson, Jerry Haws, Tom Beall and J F Hall. Bruce Smith, John Horne, Tom Smith, Richard Decker, Christopher Horne, Diana Clark and Ron Eldridge were also present.

There was a review of the Aged Receivables. It was suggested to remove this item from the agenda.

Mr. Smith reported that White Reach had filed Chapter 11 Bankruptcy and he would file a claim for the District.

Clays Crossing is completed.

Repairs have been completed to the **Wildcat Ford** line.

The **White Reach** line is still a work in progress. There is still remediation work to be done, e.g. grouting is defective.

The **Brannon Crossing** bond lawsuit is still ongoing.

Noland Farm, Phase 5 (Grey Oak) conveyance is not yet made – still waiting on easement.

Mr. Smith reported that the Chairman had signed the tariff sheets (nonrecurring charges) and he would be electronically filing them. There was a question on assessment of the tap-on fees. The District's fee will be charged per the number of laterals for each building. It was also suggested that LFUCG calculate its portion of the tap fee for commercial buildings.

Mr. Smith reported he had submitted the documents to **Southland Christian Church** for the conveyance of the sewer line.

The Purchased Sewer Adjustment is still on hold pending an adjustment from LFUCG on the sewer usage charge.

A motion to elect existing officers for 2014 was made by Mr. Robinson, seconded by Mr. Hall – approved. The officers are: Nick Strong, Chairman; George Dale Robinson, Secretary; J F Hall, Treasurer; Jerry Haws, Vice-Chairman; and Tom Beall, Vice-Secretary.

A motion to approve the minutes of the November meeting was made by Mr. Hall, seconded by Mr. Beall – approved.

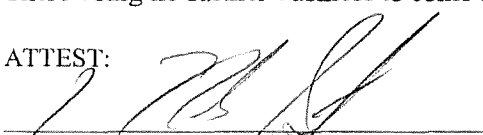
The motion to approve the November bills and pre-approval of contractual payables was made as a Water item.

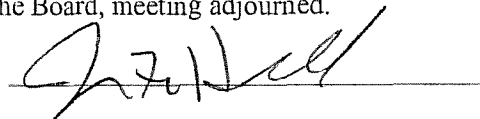
The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

The January meeting was rescheduled to January 3rd due to New Year's.

There being no further business to come before the Board, meeting adjourned.

ATTEST:


Chairman



January 3, 2014

The Board of Commissioners of the Jessamine South Elkhorn Sewer Division met on January 3, 2013, with the following Commissioners present: Nick Strong, George Dale Robinson, Jerry Haws, Tom Beall and J F Hall. Bruce Smith, John Horne, Tom Smith, Richard Decker, Christopher Horne and Diana Clark were also present.

There was a review of the Aged Receivables.

There was no contact with **White Reach** on the remediation.

The **Brannon Crossing** bond lawsuit is still ongoing.

Mr. Horne reported on the **Noland Phase 5** conveyance. He met with the representatives of Trinity Christian Academy concerning the easement. There was a discussion on other options to obtain the necessary easement. Mr. Smith did point out that the easement to the retention area is inter-related to the Bond issue that is ongoing. It was suggested to contact Grey Oak's counsel and the Academy's counsel before filing a condemnation suit.

Diana reported that LFUCG did set the Sewer Usage Fee back to \$4.51/cu ft; therefore, the Purchased Sewer Adjustment will be dropped until LFUCG increases the rate and follows the proper channels. LFUCG also credited a refund for the overcharge.

Mr. Smith reported that PSC entered an order extending the effective date up to June 4th of the tariff submitted for non-recurring charges. This is to give PSC more time to evaluate the charges. Mr. Smith is going to contact PSC to see if the charges not in question could be approved with the January 5th effective date.

Diana reported that Mike Lambert, LFUCG, did not fully agree with LFUCG figuring the commercial tap-on fees. It was suggested for Richard to deliver the plans to LFUCG and obtain a written confirmation of the square footage and amount of fee.

Mr. Smith is still waiting to hear back from **Southland Christian Church** on the conveyance of the sewer line. LFUCG is ready to proceed.

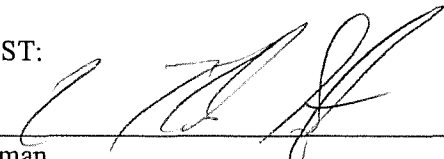
A motion to approve the minutes of the December meeting was made by Mr. Robinson, seconded by Mr. Beall – approved.

The motion to approve the December bills and pre-approval of contractual payables was made as a Water item.

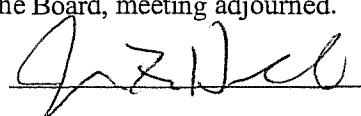
The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

There being no further business to come before the Board, meeting adjourned.

ATTEST:



Chairman



February 5, 2014

The Board of Commissioners of the Jessamine South Elkhorn **Sewer** Division met on February 5, 2014, with the following Commissioners present: Nick Strong, Jerry Haws, Tom Beall and J F Hall. Bruce Smith, John Horne, Ron Eldridge, Richard Decker, Christopher Horne and Diana Clark were also present.

There was a review of the Aged Receivables.

The **Brannon Crossing** and **Noland Farm, Phase 6, 2nd Amended** bond litigation is still ongoing.

There was a discussion on a lien settlement and Letter of Credit on the Brannon Crossing area.

Mr. Smith reported that the representatives of Trinity Christian Academy had some issues before signing the required detention basin easements which were being addressed by the City of Nicholasville. Mr. Horne suggested separating the sanitary sewer easement from the storm sewer easements.

Mr. Smith is still waiting on a response from the **Southland Christian Church**.

(Mr. Smith reported that the PSC is still holding up on the NCR and tap-on tariff revisions.)

There was a discussion about reallocating sewer grants from the Ichthus project to the Catnip Hill Tank project. Motion by Haws, second by Beall to send a resolution to Rep. Damron requesting the reallocation of funds - approved

Mr. Strong reported that **Ron Eldridge Excavating** has resigned as the District's Maintenance Contract. **H & M Construction** have requested to fulfill the contract, with Eldridge as heavy equipment backup, since they have been handling most of the maintenance as subcontractors for Eldridge. A motion to approve an annual contract at existing rates with H & M was made by Mr. Beall, seconded by Mr. Haws – approved.

