

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HARDIN)	CASE NO.
COUNTY WATER DISTRICT NO. 2 FOR A)	2023-00247
GENERAL ADJUSTMENT OF RATES)	

NOTICE OF FILING

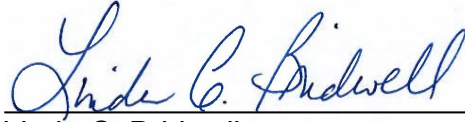
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on January 11, 2024, in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on January 11, 2024.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/wEQpBmC8ntl>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 31st day of January 2024.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Linda C. Bridwell

Executive Director

Public Service Commission of Kentucky

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In the Matter of:

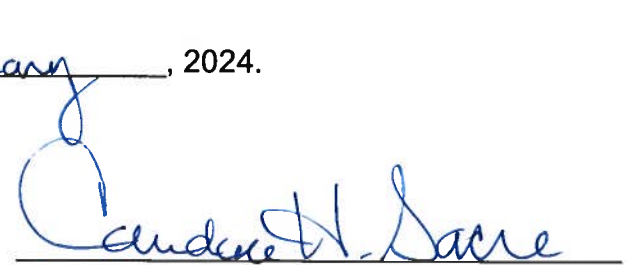
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GENERAL ADJUSTMENT OF RATES OF RATES)	

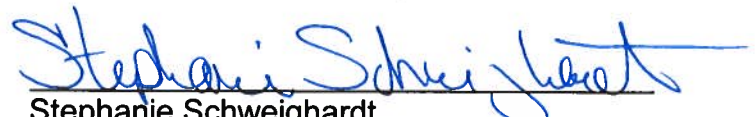
CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on January 11, 2024. The Formal Hearing Log is included with the recording on January 11, 2024;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of January 11, 2024; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of January 11, 2024, and the time at which each occurred.

Signed this 30th day of January, 2024.


Candace H. Sacre
Administrative Specialist III


Stephanie Schweighardt
Kentucky State at Large ID# KYNP 64180
Commission Expires: January 14, 2027



Session Report - Detail

2023-00247 11Jan2024

Hardin County Water District No. 2
(Hardin District No. 2)

Date:	Type:	Location:	Department:
1/11/2024	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Michael Bell; Timothy Davis; Mandy Isham; Michael Shaun Youravich; Vaughn Williams
 Judge: Kent Chandler; Angie Hatton; Mary Pat Regan
 Clerk: Candace Sacre

Event Time	Log Event
9:15:03 AM	Session Started
9:15:12 AM	Chairman Chandler Note: Sacre, Candace On the record in 2023-00247.
9:15:22 AM	Chairman Chandler Note: Sacre, Candace Preliminary remarks.
9:15:33 AM	Chairman Chandler Note: Sacre, Candace Hearing and video conferencing.
9:15:48 AM	Chairman Chandler Note: Sacre, Candace Entry of appearance.
9:15:54 AM	Atty Talley Hardin District No. 2 Note: Sacre, Candace Damon Talley.
9:15:57 AM	Atty Childress Hardin District No. 2 Note: Sacre, Candace Emily Childress
9:16:05 AM	Staff Atty Fell PSC Note: Sacre, Candace Jennifer Fell.
9:16:16 AM	Video Conference Deactivated
9:16:17 AM	Chairman Chandler Note: Sacre, Candace Public notice.
9:16:17 AM	Video Conference Activated
9:16:49 AM	Chairman Chandler Note: Sacre, Candace Outstanding motions.
9:16:55 AM	Chairman Chandler Note: Sacre, Candace Public comments.
9:18:02 AM	Chairman Chandler Note: Sacre, Candace Anything else?
9:18:06 AM	Chairman Chandler Note: Sacre, Candace First witness?
9:18:09 AM	Atty Talley Hardin District No. 2 Note: Sacre, Candace Shaun Youravich.
9:18:13 AM	Camera Lock Applicant Activated
9:18:21 AM	Camera Lock Witness Activated
9:18:22 AM	Chairman Chandler Note: Sacre, Candace Witness is sworn.
9:18:28 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace Examination. Name and address?
9:18:56 AM	Atty Talley Hardin District No. 2 - witness Youravich Note: Sacre, Candace Direct Examination. Job title?
9:18:56 AM	Camera Lock Applicant Activated
9:19:01 AM	Camera Lock Witness Activated
9:19:02 AM	Atty Talley Hardin District No. 2 - witness Youravich Note: Sacre, Candace How long?

9:19:07 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace How long worked for district?

9:19:18 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Worked since 1992?

9:19:22 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Educational background?

9:19:29 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Certifications?

9:19:43 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Highest certification?

9:19:47 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Organizations and offices held?

9:20:41 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Prepare testimony?

9:20:46 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Changes or additions?

9:20:49 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Ask same questions, answers be same?

9:20:57 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Also responsible witness for some responses filed?

9:21:05 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace File revised response?

9:21:18 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Tell why did that?

9:21:40 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Ask same questions today these responses, answers be same?

9:21:55 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Learned new information about health insurance benefits?

