



Steven L. Beshear
Governor

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Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

May 27, 2015

PARTIES OF RECORD

Re: Case No. 2014-00342

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter. Any questions regarding this memorandum should be directed to David Spenard, Commission Staff Attorney, at (502) 782-2580.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

DES/ph

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2014-00342

FROM: David Spenard, Staff Attorney *D.S.*

DATE: May 27, 2015

RE: Informal Conference of May 11, 2015

Pursuant to the Commission Staff's Notice of Informal Conference filed into the record on May 8, 2015, an informal conference was held in this matter on May 11, 2015, to discuss the status of and issues in this case. Attending the conference were:

David Edward Spenard	-	Commission Staff
Ann Ramser	-	Commission Staff
Mark Frost	-	Commission Staff
George W. Wakim	-	Commission Staff
Molly Katen	-	Commission Staff
Jonathan Beyer	-	Commission Staff
Jason Green	-	Commission Staff
George Wakim	-	Commission Staff
David P. Foster	-	Commission Staff
Jack Hughes	-	Mountain Water District
Dan Stratton	-	Mountain Water District
Roy B. Sawyer	-	Mountain Water District (by telephone)
Michael Spears	-	Mountain Water District (by telephone)
Bob Meyer	-	Mountain Water District
Grondall Potter	-	Mountain Water District
Angela Goad	-	Office of the Attorney General
Stefanie Kingsley	-	Office of the Attorney General

At the start of the conference, Mr. Spenard stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon those minutes. Mr. Spenard stated that the views of Commission Staff were not binding on the Commissioners.

Mountain Water District ("Mountain") provided Commission Staff and the Office of the Attorney General ("OAG") a photocopy of the tear sheet for the notice of hearing which counsel for Mountain had filed in the case by letter dated May 11, 2015. A copy of the letter and tear sheet is attached to this informal conference memorandum.

Commission Staff identified certain responses provided by Mountain that required clarification. Commission Staff provided Mountain and the OAG copies of two (2) spreadsheets containing payroll information during the clarification process. A copy of each spreadsheet is attached. In response to Commission Staff's questions and comments, Mountain agreed to provide the following information by formally filing into the record in this case on or before May 15, 2015, the following information.

1. Mountain Water District will explain the discrepancies regarding overtime, paid leave, and bonuses.
2. Mountain Water District will provide a copy of the note for each of its loans.
3. Mountain Water District will provide a flowchart regarding the purchase of vehicles and how payments for the vehicles are made. Mountain Water District will also provide information regarding journal entries associated with purchases and payments.

Mountain and the OAG each stated that they had no motions outstanding and anticipate that they will be ready to proceed at the evidentiary hearing.

There being no further business, the informal conference adjourned.

Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MOUNTAIN WATER DISTRICT FOR)
AN ADJUSTMENT OF WATER AND SEWER RATES)
SUPPORTED BY A HISTORICAL TEST YEAR) CASE NO. 2014-00342
)

SIGN IN

May 11, 2015

PERSON

REPRESENTING

David Edward Spensard	PSC Commission Staff
Ann Ramsey	PSC Legal
David P. Kahn	PSC FA.
Mark Frost	PSC FA
Molly Katen	PSC Legal
Jonathan Bay	PSC Legal
Angela M. Gono	OAG
Stefanie Kingstey	KYOAG
Jack Dwyer	MWD
BOB MEYER	Utility Mgmt Group
BRANDALL POTTER	Utility Mgmt Group
Nan Strick	Attorney MWD
JASON GREEN	PSC FA

PERSON

GEORGE W. WAKIM

Roy Sawyer

Michael Spears

REPRESENTING

PSC STAFF

Mountain Water District (by telephone)

Mountain Water District (by telephone)

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

JNHUGHES@fewpb.net

May 11, 2015

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

Re: Case No. 2014-00342

Dear Mr. Derouen:

Mountain Water District submits the tear sheet for the notice of hearing published on May 2, 2015. The affidavit of publication has not been received, but will be provided when available.

A copy of these responses has been delivered to the Attorney General's Office of Rate Intervention.