A motion to renew the annual contract with **Ron Eldridge Excavating** on the Keene Manor Drip System Installation Contract was made by Mr. Beall, seconded by Mr. Haws – approved.

Richard Decker will be the District's contact between the customer and H & M for all maintenance and repairs. The work orders will be supplied and approved, as well as, approval of the invoice by Richard. A motion to approve an increase effective immediately of \$7500 to Richard's salary was made by Mr. Haws, seconded by Mr. Hall – approved.

There was a discussion on taking bids for the 2014 auditor. Mr. Smith will contact three auditors about offers to bid.

A motion to approve the minutes of the January meeting was made by Mr. Hall, seconded by Mr. Haws – approved.

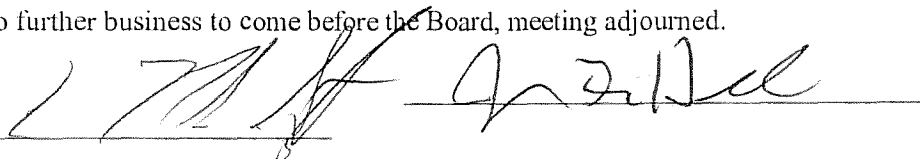
The motion to approve the January bills and pre-approval of contractual payables was made as a Water item.

The Commissioners were given the following reports for review: Income Statement and Balance Sheet.

There being no further business to come before the Board, meeting adjourned.

ATTEST:

Chairman

A handwritten signature in black ink, appearing to be "J. F. Hall", is written over a horizontal line. The signature is cursive and somewhat stylized.

Jessamine-South Elkhorn Water District

Information Request No. 2: Provide the resolution of Jessamine 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 Jessamine District's Board of Commissioners in which the proposed rates were approved.

Answer: See Resolution attached.

[Witness: L. Nicholas Strong]

RESOLUTION

WHEREAS, the Kentucky Public Service Commission ("PSC") conducted a Periodic Regulatory Compliance Sewer Utility Inspection of the Jessamine-South Elkhorn Water District's ("District") Sewer Division in June of 2013;

WHEREAS, on July 11, 2013, the PSC issued a written report of its findings which identified two deficiencies in the District's Sewer Tariff regarding nonrecurring charges which had not been identified by a previous Inspection conducted on July 25, 2011;

WHEREAS, the PSC's Inspection results were disclosed to the District's board on August 14, 2013;

WHEREAS, the District's Board had a thorough discussion of its nonrecurring charges at the September 4, 2013 meeting; and

WHEREAS, the District's staff worked on the Sewer Tariff submission regarding nonrecurring charges into November of 2013 and concluded its work that same month;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the District and the District hereby unanimously adopts the attached Sewer Tariff Nonrecurring Charges attached hereto for submission to the PSC.



CHAIRMAN

11-15-2013

DATE

FOR District's Service Area

Community, Town or City

P.S.C. KY. NO. 2

SHEET NO. 1

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

SHEET NO. 1

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I. Classification Of Service

Sewer Rates..... 1

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Miscellaneous 2

- Bad Check Charge
- Service Line Inspection Charge
- Service Termination Charge
- Grease Trap Inspection Charge
- Unauthorized Use of Service Investigation Charge
- Service Charge for Damage to Facilities

Tap-On Fees..... 3

DATE OF ISSUE December 4, 2013
Month / Date / Year

DATE EFFECTIVE January 5, 2014
Month / Date / Year

ISSUED BY _____
L. Nicholas Strong

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR DISTRICT'S SERVICE AREA

PSC KY NO. _____ 1 _____

_____ SHEET NO. _____ 2 _____

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

CANCELLING PSC KY NO. _____ New _____

_____ SHEET NO. _____ New _____

RATES AND CHARGES

[N] NONRECURRING CHARGES

Miscellaneous

Returned Check Service Charge. A charge of \$5.00 will be levied by the District and shall be paid by the customer for any payment made by check or by automatic withdrawal from a bank account where the bank returns the check for any reason or refuses the withdrawal for any reason.

Service Line Inspection Charge. A charge of \$65.00 will be levied by the District and shall be paid by the customer for any inspection of a service line requested by the customer or required by the District to maintain or insure proper operation of its system.

Service Termination Charge: A charge of \$50.00 will be levied by the District and shall be paid by the customer for actions taken by the District due to termination of service for any reason.

Grease Trap Inspection Charge: A charge of \$50.00 will be levied by the District and shall be paid by the customer for each grease trap inspection made by the District.

Unauthorized Use of Service Investigation Charge: Any individual or entity that is discovered to be using the sanitary sewer facilities of the District without first having received authorization from the District to do so shall pay the greater of \$100.00 or the actual costs incurred by the District in investigating and terminating such unauthorized use.

Service Charge for Damage to Facilities Any individual or entity that causes damage to the District's facilities shall pay the actual costs incurred by the District to investigate the damage and repair the damaged facility(ies).

DATE OF ISSUE: December 5, 2013

DATE EFFECTIVE: January 5, 2014

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE: CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR DISTRICT'S SERVICE AREA

PSC KY NO. 1

SHEET NO. 3

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

CANCELLING PSC KY NO. New

SHEET NO. New

RATES AND CHARGES

NONRECURRING CHARGES

[N] Tap-on fees: \$1981.97 plus table amounts as applicable below -

Single family residences, townhomes and duplexes (per unit)

Apartments, condominiums, hospitals and nursing homes

1/4 acre or less	\$886.17
From 1/4 to 1/2 acre	\$1,645.58
From 1/2 to 3/4 acre	\$2,407.11
From 3/4 to 1 acre	\$3,293.28
Larger than 1 acre	\$4,179.44

Each efficiency unit	\$354.88
Each 1 bedroom unit	\$658.02
Each 2 bedroom unit	\$860.81
Each 3 or 4 bedroom unit	\$1,064.66
Minimum for each building	\$1,772.32

<u>Motels</u> Each living unit	\$658.02
<u>Trailer parks</u> Each trailer or space	\$886.17
<u>Service stations (standalone or quickmart center)</u> Each station	\$5,065.61
<u>Restaurant, business, professional, commercial and industrial buildings, including such facilities in hospitals or nursing homes (continued)</u>	\$1.014 per square foot

DATE OF ISSUE: December 4, 2013

DATE EFFECTIVE: January 5, 2014

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE: CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR DISTRICT'S SERVICE AREA