9:22:07 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Explain?

9:22:40 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Blue Oval SK in Glendale?

9:22:45 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace In Hardin County service area?

9:22:52 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Describe labor market in Hardin County?

9:23:24 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace How describe hire workers right now?

9:23:47 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Know how many Blue Oval hiring?

9:24:10 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace What percentage of health insurance costs paid by district?

9:24:18 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Single coverage?

9:24:25 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Believe health insurance provided are reasonable?

9:24:30 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Aware BLS statistics contributions to health insurance premiums?

9:24:45 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Aware attending seminars PSC using BLS average as benchmark?

9:24:58 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Aware PSC practice use that number 78 percent for single and 67 percent family?

9:25:22 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace If PSC follows average in rate case, benefits not included in revenue requirement?

9:25:35 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace How feel using BLS national average this case?

9:26:09 AM Chairman Chandler
Note: Sacre, Candace Discussed positions. (Click on link for further comments.)

9:26:30 AM Atty Talley Hardin District No. 2 - witness Youravich
Note: Sacre, Candace Have opinion district recover costs through rates?

9:26:39 AM Chairman Chandler
Note: Sacre, Candace Ms. Fell?

9:26:40 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Cross Examination. District provides water services to customers but wholesale?

9:26:45 AM Camera Lock Comm Staff Activated

9:26:59 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Who wholesale customers?

9:27:02 AM Camera Lock Witness Activated

9:27:06 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Exhibit 6 provide notice of application to wholesale customer and 31 percent increase reflected there?

9:27:27 AM Camera Lock Comm Staff Activated

9:27:35 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Mentioned district approach by Hardin District No. 1 provide water service, contract exists?

9:27:48 AM Camera Lock Witness Activated

9:27:54 AM Camera Lock Comm Staff Activated

9:27:55 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Does current tariff or other contracts contain wholesale rate?

9:28:06 AM Camera Lock Witness Activated

9:28:10 AM Camera Lock Comm Staff Activated

9:28:11 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Who at district responsible for annual filings, tariffs, or contracts?

9:28:18 AM Camera Lock Witness Activated

9:28:22 AM Camera Lock Comm Staff Activated

9:28:24 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Believe wholesale rate filed previous documentation?

9:28:28 AM Camera Lock Witness Activated

9:28:38 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Not believe included in tariff, filed in any other previous documentation?

9:28:40 AM Camera Lock Comm Staff Activated

9:28:47 AM Camera Lock Witness Activated

9:28:51 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain why rate not included in tariff?

9:29:29 AM Camera Lock Comm Staff Activated

9:29:34 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Examination. Asking though, know whether tariff ever filed to be canceled?

9:29:35 AM Camera Lock Comm Center Activated

9:29:42 AM Camera Lock Witness Activated

9:30:01 AM Camera Lock Comm Staff Activated

9:30:04 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Cross Examination (cont'd). Aware filed rate doctrine?

9:30:16 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace From testimony and record, district experiencing decrease in wholesale sales to Hardin District No. 1, is only factor went in to calculating 31 percent increase?

9:30:47 AM Camera Lock Witness Activated

9:31:04 AM Camera Lock Comm Staff Activated

9:31:11 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Is this first general rate case district filed with Commission?

9:31:16 AM Camera Lock Witness Activated

9:31:22 AM Camera Lock Comm Staff Activated

9:31:26 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Ever performed COSS or rate analysis or this first time?

9:31:36 AM Camera Lock Witness Activated

9:31:44 AM Camera Lock Comm Staff Activated

9:32:00 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Looking at application and scheduled operations, \$37,500 increase to contractual services expenses, current rate study \$75,000, conduct another sturdy, familiar?

9:32:32 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Cost amortized over two years, confirm what amount cost of actual rate study Kenvirons did for district versus amount of expense for rate case?

9:32:54 AM Camera Lock Witness Activated

9:33:02 AM Camera Lock Comm Staff Activated

9:33:08 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Exhibit 12-a/b, page 17 out of 17, invoices, have that?

9:33:29 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Shows that Kenvirons \$37,500 for rate analysis?

9:33:34 AM Camera Lock Witness Activated

9:33:52 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace \$26,000, and then above that, rest of invoices provided 16 pages legal expense?

9:33:56 AM Camera Lock Comm Staff Activated

9:34:07 AM Camera Lock Witness Activated

9:34:11 AM Camera Lock Comm Staff Activated

9:34:13 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Planning on filing rate case in two years or rate study at that time?

9:34:19 AM Camera Lock Witness Activated

9:34:25 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace An actual rate case?

9:34:28 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Discussed and voted on, or just tentative?

9:34:47 AM Camera Lock Comm Staff Activated

9:34:56 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace 2020 Staff calculated used five percent for internal system usage, reported water loss of 13.7 percent, 2021 and 2022 Staff calculated 12 percent but loss of 13.6 percent and 14 percent, driving increase in internal system usage?

9:35:41 AM Camera Lock Witness Activated

9:36:08 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace What implemented helping better track usage?