John N. Hughes
124 West Todd St.
Frankfort, KY 40601
(502) 227 7270
jnhughes@fewpb.net

Attorney for Mountain Water District

UTILITY MANGEMENT GROUP
Calendar Year 2013

PAYROLL INFORMATION
Mountain Water District and Shared Employees

POSITION	Hourly rate or base pay	RATE	GROSS YEARLY	REG HOURS	OT HOURS	Calculated	Difference
DIRECT PROJECT EMPLOYEES							
11-250	Water Plant Operator	\$10.99 hourly	\$31,588.66	2,170.0	435.0	31,019.28	569.38
11-252	Water Plant Operator	\$9.00 hourly	\$2,349.00	258.0	2.0	2,349.00	0.00
11-296	Water Plant Operator	\$16.03 hourly	\$41,262.66	2,161.0	255.5	40,784.33	478.33
11-578	Water Plant Operator	\$9.00 hourly	\$2,043.00	200.0	18.0	2,043.00	0.00
11-608	Water Plant Operator	\$8.84 hourly	\$13,823.58	1,366.0	97.3	13,364.98	458.60
11-955	Water Plant Operator	\$25.00 hourly	\$42,525.15	1,708.2	0.0	42,705.00	(179.85)
11-960	Water Plant Operator	\$12.00 hourly	\$30,375.31	2,184.0	210.0	29,988.00	387.31
12-128	Utility Worker	\$10.79 hourly	\$28,181.81	2,133.5	284.5	27,625.10	556.71
12-149	Leak Detection	\$12.28 hourly	\$29,609.42	2,131.0	115.0	28,286.98	1,322.44
12-156	Mechanic	\$16.86 hourly	\$37,771.08	2,128.5	53.5	37,239.53	531.55
12-233	Meters/Inventory/Purchasing	\$13.97 hourly	\$29,646.29	2,079.8	2.5	29,106.50	539.79
12-254	Area Manager	\$44,012.80 salary	\$45,307.47	2,080.0		44,012.80	1,294.67
12-324	Electrical Maintenance Mgr	\$50,107.20 salary	\$51,427.74	2,080.0		50,107.20	1,320.54
12-349	Utility Worker	\$12.50 hourly	\$40,266.25	2,088.0	314.5	31,996.88	8,269.37
12-352	Maintenance Technician	\$16.42 hourly	\$38,434.27	2,109.0	134.0	37,930.20	504.07
12-374	Utility Worker	\$8.51 hourly	\$8,078.56	878.1	47.5	8,078.54	0.02
12-471	Utility Worker	\$13.18 hourly	\$29,403.67	2,111.0	66.5	29,137.69	265.98
12-534	Area Manager	\$41,454.40 salary	\$42,769.21	2,080.0		41,454.40	1,314.81
12-576	Area Manager	\$43,555.20 salary	\$44,882.14	2,080.0		43,555.20	1,326.94
12-597	Area Manager	\$44,137.60 salary	\$45,393.27	2,080.0		44,137.60	1,255.67
12-730	Leak Detection	\$12.58 hourly	\$29,157.49	2,131.0	109.0	28,864.81	292.68
12-737	Area Manager	\$45,427.20 salary	\$46,758.47	2,080.0		45,427.20	1,331.27
12-810	Utility Worker	\$9.01 hourly	\$13,540.14	1,412.8	52.0	13,431.84	108.30
12-814	Area Manager	\$48,609.60 salary	\$49,943.85	2,080.0		48,609.60	1,334.25
12-821	Utility Worker	\$15.12 hourly	\$33,186.99	2,089.5	46.5	32,647.86	539.13
12-828	Utility Worker	\$13.70 hourly	\$45,081.81	2,115.5	345.5	36,082.38	8,999.43
12-865	Utility Worker	\$9.00 hourly	\$360.00	40.0		360.00	0.00
12-905	Equipment Operator	\$14.87 hourly	\$32,673.04	2,081.0	52.5	32,115.48	557.56
12-912	Operations Manager	\$84,801.60 salary	\$85,981.98	2,080.0		84,801.60	1,180.38
12-926	Equipment Operator	\$17.67 hourly	\$37,828.08	2,085.5	16.0	37,274.87	553.21
12-928	Utility Worker	\$9.15 hourly	\$16,692.05	1,773.4	13.0	16,404.94	287.11
12-958	Equipment Operator	\$12.72 hourly	\$30,370.76	2,108.0	158.0	29,828.40	542.36
12-965	Maintenance Technician	\$13.68 hourly	\$33,050.87	2,139.5	158.0	32,510.52	540.35
13-100	Wastewater Plant Operator	\$14.96 hourly	\$35,406.02	2,186.0	101.0	34,969.00	437.02
13-101	Maintenance Technician	\$8.50 hourly	\$2,652.00	312.0		2,652.00	0.00
13-255	Maintenance Technician	\$9.42 hourly	\$21,494.73	2,103.5	81.0	20,959.50	535.23
13-347	Wastewater Plant Operator	\$11.30 hourly	\$24,526.94	2,093.0	18.5	23,964.48	562.46
13-569	Area Manager	\$55,868.80 salary	\$57,161.86	2,080.0		55,868.80	1,293.06
13-779	Wastewater Plant Operator	\$11.29 hourly	\$25,179.09	2,115.0	44.5	24,631.96	547.13
13-973	Maintenance Technician	\$12.33 hourly	\$27,161.91	2,098.5	40.0	26,614.31	547.60
14-142	Meter Department/Service Supervisor	\$42,224.00 salary	\$42,775.16	2,080.0		42,224.00	551.16
14-240	Cashier	\$12.80 hourly	\$2,392.10	178.0	1.8	2,311.36	80.74
14-512	Cashier	\$8.80 hourly	\$15,114.24	1,685.3	6.3	14,912.70	201.54
14-515	Customer Service Rep	\$9.38 hourly	\$19,995.89	2,084.8	5.3	19,628.82	367.07
14-558	Service Tech	\$11.82 hourly	\$25,221.43	2,090.0	5.5	24,801.32	420.11
14-581	Customer Service Rep	\$12.72 hourly	\$27,043.24	2,081.5	9.0	26,648.40	394.84
14-634	Service Tech	\$8.70 hourly	\$16,185.19	1,792.0	24.5	15,910.13	275.06
14-660	Billing Clerk	\$13.91 hourly	\$29,450.24	2,084.0	3.3	29,056.25	393.99
14-695	Customer Service manager	\$39,291.20 salary	\$39,697.79	2,080.0		39,291.20	406.59
14-965	Service Tech	\$13.48 hourly	\$28,832.37	2,085.8	9.3	28,300.85	531.52
14-769	Deliquent Billing Clerk	\$12.06 hourly	\$25,687.70	2,082.5	8.8	25,273.24	414.46
14-863	Tank maintenance	\$12.78 hourly	\$27,501.80	2,077.0	16.5	26,860.37	641.43
14-940	Service Tech	\$12.79 hourly	\$27,290.76	2,084.0	5.0	26,750.29	540.47
14-972	Customer Service manager Rep	\$14.20 hourly	\$30,038.35	2,080.5	4.3	29,633.63	404.72
15-590	Executive Assistant	\$55,723.20 salary	\$56,127.58	2,080.0		55,723.20	404.38
15-711	Administrative Assistant	\$12.12 hourly	\$25,722.02	2,081.0	5.3	25,317.17	404.85
15-744	Executive Assistant	\$53,705.60 salary	\$54,119.44	2,080.0		53,705.60	413.84
15-772	Senior Project Manager	\$90,000.00 salary	\$91,020.44	2,080.0		90,000.00	1,020.44
1c-145	Maintenance Technician	\$13.60 hourly	\$41,891.91	2,129.0	608.0	41,357.60	534.31
1C-943	Maintenance Technician	\$9.44 hourly	\$22,130.25	2,104.5	121.0	21,579.84	550.41