PSC KY NO. 1

SHEET NO. 4

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

CANCELLING PSC KY NO. New

SHEET NO. New

RATES AND CHARGES

NONRECURRING CHARGES - Tap-on fees (continued)

<p>Restaurants, Business, Professional, Commercial and Industrial (continued)</p> <p>Minimum fee for each urban county government connection</p>	<p>\$886.17</p>
<p><u>Storage areas, warehouses and distribution centers</u></p> <p>Fee based on square feet of floor space</p> <p>Minimum fee for each urban county government connection</p>	<p>\$0.211 per square foot</p> <p>\$886.17</p>
<p><u>Swimming pools</u></p> <p>Fee based on each 100 cubic feet</p>	<p>\$1.521 per 100 cubic feet</p>
<p><u>Non-profit school establishments*</u></p> <p>Fee based on square feet of floor space</p> <p><i>*Evidence of non-profit status must be provided or establishment will be treated as a commercial space.</i></p>	<p>\$0.506 per square foot</p>

DATE OF ISSUE: December 4, 2013

DATE EFFECTIVE: January 5, 2014

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE: CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Jessamine-South Elkhorn Water District

Information Request No. 3: Refer to the Non-Recurring Charge Cost Justification for returned check service charge. In its calculation of labor expenses, Jessamine District assumes an hourly wage of \$22.61.

- a. Explain how the hourly rate was determined.

Answer: Divided the annual earnings by 2080 hours worked annually. However, further review of the earning records disclosed not only a mistake as to the employee who performs the job, but a miscalculation as to the hourly rate of that employee. The correct employee's accurate hourly rate is \$38.15. See new Justification attached.

- b. State the hourly wage of each current Jessamine District employee whose duties include processing returned checks.

Answer: One employee performs the task at an hourly rate of \$38.15.

- c. State whether the hourly wages provided in response to Item 3(b) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan, annual-leave pay, or employer health-insurance contribution.

Answer: Yes.

- d. Describe in detail the procedures performed by Jessamine District upon receipt of a returned check.

Answer: Examine bank notice of returned check; adjust customer billing account and District checking account; record returned check amount in spreadsheet; notify customer by telephone if possible; re-enter payment by customer in customer account and District records when made; and deposit payment.

[Witness: Diana Clark]

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Returned Check Service Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

_____	_____
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Total Field Expense \$ _____

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor (1/4 hr. @ 38.15 per hour) 9.54

Total Clerical and Office Expense \$ 9.54

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ _____

Total Nonrecurring Charge Expense \$ 9.54
g\JSEWD\Sanitation\Nonrecurring Charges\Returned Check NRC Justi

Jessamine-South Elkhorn Water District

Information Request No. 4: Refer to the Non-Recurring Charge Cost Justification for service line inspection charge.

a. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$32.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

Answer: Divided annual earnings by 2080 hours worked annually. However, further review of the earning records disclosed not only a mistake as to the employees who perform the job, but a miscalculation as to the hourly rates of those employees. The correct employees' accurate hourly rates are \$38.15 and \$36.55. See new Justification attached.

b. State the hourly wage of each current Jessamine District Employee whose duties include service line inspections.

Answer: There are two employees that perform this task and their hourly rates are \$38.15 (clerical) and \$36.55 (labor).

c. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of service line inspection charges.

Answer: There is only one employee that performs this clerical task and her hourly rate is \$38.15.

d. State whether hourly wages provided in response to Item 4(b) and (c) 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.

Answer: Yes.

e. Describe how Jessamine District determined the number of hours of labor required for a service line inspection.

Answer: The employees performing the tasks were asked how much time each spent, on average, to do the work.

f. Explain how Jessamine District determined the truck and fuel expense of \$30.35.

Answer: This amount is a mistake. The IRS standard rate for business miles deductions of 56.5 cents per mile was multiplied by the number of miles traveled (roundtrip) to the point in the District's territory where most service line inspections are conducted or 20.26 miles. This calculation yields an expense of \$11.45.

g. Describe in detail the procedures performed by Jessamine District employees during a service line inspection. Provide diagrams showing the procedures.

Answer: Take photos of tap and home line tie-in; measure distance from residence to clean-out and check pipe, fittings, gravel bedding, pipe alignment and slope. Clerical – enter charge on customer account and collect and deposit payment when made.

[Witness: Richard Decker and Diana Clark]

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Line Inspection Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1.33 hr. @ \$36.55 per hr.</u>	<u>48.61</u>
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Total Field Expense \$ 48.61

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 1/4 hr. @ \$38.15 per hour 9.54

Total Clerical and Office Expense \$ 9.54

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

<u>Truck & Fuel Expenses</u>	<u>11.45</u>
<u>(20.26 miles round trip x 56.5 cents</u>	_____
_____	_____

Total Miscellaneous Expense \$ 11.45

Total Nonrecurring Charge Expense \$ 69.60

Jessamine-South Elkhorn Water District

Information Request No. 5: Refer to the Non-Recurring Charge Cost Justification for service termination charge.

- a. Explain the \$25 charge for the City of Nicholasville.

Answer: This amount is paid by the District to the City of Nicholasville when Nicholasville turns off the water service.

- b. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$32.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

Answer: Divided the annual earnings by 2080 hours worked annually. However, further review of the earning records disclosed not only a miscalculation as to the hourly rate of the employee who performs the job, but also a mistake in the time expended by the employee. The employee's correct hourly rate is \$38.15. See new Justification attached.

- c. State the hourly wage of each current Jessamine District employee whose duties include service terminations.

Answer: The hourly rate of the employee who performs this task is \$38.15.

- d. State whether the hourly wages provided in response to Item 5(c) 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.

Answer: **Yes.**

e. Describe in detail the procedures performed by Jessamine District employees during a service termination.

Answer: **Run listing of past due accounts; check customer account for any payment plan and/or extension; make label for door hanger; complete City of Nicholasville termination information sheet; transmit information and door hangers to City; call City when delinquent payment made; and post payment to records.**

[Witness: Diana Clark]

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Termination Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

_____	_____
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Total Field Expense \$ _____

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 1 hr. @ \$38.15 per hour 38.15

Total Clerical and Office Expense \$ 38.15

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

<u>City of Nicholasville</u>	<u>25.00</u>
_____	_____
_____	_____

Total Miscellaneous Expense \$ 25.00

Total Nonrecurring Charge Expense \$ 63.15

Jessamine-South Elkhorn Water District

Information Request No. 6: Jessamine District's proposed tariff states the service-termination charge will be levied "due to termination of service for any reason."

a. Will a Jessamine District customer who is current on all payments and moves to a location serviced by another sewer utility owe a service-termination charge to Jessamine District?