9:36:09 AM Camera Lock Comm Staff Activated

9:36:13 AM Camera Lock Witness Activated

9:36:39 AM Camera Lock Comm Staff Activated

9:36:39 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Post-hearing provide flushing reports past five years?

9:36:40 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE FLUSHING REPORTS FOR PAST FIVE YEARS

9:37:00 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Any further plans lower system use?

9:37:01 AM Camera Lock Witness Activated

9:37:16 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Detail those?

9:37:17 AM Camera Lock Comm Staff Activated

9:37:20 AM Camera Lock Witness Activated

9:38:16 AM Camera Lock Comm Staff Activated

9:38:17 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace As part of application, requesting over \$900,000 and 22 percent increase to salary and wages?

9:38:20 AM Camera Lock Comm Center Activated

9:38:25 AM Camera Lock Comm Staff Activated

9:38:43 AM Camera Lock Witness Activated

9:38:46 AM Camera Lock Comm Staff Activated

9:38:48 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain what compromises increase to wages and how approved?

9:38:53 AM Camera Lock Witness Activated

9:39:40 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Separately or lumped together?

9:39:49 AM Camera Lock Comm Staff Activated

9:39:53 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace How determine wage increase appropriate and financially feasible?

9:40:01 AM Camera Lock Witness Activated

9:40:19 AM Camera Lock Comm Staff Activated

9:40:22 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Response to Staff First, No. 28, informal wage study performed but no formal wage study?

9:40:23 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Cannot find it, did not see where study provided, post-hearing provide copy of informal study as well as any sources relied upon?

9:40:24 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE COPY OF INFORMAL WAGE STUDY AND ANY SOURCES RELIED UPON FOR STUDY

9:41:08 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain what considerations were that went into determination wage increases requested?

9:41:14 AM Camera Lock Witness Activated

9:41:35 AM Camera Lock Comm Staff Activated

9:41:36 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Any other particulars considered or discussed by board as far as wage increases?

9:42:03 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain thoughts going forward how pay for increased wages?

9:42:07 AM Camera Lock Witness Activated

9:42:15 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain board thoughts on approval increased wages how pay for increased wages?

9:42:46 AM Camera Lock Comm Staff Activated

9:42:52 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Staff First, No. 1-c, board minutes, post hearing provide 2023 minutes?

9:42:53 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE COPIES OF ALL 2023 BOARD MINUTES

9:43:12 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain how cost of living adjustment approved annually how calculated or what publication used?

9:43:18 AM Camera Lock Witness Activated

9:43:40 AM Camera Lock Comm Staff Activated

9:43:42 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Any reports looking at, mentioned BLS, anything like that board utilizing?

9:43:49 AM Camera Lock Witness Activated

9:44:02 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Actual data, where coming from?

9:44:03 AM Camera Lock Comm Staff Activated

9:44:06 AM Camera Lock Witness Activated

9:44:19 AM Camera Lock Comm Staff Activated

9:44:21 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Report that board relied on?

9:44:24 AM Camera Lock Witness Activated

9:44:29 AM Camera Lock Comm Staff Activated

9:44:30 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Did you rely on specific report?

9:44:34 AM Camera Lock Witness Activated

9:44:38 AM Camera Lock Comm Staff Activated

9:44:40 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Still have copy of data?

9:44:47 AM Camera Lock Witness Activated

9:44:48 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Post-hearing, ask provide copy of sources relied on to determine cost of living increase?

9:44:49 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE SOURCES RELIED UPON TO DETERMINE COST OF LIVING INCREASE

9:44:53 AM Camera Lock Comm Staff Activated

9:45:09 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Explain whether COLA increase determined at flat rate or different positions different increases?

9:45:20 AM Camera Lock Witness Activated

9:45:23 AM Camera Lock Comm Staff Activated

9:45:28 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Recall for 2022 what flat rate was for COLA?

9:45:34 AM Camera Lock Witness Activated

9:45:38 AM Camera Lock Comm Staff Activated

9:45:42 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Post-hearing provide that since 2020 flat rate used for COLAs?

9:45:43 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE 2020 FLAT RATE USED FOR COST OF LIVING INCREASE

9:46:11 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Merit matrix adjustment, flat rate or by position?

9:46:19 AM Camera Lock Witness Activated

9:46:29 AM Camera Lock Comm Staff Activated

9:46:33 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Said at end of 2022 separate wage increase?

9:46:40 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace What based on?

9:46:44 AM Camera Lock Witness Activated

9:47:05 AM Camera Lock Comm Staff Activated

9:47:14 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Study presented in rate case or any additional wage study to reach results?

9:47:21 AM Camera Lock Witness Activated

9:47:35 AM Camera Lock Comm Staff Activated

9:47:50 AM Chairman Chandler
Note: Sacre, Candace Recess until five till.

9:47:53 AM Camera Lock Comm Center Activated

9:48:01 AM Camera Lock Deactivated

9:48:04 AM Session Paused

9:57:02 AM Session Resumed

9:57:10 AM Chairman Chandler
Note: Sacre, Candace Back on record.