Total Response	\$1,931,584.52	\$1,882,227.73	\$49,356.79
Total Response to PSC Second Request, Item 1, 2013	\$1,916,080.00	\$1,916,080.00	
difference	\$15,504.52	-\$33,852.27	

Shared Employees

98-226	HR Specialist	\$16.79 hourly	\$40,167.66	2,144.0	149.3	39,756.62	411.04
98-394	IT Tech	\$18.26 hourly	\$41,243.71	2,136.5	67.0	40,847.62	396.09
98-464	Safety Director	\$16.12 hourly	\$38,329.00	2,119.5	149.5	37,781.25	547.75
98-604	COO	\$90,000.00 salary	\$89,999.86	2,080.0		90,000.00	(0.14)
98-618	Accounts Payable Clerk	\$15.61 hourly	\$33,992.69	2,100.8	34.0	33,588.82	403.87
98-667	Controller	\$90,000.00 salary	\$89,999.86	2,080.0		90,000.00	(0.14)
98-831	Administrative Assistant	\$9.00 hourly	\$11,542.55	1,249.0	16.3	11,460.29	82.26

Total Response	\$345,275.33	\$343,434.60	\$1,840.73
Total Response to PSC Third Request, Item 1(a)	\$269,780.00	\$269,780.00	
difference	\$75,495.33	\$73,654.60	

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