Answer: No.

b. Identify each type of termination of service for which a customer will owe a service-termination charge.

Answer: Non-payment of past due bill and non-payment of amount under extension agreement.

[Witness: Diana Clark]

Jessamine-South Elkhorn Water District

Information Request No. 7: Refer to the NonRecurring Charge Cost Justification for grease trap inspection charge.

a. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$31.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

Answer: Divided annual earnings by 2080 hours worked annually. However, further review of the earning records disclosed not only a mistake as to the employees who perform the job, but a miscalculation as to the hourly rates of those employees. The correct employees' accurate hourly rates are \$38.15 and \$36.55. See new Justification attached.

b. State the hourly wage of each current Jessamine District employee whose duties include grease trap inspections.

Answer: \$36.55.

c. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of grease trap inspection charges.

Answer: \$38.15.

d. State whether the hourly wages provided in response to Item 7(b) and (c) 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.

Answer: **Yes.**

e. Describe how Jessamine District determined the number of hours of labor required for a grease trap inspection.

Answer: **The employees who perform the tasks were asked how much time each expended, on average, to perform the work.**

f. Explain how Jessamine District determined the truck and fuel expense of \$7.48.

Answer: **The actual amount of the expense (\$11.04) at the IRS deduction rate for commercial vehicles of 56.5 cents per mile times the number of miles roundtrip traveled to the point in the District's territory where most grease trap inspections are made was reduced to \$7.48 to make the total charge requested an even \$50.00.**

g. Identify the supplies included in the \$1.09 charge.

Answer: **Paper; writing instruments; computer costs**

h. Describe in detail the procedures performed by Jessamine District employees during a grease trap inspection. Provide diagrams showing the procedures.

Answer: **Check grease level in tank; check condition of downstream sewer lines; check maintenance frequency of cleaning grease trap and the company that performs**

the cleaning; and observe employees for proper grease trap practices. Clerical – enter charge on customer account; bill charge; and collect and deposit charge.

- i. How is a grease trap inspection charge incurred?

Answer: The charge is incurred each time an inspection is made.

[Witness: Richard Decker and Diana Clark]

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Grease Trap Inspection Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1.5 hr. @ \$36.55 per hr.</u>	<u>54.83</u>
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Total Field Expense \$ 54.83

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 1/4 hr. @ \$38.15 per hour 9.54

Total Clerical and Office Expense \$ 9.54

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

<u>Truck and Fuel expense</u>	<u>_____</u>
<u>(19.54 miles @ 56.5 cents)</u>	<u>11.04</u>

Total Miscellaneous Expense \$ 11.04

Total Nonrecurring Charge Expense \$ 75.41

Jessamine-South Elkhorn Water District

Information Request No. 8: Refer to the Nonrecurring Charge Cost Justification for unauthorized-use investigation charges.

a. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$31.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

Answer: Divided annual earnings by 2080 hours worked annually. However, further review of the earning records disclosed not only a mistake as to the employees who perform the job, but a miscalculation as to the hourly rates of those employees. The correct employees' accurate hourly rates are \$38.15 and \$36.55. See new Justification attached.

b. State the hourly wage of each current Jessamine District employee whose duties include unauthorized-use investigation.

Answer: \$36.55.

c. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of unauthorized-use investigation charges.

Answer: \$38.15.

d. State whether the hourly wages provided in response to Item 8(b) and (c) 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.

Answer: **Yes.**

e. Describe how Jessamine District determined the number of hours of labor required for an unauthorized-use inspection.

Answer: **The employees performing the tasks were asked how much time each expended, on average, to perform the work.**

f. Describe how Jessamine District determined the truck and fuel expense of \$30.05.

Answer: **The \$30.05 amount was a mistake. The actual amount of the expense calculated at the IRS deduction rate for commercial vehicles of 56.5 cents per mile times the number of miles roundtrip traveled to the point in the District's territory where most unauthorized use inspections are made is \$11.45**

g. Explain how the statement "or actual cost whichever is greater" complies with 807 KAR 5:006, Section 9(2).

Answer: **It does not.**

h. Would Jessamine District consider making the unauthorized-use investigation charge based on the actual cost only?

Answer: **Yes**

i. Describe in detail the procedures performed by Jessamine District employees during an unauthorized-use investigation. Provide diagrams showing the procedures.

Answer: Check clean-outs and manholes; check for disturbance of surrounding ground; check the 6" tap to inspect whether or not a hook up has been made without permission; and inspect around the structure for signs of plumbing work. Clerical – charge is entered on customer account and payment collected and deposited.

[Witness: Richard Decker and Diana Clark]

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Unauthorized Use Investigation Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1.85 hrs. @ \$36.55 per hr</u>	<u>67.62</u>
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Total Field Expense	\$ <u>67.62</u>
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2. Clerical and Office Expense

A. Supplies	\$ _____
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B. Labor ¼ hr. @ \$38.15 per hr.	<u>9.54</u>
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Total Clerical and Office Expense	\$ <u>9.54</u>
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3. Miscellaneous Expense

A. Transportation	\$ _____
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B. Other (Itemize)	_____
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<u>Truck and Fuel expense</u>	_____
<u>(20.26 miles @ 56.5 cents)</u>	<u>11.45</u>
_____	_____

Total Miscellaneous Expense	\$ <u>11.45</u>
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Total Nonrecurring Charge Expense	\$ <u>88.61</u>
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**or actual cost whichever
is greater**

Jessamine-South Elkhorn Water District

Information Request No. 9: Refer to the Nonrecurring Charge Cost Justification for tap-on fees.

a. In its calculation of field labor expense, Jessamine District assumes an hourly wage of \$56.00. Explain how the hourly rate was determined.

Answer: Based on independent contractor's quote.

b. State the hourly wage of each current Jessamine District employee whose duties include physically connecting the sewer to a building.

Answer: No employees involved. This work is performed by an independent contractor.

c. In its calculation of clerical and office labor expense, Jessamine District assumes an hourly rate of \$37.48. Explain how the hourly rate was determined.