9:57:19 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Cross Examination (cont'd). Exhibit 8, page 2, explanation of proposed adjustment, describe changes to employee roster since test year resulted in increase in pro forma wages?

9:58:12 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Occurred during 2023?

9:58:17 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Know how many employees added?

9:58:42 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Vacancies filled or additional positions created?

9:58:43 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE CHANGES TO EMPLOYEE ROSTER SINCE TEST YEAR

9:58:52 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Post-hearing provide explanation what positions vacant or added/deleted from roster, what changes made resulted in request for increase?

9:58:53 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS YOURAVICH
Note: Sacre, Candace PROVIDE EXPLANATION FOR REQUEST FOR INCREASE

9:59:26 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace COSS include Larue County as wholesale customer, Application Exhibit 19, page 28 of 28, listed zero gallons actually sold, why included there?

10:00:02 AM Staff Atty Fell PSC - witness Youravich
Note: Sacre, Candace Any contract with Larue County?

10:00:26 AM Chairman Chandler
Note: Sacre, Candace Vice Chair?

10:00:33 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Examination. Looking at rate increase request, all \$985,000 salary increases since test year in 2022?

10:01:20 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Somebody can answer better?

10:01:29 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Have more specifics?

10:01:58 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace What general thinking?

10:02:53 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Not point to specifics, have access somewhere else, if not remember, someone else would remember?

10:03:30 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Big things happening in Hardin County, having retention issues already?

10:04:30 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Hardin County growing in population, 5,000 employees, what concerns have for capacity?

10:05:28 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace And what's that date?

10:06:16 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Expecting need 11 million gallons?

10:06:20 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Currently have three?

10:06:28 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace Only pump three?

10:06:32 AM Vice Chairman Hatton - witness Youravich
Note: Sacre, Candace See more details in project?

10:06:38 AM Chairman Chandler
Note: Sacre, Candace Commissioner?

10:06:40 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace Examination. In 2022, when did test year, had not broken ground yet?

10:07:11 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace 3000 new people, bump up to 5000?

10:07:22 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace KCTS competitor for employees?

10:07:52 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace All pulling from same base of people?

10:07:56 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace As area grows, feel competent meet requirements as build out?

10:08:31 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace Assuming paying for health insurance is one of most asked about?

10:08:51 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Examination. Think have canceled sheet, canceled tariff page with a rate, for Hardin District No. 1?

10:09:06 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Can find one for City of Elizabethtown?

10:09:15 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Synonymous with Hardin District No. 1?

10:09:31 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Tell me if remember differently, Wholesale Rate for City of Elizabethtown what says?

10:10:00 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Other one specific to Elizabethtown?

10:10:11 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Cannot find a cancelled page that says Hardin County No. 1, have memory of tariff page canceled be wholesale rate for Hardin County No. 1?

10:10:26 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Believe other one specific to City of Elizabethtown?

10:10:36 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Even that one was for \$2.2935 per 1000, sound right?

10:10:49 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Rate charging now not \$2.2935?

10:10:55 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace It's \$2.20?

10:11:01 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Where get \$2.20 keep charging Hardin County No. 1?

10:11:47 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Not have agreement, just message?

10:11:59 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Less than rate used to charge Elizabethtown?

10:12:05 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Not wholesale rate for Elizabethtown?

10:12:09 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Why is that?

10:12:24 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Still have tariffs say explicable to service area of Elizabethtown, remember those?

10:12:32 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Mr. Jeffries?

10:12:38 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Have that communication?

10:12:44 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace CHAIRMAN CHANDLER - WITNESS YOURAVICH
Note: Sacre, Candace COMMUNICATION TELLING HARDIN DISTRICT NO. 1 THAT HARDIN DISTRICT NO. 2 START CHARGING \$2.20

10:13:06 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Water loss, technical difference nonrevenue water and water loss?

10:13:22 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Water loss also envision system use?

10:13:48 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace 481,000 gallon water loss, 14 percent, separate 114,000 gallons for system flushing and 244,000 for utility water treatment plant?

10:14:29 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace In 2022 built on progress in 2020-2021, 476,000 out 481,000 gallon water loss not characterized, miscellaneous loss?

10:15:11 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Line breaks, line leaks, theft, other loss explained, miscellaneous lost, why such a large amount unexplainable?

10:15:43 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Feel like have handle on loss in 2022 and 2023, but numbers indicate not characterize it, have appreciation for makeup of water loss?

10:16:39 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Line leaks or damage should indicate?

10:16:50 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Helpful fix problem if identify specific problem?

10:17:07 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace How many vacancies now?

10:17:20 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Of six this year, one retirement, 16 least last year?

10:17:32 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Have conversations about why taking another job?

10:17:49 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace How many indicated being paid more?

10:18:10 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Between third and half left?

10:18:15 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Other reasons left, taken steps address those?

10:18:31 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Somebody at plant?

10:18:46 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace How came up with market range?

10:19:00 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Compensation at Blue Oval, how come across information, how is it come to understand compensation proposed?

10:19:28 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace When answering Talley sounded like second hand, when determination last year based on first-hand knowledge what paying?

10:20:00 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Post-hearing ask for documentary evidence that leads to your position on employee verse employer pay for healthcare?

10:20:01 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace CHAIRMAN CHANDLER - WITNESS YOURAVICH
Note: Sacre, Candace DOCUMENTARY EVIDENCE THAT LEADS TO POSITION ON EMPLOYEE- AND EMPLOYER-PAY HEALTH INSURANCE

10:20:15 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Testimony paying 100 percent of health insurance?

10:20:32 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Nobody here today told you that can asks questions of how came up with information Blue Oval SK paying 100 percent of health insurance?

10:20:54 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Came about somebody told you about it?

10:20:58 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace The person who told you not here so I can ask?

10:21:05 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace Examination. Toyota or Ford opening plant pulling from same employee base, competing with Toyota or Ford?

10:21:30 AM Commissioner Regan - witness Youravich
Note: Sacre, Candace Another one opening EV batteries that pull from same employee base?

10:21:51 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Examination. Became manager in '18?

10:22:00 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Aware Hardin District No. 2 positive net income 2020 and 2021?

10:22:28 AM Chairman Chandler - witness Youravich
Note: Sacre, Candace Audited report net income basis ended years up \$1.2 and \$1.8 million?

10:22:45 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	In 2020 \$660,000 and \$425,000 and in 2022 four-million-dollar swing, from positive net income of \$425,000 to negative net income of \$3.476 million, right?
10:23:18 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	2022 is test year in case?
10:23:33 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	\$4 million swing in net income, being incurred pro forma adjustment, close to \$5 million swing, what happened between '21 and '22 result in \$3.9 million net income swing?
10:24:35 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Anything contributed to that that is material, big swing, anything that can explain?
10:25:40 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Not expense for net income basis?
10:25:58 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Have a storm or cost came in that year should have been in 2021 but came in 2022, explain any portion of \$4 million swing?
10:26:30 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Would have capitalized that?
10:26:33 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Total sales \$14.6 million?
10:26:50 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	For 2022 for total sales of water, in 2021 \$13.8 million, nothing explain \$4 million swing?
10:28:51 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Interest and dividend income?
10:29:12 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Income \$249,000 to negative \$2.3 million, what is that?
10:29:42 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Principal loss?
10:30:07 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Interest and dividend income is actual income received, not moving, \$2.3 million cash loss that year from pulling out one place and put in another?
10:31:03 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Expect cash loss, books 2023 soon be closed, good idea where numbers are?
10:31:21 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Expect \$2.3 million loss interest and dividend income for 2023?
10:31:41 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Additional questions, another witness?
10:31:58 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	\$75,000 cost of rate study, seeking half recovery, cost recovery of rate study done or looking to embed in rates cost of future study?
10:32:25 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Looking to be made whole, not including amount for half study so do every two years?
10:32:49 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Hired Kenvirons?
10:32:51 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Mr. Talley working on case?
10:32:58 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Anticipate seeking recovery of those expenses in this case?

10:33:13 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Is legal expense synonymous with rate study?
10:33:20 AM	Chairman Chandler - witness Youravich Note: Sacre, Candace	Part of this case?
10:33:35 AM	Chairman Chandler Note: Sacre, Candace	Recess until 10:45.
10:33:56 AM	Session Paused	
10:50:26 AM	Session Resumed	
10:50:34 AM	Chairman Chandler Note: Sacre, Candace	Back on record.
10:50:40 AM	Chairman Chandler Note: Sacre, Candace	Redirect?
10:50:49 AM	Atty Talley Hardin District No. 2 - witness Youravich Note: Sacre, Candace	Redirect Examination. What cost of living index or adjustment commissioners used making raises at end of 2022?
10:51:09 AM	Chairman Chandler Note: Sacre, Candace	Ms. Fell?
10:51:24 AM	Staff Atty Fell PSC - witness Youravich Note: Sacre, Candace	Recross Examination. Documentation of start date when providing wholesale service to Hardin District No. 1?
10:51:37 AM	Staff Atty Fell PSC - witness Youravich Note: Sacre, Candace	Know date?
10:51:52 AM	Staff Atty Fell PSC - witness Youravich Note: Sacre, Candace	No formal contract, be some type written communication?
10:51:52 AM	Staff Atty Fell PSC - witness Youravich Note: Sacre, Candace	Remember when started?
10:52:13 AM	Staff Atty Fell PSC - witness Youravich Note: Sacre, Candace	Post-hearing provide documentation evidence start date wholesale water service to Hardin District No. 1?
10:52:19 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace	STAFF ATTY FELL PSC - WITNESS WILLIAMS
	Note: Sacre, Candace	DATE WATER SERVICE TO HARDIN DISTRICT NO. 1 BEGAN
10:52:26 AM	Chairman Chandler Note: Sacre, Candace	Anything else?
10:52:31 AM	Chairman Chandler Note: Sacre, Candace	Call next witness.
10:52:34 AM	Atty Talley Hardin District No. 2 Note: Sacre, Candace	Vaughn Williams.
10:52:56 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
10:53:02 AM	Chairman Chandler - witness Williams Note: Sacre, Candace	Examination. Name and address?
10:53:18 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Direct Examination. Educational background?
10:53:28 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	What year?
10:53:33 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Professional engineer?
10:53:36 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	How long?
10:53:43 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Current position with Kenvirons?
10:53:46 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	How long?