Answer: Divided the annual earnings by 2080 hours worked annually. However, further review of the earning records disclosed not only a miscalculation as to the hourly rates of the employees who perform the job, but also a mistake in the time expended by the employees. The employees' correct hourly rates are \$38.15 and \$36.55. See new Justification attached.

d. State the hourly rate of each current Jessamine District employee whose duties include the clerical processing of tap-on fees.

Answer: \$38.15.

e. State whether the hourly wages provided in response to Item 9(b) and (d) 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

Answer: Yes.

f. Describe how Jessamine District determined the number of hours of labor required to physically connect a sewer to a building.

Answer: Based on independent contractor's quote.

g. Describe how Jessamine District determined that three men were necessary to connect a sewer to a building.

Answer: Based on independent contractor's quote.

h. Describe how Jessamine District determined the truck and fuel expense of \$46.23.

Answer: This number is a combination of the supervisor's labor and his truck and fuel expense. However, it was miscalculated. The employee who inspects the work has an hourly rate of \$36.55 and the truck and fuel expense is \$11.45.

i. Identify by name and address each vendor from whom Jessamine District solicited a bid or estimate regarding materials and rental of equipment in the course of preparing its proposed rate revision. Provide a copy of any supporting documentation.

Answer: Ron Eldridge Excavating, Inc., 1337 South Main Street, Nicholasville, Kentucky 40356. See attached quote. This entity performed all of the District's work in this regard at the time this tariff was submitted.

j. Does Jessamine District own the excavator?

Answer: No.

(1) If Jessamine District owns the excavator, identify the year of acquisition and the acquisition cost.

Answer: N/A

(2) If Jessamine District does not own the excavator, identify all suppliers from whom Jessamine District has rented an excavator for sewer connections during the period January 1, 2011, through December 31, 2013, and provide a copy of the rental agreements.

Answer: No rental – contractor provides.

k. Does Jessamine District own the skid-steer?

Answer: No.

(1) If Jessamine District owns the skid-steer, identify the year of acquisition and the acquisition cost.

Answer: N/A

(2) If Jessamine District does not own the skid-steer, identify all suppliers from whom Jessamine District has rented a skid-steer for sewer connections during the period January 1, 2011, through December 31, 2013, and provide a copy of the rental agreements.

Answer: No rental – contractor provides.

l. Explain how Jessamine District determined the amount of time necessary for the excavator and skid-steer. Provide all records and show all calculations that Jessamine District used to make its determination.

Answer: Contractor quote relied upon. No records or calculations.

m. Explain how Jessamine District determined the cost for the equipment component. Provide all records and show all calculations that Jessamine District used to make its determination.

Answer: Contractor quote relied upon. No records or calculations

n. Explain how Jessamine District determined the quantity of materials listed in Section 1(A). Provide a diagram demonstrating the use of the materials.

Answer: Contractor quote relied upon. No records or calculations.

o. Provide all work papers, calculations, and assumptions used to determine the expenses identified in the NonRecurring Charge Cost Justification for tap-on fees.

Answer: See new Nonrecurring Charge Cost Justification and attached LFUCG charges initially filed with tariff change request.

[Witness: Richard Decker and Diana Clark]

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: TAP- ON FEES

1. Field Expense:

A.	Materials (Itemize)	
	<u>26' - 6" pipe, 1 - 8" x 8" x 6" tee,</u>	\$ <u> </u>
	<u>1 - 6" x 6" x 6" tee, 2 - end caps, 1 - 8"</u>	
	<u>sleeve 1 - marker post, 7 ton gravel</u>	<u>439.00</u>
B.	Labor (Time and Wage)	
	<u>6 hrs, with 3 men @ \$56.00 per hr.</u>	\$ <u>1,008.00</u>
C.	Equipment	
	<u>1 Excavator</u>	\$ <u>280.00</u>
D.	Miscellaneous (cleanup, etc.)	
	<u>2 men and skid-steer</u>	\$ <u>190.00</u>
	Total Field Expense	\$ <u>1,917.00</u>

2. Clerical and Office Expense

A.	Supplies	\$ <u> </u>
B.	Labor: 1 hr. @ \$38.15 per hr.	\$ <u>38.15</u>
	Total Clerical and Office Expense	\$ <u>38.15</u>

3. Miscellaneous Expense

A.	Transportation (Supervisor Labor,	\$ <u>48.00</u>
	Truck and Fuel – 1 hr. @ \$36.55 and	
	20.26 miles @ 56.5 cents)	
B.	Other (Itemize)	

**Lexington Fayette Urban County Government Charges payable
to LFUCG –See Next Two Pages**

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

Single family residences, townhomes and duplexes (per unit)

1/4 acre or less	\$886.17
From 1/4 to 1/2 acre	\$1,645.58
From 1/2 to 3/4 acre	\$2,407.11
From 3/4 to 1 acre	\$3,293.28
Larger than 1 acre	\$4,179.44

Apartments, condominiums, hospitals and nursing homes

Each efficiency unit	\$354.88
Each 1 bedroom unit	\$658.02
Each 2 bedroom unit	\$860.81
Each 3 or 4 bedroom unit	\$1,064.66
Minimum for each building	\$1,772.32

Motels

Each living unit

\$658.02

Trailer parks

Each trailer or space

\$886.17

Service stations (standalone or quickmart center)

Each station

\$5,065.61

Restaurant, business, professional, commercial and industrial buildings, including such facilities in hospitals or nursing homes (continued)

Fee based on square feet of floor space

\$1.014 per square foot

Minimum fee for each urban county government connection

\$886.17

Storage areas, warehouses and distribution centers

Fee based on square feet of floor space

\$0.211 per square foot

Minimum fee for each urban county government connection

\$886.17

Swimming pools

Fee based on each 100 cubic

\$1.521 per 100 cubic feet

JESSAMINE-SOUTH ELKHORN SEWER DISTRICT

feet	
<u>Non-profit school establishments*</u> Fee based on square feet of floor space <i>*Evidence of non-profit status must be provided or establishment will be treated as a commercial space.</i>	\$0.506 per square foot

Total Miscellaneous Expense \$ See AboveTable

Total Nonrecurring Charge Expense \$ Table amount plus \$2,003.15

JSEWD/Sanitation/Nonrecurring Chgs/ Tap-on fees NRC just

Jessamine-South Elkhorn Water District

Information Request No. 10: Explain the different hourly rates for the clerical and office labor expense, for the returned check service charges (the hourly rate is \$22.61), for the service line inspection charge, grease trap inspection charge, unauthorized-use investigation charge (the hourly rate is \$31.09), and for the service termination charge and tap-on fee (the hourly rate is \$37.48).