10:53:54 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Worked for Kenvirons since out of college?
10:54:01 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	How long worked with Hardin District No. 2?
10:54:10 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Attend board meetings?
10:54:23 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Always some kind of infrastructure improvements going on?
10:54:30 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Familiar with district?
10:54:40 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Done hydraulic model for district?
10:54:45 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	What role with respect this case?
10:54:54 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Not learn how to do rate study or COSS at UK?
10:55:02 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	How acquire ability do rate study and COSS performed in this case?
10:55:40 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Follow that same?
10:55:44 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Look at rate studies and COSS other consultants have done?
10:55:50 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Changes?
10:56:10 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Alan Vilines?
10:56:14 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Prepare written testimony?
10:56:18 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Change or additions?
10:56:21 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	If ask same questions, answers be same?
10:56:34 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Responsible witness for some of district's responses?
10:56:47 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	Changes or additions to answers gave?
10:56:56 AM	Atty Talley Hardin District No. 2 - witness Williams Note: Sacre, Candace	If ask same questions responsible witness, answers be same?
10:57:08 AM	Chairman Chandler Note: Sacre, Candace	Counsel?
10:57:19 AM	Staff Atty Fell PSC - witness Williams Note: Sacre, Candace	Cross Examination. On page 6, stated performed billing analysis as part of study, also perform COSS as part of rate study?
10:57:48 AM	Staff Atty Fell PSC - witness Williams Note: Sacre, Candace	Page 4, stated proposed rates developed by allocating cost of service to each classification, explain allocation in more detail?
10:58:58 AM	Staff Atty Fell PSC - witness Williams Note: Sacre, Candace	Only two customer classes?
10:59:23 AM	Staff Atty Fell PSC - witness Williams Note: Sacre, Candace	Having performed analysis, any classes subsidizing another class?
10:59:53 AM	Staff Atty Fell PSC - witness Williams Note: Sacre, Candace	Explain difference rate study and cost of service study?
11:00:56 AM	Chairman Chandler Note: Sacre, Candace	Redirect?

11:01:08 AM	Chairman Chandler Note: Sacre, Candace	Mr. Talley?
11:01:12 AM	Atty Talley Hardin District No. 2 Note: Sacre, Candace	Michael Bell.
11:01:37 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
11:01:45 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Examination. Name and address?
11:01:56 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Direct Examination. Position?
11:02:01 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	When appointed?
11:02:12 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	When term expire?
11:02:19 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Served since 1986?
11:02:23 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Educational background?
11:02:33 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	How end up at Glendale?
11:02:46 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	How long serve as minister?
11:03:00 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Retired now?
11:03:13 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Active in organizations in Hardin County benefit you in your role?
11:03:45 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Attend board meetings?
11:03:51 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Live in Glendale?
11:04:07 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Have discussions with Blue Oval SK about wages and benefits planning to pay?
11:05:44 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Health insurance for employees?
11:05:49 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	100 percent for individual 100 percent for family or both?
11:05:54 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Prepare testimony in this case?
11:06:06 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Responsible witness for one of responses?
11:06:10 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	If ask same question today, answer be same?
11:06:21 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Anything add about labor market in Hardin County?
11:07:10 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Believe benefits paid reasonable?
11:07:18 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Aware BLS contributions for cost of insurance for employees?
11:07:27 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Heard testimony Youravich?
11:07:33 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	How characteristic reasonable or not reasonable?

11:08:10 AM	Chairman Chandler Note: Sacre, Candace	Presumption reasonable. (Click on link for further comments.)
11:08:20 AM	Atty Talley Hardin District No. 2 - witness Bell Note: Sacre, Candace	Have opinion on benchmark employer paying 78 percent single and family of 67 percent reasonable or unreasonable?
11:08:45 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Examination. How long Hardin District paying 95-plus percent?
11:09:24 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Even now about 95 percent?
11:09:37 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Any decisions made based off of Blue Oval or exist prior to Blue Oval?
11:09:50 AM	Chairman Chandler Note: Sacre, Candace	Counsel?
11:10:02 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	Cross Examination. Heard discussion about proposal for increased wages, annual increases presented by manager, how discussion occurs with board, studies provided whether feasible for district to pay?
11:12:28 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	When board considering increases, poll from Rural Water data base and look at regional utilities?
11:12:53 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	Ever any other studies to determine reasonability salary increases, any other study performed?
11:13:25 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	When go into board meetings, packets prepared?
11:13:36 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	Comparisons prepared for board?
11:13:50 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	Post-hearing ask for any packets prepared in preparation for board meetings past three years be provided?
11:13:51 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY FELL PSC - WITNESS BELL PROVIDE PACKETS PREPARED FOR BOARD MEETINGS PAST THREE YEARS
11:14:16 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	From district responses to discovery, Staff First, Attachment 1-h, appears commissioners receive health, dental, vision, term life, as well as retirement plan?
11:14:46 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	District planning recovering cost of commissioners benefits in rate case?
11:15:14 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	Exhibit 1-h, District Response, Staff First, tables show salaries of commissioners?
11:15:28 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	From 2018 to 2022, shows yearly salary of \$6,199.92 for Morris Miller, see that?
11:15:35 AM	Staff Atty Fell PSC - witness Bell Note: Sacre, Candace	The treasurer, explain why Miller salary is above the \$6,000 allowed by statute?
11:16:26 AM	Chairman Chandler Note: Sacre, Candace	Vice Chair, Commissioner?