Answer: Three different employees. Each hourly rate represents the employee who performs the task. In order listed in the Request above, the proper rates are \$25.11, \$36.55 and \$38.15. However, these rates were miscalculated originally and there was a mistake as to the number of employees involved in this task. See the new Justifications attached to the Answers to Request Nos. 3, 4, 5, 7 and 8.

[Witness: Diana Clark]

Jessamine-South Elkhorn Water District

Information Request No. 11: Explain the different truck and fuel expenses for service line inspections and unauthorized use investigations (the truck and fuel expense is \$30.05), for the grease trap inspections (the truck and fuel expense is \$7.48), and for the tap-on fees (the transportation expense is \$46.23).

Answer: See Answers to Requests Nos. 4(f), 7(e), 8(f) and 9(h) for explanations as to the foregoing.

[Witness: Diana Clark]

Jessamine-South Elkhorn Water District

Information Request No. 12: List separately for each calendar year from January 1, 2011, through December 31, 2013, the total number of Jessamine District's new sewer connections.

Answer: 2011 – 19; 2012 – 18; and 2013 – 29.

[Witness: Diana Clark]

Jessamine-South Elkhorn Water District

Information Request No. 13: For each sewer connection performed from January 1, 2011, through December 31, 2013, identify the type of building and the amount from the table that would have been charged based on the proposed rates.

Answer: See listing attached.

[Witness: Diana Clark]

2011

Type of Building	Amt Charged	Set Amt	Proposed Table	Total Proposed
Singe Family Residence	6,063.59	1,981.97	4,179.44	6,161.41
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	4,699.50	1,981.97	3,293.28	5,275.25
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	2,348.24	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	2,348.24	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,264.50	1,981.97	886.17	2,868.14
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14
Singe Family Residence	2,387.43	1,981.97	1,645.58	3,627.55
Singe Family Residence	2,387.43	1,981.97	1,645.58	3,627.55
Commercial/Storage	9,220.44	1,981.97	6,386.29	8,368.26
Singe Family Residence	6,063.59	1,981.97	4,179.44	6,161.41
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14

2012

Singe Family Residence	3,492.27	1,981.97	2,407.11	4,389.08
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14
Singe Family Residence	1,285.67	1,981.97	886.17	2,868.14
Singe Family Residence	4,777.94	1,981.97	3,293.28	5,275.25
Singe Family Residence	6,063.59	1,981.97	4,179.44	6,161.41
Apts/Commercial/Storage	53,720.66	1,981.97	37,108.83	39,090.80
Singe Family Residence	2,387.43	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Singe Family Residence	6,203.22	1,981.97	4,179.44	6,161.41
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14

2013

Singe Family Residence	4,887.96	1,981.97	3,293.28	5,275.25
Singe Family Residence	6,203.22	1,981.97	4,179.44	6,161.41
Singe Family Residence	2,442.41	1,981.97	1,645.58	3,627.55

2013 (cont'd)

Singe Family Residence	2,442.41	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Singe Family Residence	2,442.41	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Singe Family Residence	1,315.28	1,981.97	886.17	2,868.14
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Singe Family Residence	2,442.41	1,981.97	1,645.58	3,627.55
Condos	2,555.28	1,981.97	1,721.62	3,703.59
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Singe Family Residence	2,442.41	1,981.97	1,645.58	3,627.55
Condos	5,110.56	1,981.97	3,443.24	5,425.21
Singe Family Residence	1,329.25	1,981.97	886.17	2,868.14
Singe Family Residence	2,468.37	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,329.25	1,981.97	886.17	2,868.14
Condos	5,164.84	1,981.97	3,443.24	5,425.21
Singe Family Residence	1,329.25	1,981.97	886.17	2,868.14
Singe Family Residence	2,468.37	1,981.97	1,645.58	3,627.55
Pool/Commercial	5,084.21	1,981.97	6,851.59	8,833.56
Singe Family Residence	6,269.16	1,981.97	4,179.44	6,161.41
Singe Family Residence	2,468.37	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,329.25	1,981.97	886.17	2,868.14
Commercial	11,598.38	1,981.97	7,840.50	9,822.47
Singe Family Residence	2,468.37	1,981.97	1,645.58	3,627.55
Singe Family Residence	1,329.25	1,981.97	886.17	2,868.14
Singe Family Residence	1,329.25	1,981.97	886.17	2,868.14

Jessamine-South Elkhorn Water District

Information Request No. 14 Refer to the proposed tariff "Tap-on Fees." Explain how and why the size of the lot, not the size of the residence, determines the amount from the table for single-family residence.

Answer: Those fees are determined by the Lexington Fayette Urban County Government alone. The District is contractually obligated to pay these fees and does not know how they were derived.

[Witness: Richard Decker]

Jessamine-South Elkhorn Water District

Information Request No. 15: Explain why the non-recurring charges were not included in the last general rate case. (See 807 KAR 5:011, Section 10(1) (c)).

Answer: The last general rate case was the filing of the original sewer tariff along with filing of the initial application for approval of rates done in January of 2008. This filing included nonrecurring charges. At that time, the District requested expedited approval of these rates and charges because the USDA - Rural Development financing of the new sewer project was imminent and the timing of the approval was significant. It was suggested by PSC staff that expedited approval of the service rates could only be accomplished if the District's nonrecurring charges were withdrawn from the application and filed later. The District followed the PSC's advice (see the letter attached). Unfortunately and due to the disruption caused by the construction and integration of the operation of the new sewer system into the District's existing water operation and a lawsuit with the contractor that constructed the sewer infrastructure, the District neglected to file a follow up application for approval of the nonrecurring charges. This failure was first noticed by the PSC in its June of 2013 inspection.

[Witness: L. Nicholas Strong)

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BRUCE E. SMITH
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February 26, 2008

VIA FACSIMILE: (502) 564-3460
AND FIRST CLASS MAIL

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Jessamine-South Elkhorn Water District
New Tariff Filing
KRS 278.180 and 807 KAR 5:011

Dear Ms. O'Donnell:

On January 28, 2008, I filed on behalf of my client a new sewer tariff in conjunction with the filing on that same date of an application for a Certificate of Public Convenience and Necessity to construct a federally financed sanitary sewer project and approve initial rates (Case No. 2008-00036). I received today the Commission's Order granting the Certificate.