11:16:34 AM	Commissioner Regan - witness Bell Note: Sacre, Candace	Examination. Recollection of where \$4 million dollar loss event or something happened?
11:18:07 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Examination. Understanding every year book to market all investments?
11:18:18 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	If stock goes up, book that as \$100 gain?
11:19:46 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	How much money pull out?
11:20:34 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Idea was saving money for years, decide to pull out because of market change or needed use money?
11:21:07 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Use money for investments or money into CDs?
11:21:24 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Know how much was pulled out?
11:21:30 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Made lots of money but was \$2.3 million dollar loss?
11:21:48 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Not remember if more than \$2.3 million?
11:22:42 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Aware selling water to No. 1?
11:22:54 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Come up in board meetings not rate set?
11:24:01 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Never undertook additional studies?
11:24:13 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	First rate case?
11:24:21 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Know what mean by tap-on fees?
11:24:42 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Taking it on the chin for tap-on fees?
11:25:00 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Bring to attention, direct them file with PSC, take vote, expect give order or report, how find out about regulatory issues?
11:27:23 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Orally conveyed or written?
11:27:52 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	May be filing another rate case, surprise, plan, discussion going on?
11:30:01 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Prerequisite for filing a rate case, need to be changed?
11:30:14 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Do that on annual basis?
11:31:33 AM	Chairman Chandler - witness Bell Note: Sacre, Candace	Case that was prodded by Commission or initiated on own?
11:32:04 AM	Atty Talley Hardin District No. 2 Note: Sacre, Candace	Not been any order for district file rate study or rate case. (Click on link for further comments.)
11:32:41 AM	Chairman Chandler Note: Sacre, Candace	Mr. Talley?
11:33:09 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.

11:33:16 AM Chairman Chandler - witness Davis
Note: Sacre, Candace Examination. Name and address?

11:33:26 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Direct Examination. Position?

11:33:31 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace How long?

11:33:42 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Been commissioner since 2009?

11:33:48 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Business background?

11:34:07 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace File testimony?

11:34:11 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Changes?

11:34:16 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Ask same questions today, answers same?

11:34:27 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Witness for data requests?

11:34:38 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Asked about plans prepare rate case in future, what know about why case filed and future?

11:35:39 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Recall district staff keeping board updated?

11:35:48 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Get income statement each month?

11:35:50 AM Atty Talley Hardin District No. 2 - witness Davis
Note: Sacre, Candace Get balance sheet?

11:36:15 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Cross Examination. Explain how district partially self-funded?

11:37:41 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace How far back district switched to partially self-insured?

11:37:53 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Aware or study utilities under similarly structured insurance plan?

11:38:18 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Any regional utilities in area have anything similar?

11:38:40 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace District responsible first \$35,000 family members or just employee?

11:39:14 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Reinsurance, pointed to aggregate stop loss reinsurance?

11:39:23 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace What covers and what protects against?

11:40:13 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Amount of aggregate stop-loss reinsurance provided application page 154, Exhibit 32, Rate Study Adjustments, Cells 26 and 27, Evaluation of 2023 Benefits, Health Insurance, Stop-Loss per Employee/Per Month?

11:44:31 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Describe how arrive at that number per employee?

11:45:10 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Same questions for expected funding, per employee per month, also fixed number?

11:45:25 AM Staff Atty Fell PSC - witness Davis
Note: Sacre, Candace Provided with copy of study?