The approval of the aforementioned tariff is a necessary part of going forward in a timely fashion with the sanitary sewer project. In order to obtain immediate approval of the tariff, my client hereby withdraws all provisions from the submitted tariff which deal with non-recurring charges. From my review those provisions are found on Sheets Nos. 2-5 of the new tariff.

If I am in error and I have either included sheets which do not contain non-recurring charges or I have overlooked sheets that do, please follow the general request to withdraw the non-recurring charge portions of the tariff only.

My client will re-submit the non-recurring charge sheets separately at a later date for approval by the Commission in accordance with its regulations.

Sincerely,



Bruce E. Smith

cc: Mr. Dennis Brent Kirtley – Fax Only
Gerald E. Wuetcher, Esq. – Fax Only

Jessamine-South Elkhorn Water District

Information Request No. 16: Explain why the notice failed to comply with 807 KAR 5:011, Section 8(4) (a) (date proposed rates are expected to be filed with the Commission); (g) (that the filing can be viewed at the Commission's address or website); and both (i) and (j) (timeliness of intervention).

Answer: The attorney who drafted the notice erred.

[Witness: L. Nicholas Strong]

Jessamine-South Elkhorn Water District

Information Request No. 17: Explain the note stating, "Lexington Fayette County Government Charges payable to LFUCG-See next two pages," found at the bottom of the first page of the NonRecurring Charge Cost Justification for tap-on fees.

Answer: That notation is intended to direct the attention of the reader to the two- page table of LFUCG rates which are used in conjunction with the District's rate to calculate the total tap-on fee.

[Witness: Diana Clark]

Jessamine-South Elkhorn Water District

Information Request No. 18: Refer to the charges in the tables included in the NonRecurring Charge Cost Justification for tap-on fees.

a. Explain in detail the origin of the tables and how the individual charges were derived.

Answer: Those fees are determined by the Lexington Fayette Urban County Government ("LFUCG") alone. The District is contractually obligated to pay these fees and does not know how they were derived.

b. Explain in detail how these charges are processed.

Answer: These charges are changed July 1 of each year by LFUCG and sent to the District.

c. Are the charges paid by Jessamine District to Lexington Fayette Urban County Government?

Answer: Yes.

d. If the answer to Item 18 (c) is yes:

(1) State the date Jessamine District started paying these charges to Lexington Fayette Urban County government.

Answer: August 11, 2006.

(2) Provide the table of fees for each year from January 1, 2011, through December 21, 2013.

Answer: See attached.

e. Are the charges paid by customers of Jessamine District: If the Answer is yes:

Answer: Yes.

(1) Who receives the payment from the Jessamine District customer?

Answer: The District receives the payment and then remits payment to LFUCG.

(2) When did Jessamine District's customers start paying the charges?

Answer; August 11, 2006.

(3) Why are these charges not stated in Jessamine District's current tariff schedule as required by 807 KAR 5:006, Section 9?

Answer: See answer to Information Request No. 15.

[Witness: L. Nicholas Strong]

Lexington Fayette Urban County Government Sanitary Sewer Fees and Charges

As Authorized by Ordinance

Effective July 1, 20113

1) Single-family residences lots, Townhomes and Duplexes:

Of 1/4 acre or less	\$886.17	1329.25
From 1/4 acre to 1/2	\$1,645.58	2468.37
From 1/2 to 3/4	\$2,407.11	3610.66
From 3/4 acre to 1 acre	\$3,293.28	4939.92
Larger than 1 acre	\$4,179.44	6269.16

sq ft
 10,890
 10,891 - 21,780
 21,781 - 32,670
 32,671 - 43,560
 43,561 -

2) Apartments, Condominiums, Hospitals and Nursing Homes:

Each efficiency unit	\$354.88	532.32
Each 1-bedroom unit	\$658.02	987.03
Each 2-bedroom unit	\$860.81	1291.21
3 or 4 bedroom unit	\$1,064.66	1596.99
Minimum for each apartment building	\$1,772.32	2658.48

3) Motels / Hotels:

Each living unit	\$658.02	987.03
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4) Trailer Parks:

Each trailer space	\$886.17	1329.25
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5) Service Stations (stand alone or as a Quick-mart type center)

Each Station	\$5,065.61
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6) Townhomes:

Each Townhome	\$886.17	1329.25
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7) Duplex:

Each Duplex	\$1,772.34
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8) Commercial and Industrial Buildings, including Hospitals and Nursing Homes:

A fee to be based on (usable space) per sqft of floor space	\$1.00	<i>/.50</i>
Minimum fee for each urban county government connection	\$876.85	

9) Storage areas, Warehouses and Distribution areas:

A fee to be based on (unusable space) per sqft of floor space	\$0.21
Minimum fee for each urban county government connection	\$886.17

10) Swimming Pools:

For the erection of each swimming pool, a fee to be based on \$1.52 per 100 cubic feet. (LxWxAverage Depth) / 100	\$1.52 per 100 cubic ft.
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10) School Establishments: (nonprofit organization)

The fee for each urban county government sewer connection shall be \$0.50 per sqft of floor space (nonprofit organization)	\$0.50/sq.ft
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nc 6-8-12

Lexington Fayette Urban County Government Sanitary Sewer Fees and Charges

As Authorized by Ordinance

Effective July 1, 2012

1) Single-family residences lots, Townhomes and Duplexes:

Of 1/4 acre or less	\$876.85	1315.28
From 1/4 acre to 1/2	\$1,628.27	2442.41
From 1/2 to 3/4	\$2,381.79	3572.69
From 3/4 acre to 1 acre	\$3,258.64	4887.96
Larger than 1 acre	\$4,135.48	6203.22

pg 1
 10,890
 10,891 - 21,780
 21,781 - 32,670
 32,671 - 43,560

2) Apartments, Condominiums, Hospitals and Nursing Homes:

Each efficiency unit	\$351.15	526.73
Each 1-bedroom unit	\$651.10	976.65
Each 2-bedroom unit	\$851.76	1277.64
3 or 4 bedroom unit	\$1,053.46	1580.19
Minimum for each apartment building	\$1,753.68	2630.52

3) Motels / Hotels:

Each living unit	\$651.10
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4) Trailer Parks:

Each trailer space	\$876.85	1315.28
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5) Service Stations (stand alone or as a quickmart type center)

Each Station	\$5,012.32
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6) Townhomes:

Each Townhome	\$876.85
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7) Duplex:

Each Duplex	\$1,753.70
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8) Commercial and Industrial Buildings, including Hospitals and Nursing Homes:

A fee to be based on (usable space) per sqft of floor space	\$1.00
Minimum fee for each urban county government connection	\$876.85

9) Storage areas, Warehouses and Distribution areas:

A fee to be based on (unusable space) per sqft of floor space	\$0.21
Minimum fee for each urban county government connection	\$876.85

10) Swimming Pools:

For the erection of each swimming pool, a fee to be based on \$1.47 per 100 cubic feet. (LxWxAverage Depth) / 100	\$1.50 per 100 cubic ft.
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10) School Establishments: (nonprofit organization)

The fee for each urban county government sewer connection shall be \$0.49 per sqft of floor space (nonprofit organization)	\$0.50/sq.ft
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Lexington Fayette Urban County Government Sanitary Sewer Fees and Charges

As Authorized by Ordinance Number 34-2008

Effective July 1, 2011

1) Single-family residences lots:

Of 1/4 acre or less	\$857.11	1285.67
From 1/4 acre to 1/2	\$1,591.62	2387.43
From 1/2 to 3/4	\$2,328.18	3492.27
From 3/4 acre to 1 acre	\$3,185.29	4777.94
Larger than 1 acre	\$4,042.39	6063.59

59'
10,890
10,891-21,780
21,781-32,670
32,671-43,560

2) Apartments: (Condo's treated as Apartments)

Each efficiency unit	\$343.62	515.43
Each 1-bedroom unit	\$636.44	954.66
Each 2-bedroom unit	\$832.59	1248.89
3 or 4 bedroom unit	\$1,029.75	1544.63
Minimum for each apartment building	\$1,714.21	2571.32

3) Motels / Hotels:

Each living unit	\$636.44	954.66
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4) Trailer Parks:

Each trailer space	\$857.11	1285.67
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5) Service Stations (stand alone or as a quickmart type center)

Each Station	\$4,899.50	7349.25
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6) Townhomes:

Each Townhome	\$857.11	1285.67
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7) Duplex:

Each Duplex	\$1,663.00	2494.50
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8) Commercial and Industrial Buildings:

A fee to be based on (usable space) per sqft of floor space	\$0.98	1.47
Minimum fee for each urban county government connection	\$857.11	1285.67

9) Storage Areas:

A fee to be based on (unusable space) per sqft of floor space	\$0.20	.30
Minimum fee for each urban county government connection	\$857.11	1285.67

10) Swimming Pools:

For the erection of each swimming pool, a fee to be based on \$1.47 per 100 cubic feet. (LxWxAverage Depth) / 100	\$1.47 per 100 cubic ft.	2.21
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10) School Establishments: (nonprofit organization)

The fee for each urban county government sewer connection shall be \$0.49 per sqft of floor space (nonprofit organization)	\$0.49/sq.ft	.74
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Lexington Fayette Urban County Government Sanitary Sewer Fees and Charges

As Authorized by Ordinance Number 34-2008

Effective July 1, 2010

1) Single-family residences lots:

Of 1/4 acre or less	\$843.00
From 1/4 acre to 1/2	\$1,565.49
From 1/2 to 3/4	\$2,289.96
From 3/4 acre to 1 acre	\$3,133.00
Larger than 1 acre	\$3,976.00

1264.50
2348.24
3434.94
4699.50
5964.00

Sq'
10,890
10,890 - 21,780
21,780 - 32,670
32,670 - 43,560

2) Apartments: (Condo's treated as Apartments)

Each efficiency unit	\$337.62
Each 1-bedroom unit	\$626.00
Each 2-bedroom unit	\$818.92
3 or 4 bedroom unit	\$1,012.85
Minimum for each apartment building	\$1,686.00

506.43
939.00
1228.38
1519.28
2529.00

3) Motels:

Each living unit	\$626.00
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939.00

4) Trailer Parks:

Each trailer space	\$843.00
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1264.50

5) Service Stations (stand alone or as a quickmart type center)

Each station	\$4,819.00
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7228.50

6) Townhomes:

Each Townhome	\$843.00
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1264.50

7) Duplex:

Each duplex	\$1,636.00	2454.00
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8) Commercial and Industrial Buildings:

A fee to be based on (usable space) per sqft of floor space	\$0.96	1.44
Minimum fee for each urban county government connection	\$843.00	1264.50

9) Storage Areas:

A fee to be based on (unusable space) per sqft of floor space	\$0.20	.30
Minimum fee for each urban county government connection	\$843.00	1264.50

10) Swimming Pools:

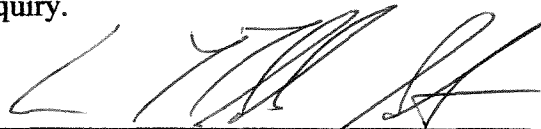
For the erection of each swimming pool, afee to be based on \$1.447 per 100 cubic feet. (LxWxAverage Depth) / 100	\$1.447 per 100 cubic ft.	2.17
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10) School Establishments: (nonprofit organization)

The fee for each urban county government sewer connection shall be \$0.48 per sqft of floor space (nonprofit organization)	\$0.48/sq.ft	.72
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CERTIFICATION

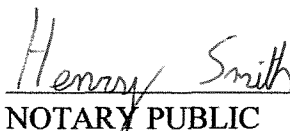
Comes L. Nicholas Strong, Chairman of the Jessamine-South Elkhorn Water District ("District") and after first being duly sworn states that he supervised the preparation of this response on behalf of the District and that the foregoing responses are true and accurate to his knowledge, information and belief after a reasonable inquiry.



L. Nicholas Strong, Chairman

COMMONWEALTH OF KENTUCKY
COUNTY OF JESSAMINE, SCT...

Acknowledged, subscribed and sworn to me, a Notary Public in and before said County and State by L. Nicholas Strong, Chairman, this the 24th day of March, 2014.

 Henry Smith 498328
NOTARY PUBLIC NO.

Respectfully Submitted,



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Nicholasville, Kentucky 40356
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bruce@smithlawoffice.net
COUNSEL FOR DISTRICT