11:45:30 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Post-hearing provide copy actual study?
11:45:31 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY FELL PSC - WITNESS DAVIS COPY OF STUDY PERFORMED TO REACH EXPECTED FUNDING FACTOR PER EMPLOYEE PER MONTH
11:46:03 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Also wellness plan, purpose and how credits are awarded?
11:47:09 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	If employee participates, any other types credits awarded?
11:47:22 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Credits different each employee?
11:47:50 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Plan is voluntary?
11:47:54 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	How many participating?
11:48:31 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Benefits offered to commissioners versus employees, offered same health insurance as employees?
11:48:55 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Able provide percentage of employee health insurance coverage paid by employer?
11:49:12 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Each employee/commissioner have different premium based on different factors or plans?
11:49:23 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	All have same premium?
11:49:46 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	New factory, benefits awarded to employees new business, determination by district to pay 100 percent benefits?
11:50:19 AM	Staff Atty Fell PSC - witness Davis Note: Sacre, Candace	Benefits to commissioners, post-hearing data request, Exhibit 1-h, supplemental update to provide 2023 salary and benefits amounts for commissioners?
11:50:20 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY FELL PSC - WITNESS DAVIS SUPPLEMENT EXHIBIT 1-H TO PROVIDE 2023 SALARY AND BENEFITS AMOUNTS FOR COMMISSIONERS
11:50:53 AM	Commissioner Regan - witness Davis Note: Sacre, Candace	Examination. Testimony, page 5, line 19 and 20, reinsurance company place laser on individuals, is that same as cap?
11:51:28 AM	Commissioner Regan - witness Davis Note: Sacre, Candace	Not change cost of premium?
11:51:44 AM	Chairman Chandler Note: Sacre, Candace	Next witness?
11:51:47 AM	Atty Talley Hardin District No. 2 Note: Sacre, Candace	Mandy Isham.
11:52:03 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
11:52:10 AM	Chairman Chandler - witness Isham Note: Sacre, Candace	Examination. Name and address?
11:52:19 AM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Direct Examination. Title?

11:52:27 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace How long been finance manager?

11:52:33 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace How long worked at district?

11:52:41 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Duties and responsibilities?

11:53:09 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Prepare financial statements for district?

11:53:23 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Educational background?

11:53:37 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Become CPA since at district?

11:53:45 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Prepare testimony?

11:53:50 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Witness for several responses?

11:53:56 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Changes or additions?

11:54:02 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace If ask same questions, answers be same?

11:54:12 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Discussion about large loss in 2022, aware accounting requirements for district state current market value of asset each year?

11:54:57 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Say that again?

11:55:06 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Have to recognize at fair market value?

11:55:17 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Show up on income statement?

11:55:22 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Aware substantial loss in 2022?

11:55:37 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Explain as best you can?

11:56:34 AM Atty Talley Hardin District No. 2 - witness Isham
Note: Sacre, Candace Have occasion look and see whether overall gain or loss?

11:56:51 AM Staff Atty Fell PSC - witness Isham
Note: Sacre, Candace Cross Examination. Exhibit 8 to application, explain which account record capitalized tax v labor?

11:57:32 AM Staff Atty Fell PSC - witness Isham
Note: Sacre, Candace Aware if tap-fee labor removed from wage adjustment?

11:58:08 AM Staff Atty Fell PSC - witness Isham
Note: Sacre, Candace Post-hearing ask provide capitalization rate of tap-fee labor last five years.

11:58:09 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY FELL PSC - WITNESS ISHAM
Note: Sacre, Candace CAPITALIZATION RATE OF TAP-FEE LABOR LAST FIVE YEARS

11:58:23 AM Staff Atty Fell PSC - witness Isham
Note: Sacre, Candace Wages included in rate study adjustments, current wages paid by district?

11:58:39 AM Staff Atty Fell PSC - witness Isham
Note: Sacre, Candace Already being paid by district, confirm that?

11:59:10 AM Chairman Chandler - witness Isham
Note: Sacre, Candace Examination. Way accounting mark to market any given year, distinction between sold and not having sold if sold on Dec 31?

12:00:05 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Sold at market, accurate?
12:00:10 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	End of year, account at \$2.3 million reduction from value had on it last year and not sell anything, under Account 419, negative \$2.3 million amount?
12:01:19 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Reflection in negative number for interest and dividend income?
12:01:46 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Are realized/unrealized gains and losses from property exclusively real property?
12:02:13 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Why gains or losses not be booked to account specific to that?
12:03:34 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	\$3.9 million swing in net income, when accounted this way reflected in net income?
12:03:54 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	If unrealized any given year, because in account, showing up as net income even though no gain or loss?
12:04:14 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Not cash basis calculation?
12:04:24 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Going up reflect mark to market any given year?
12:04:49 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Unrealized gain showing up cash income basis and net income?
12:05:07 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Annual report filed with us know whether that is case?
12:05:40 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Showing up in this account because sold or also showed up negative had loss been unrealized?
12:06:02 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	If unrealized in that account, lost money not pull out, still showing negative net income of \$2.348 million, not actually a cash loss?
12:06:50 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Another million-plus dollars, revenues up, big expense item, what happened between 2021 and 2022 result in big expense?
12:07:32 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Decrease in '21 to '22 for depreciation expense, 2022 not have full year's depreciation for that?
12:07:56 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Annualize depreciation expense in '22 or change expense to ensure full year depreciation expense included?
12:09:02 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Money pulled out, what size was principal?
12:09:19 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Original investment marked to market before loss?
12:09:32 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	\$2.3 million higher for book purposes year before when marked to market?
12:09:43 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	How much in other investments?
12:09:58 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	In CDs?
12:10:19 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Underlying value may change, mark to market those treasuries?

12:10:30 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Change in market value reflected in same interest and dividend income?
12:10:37 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Put in sub-account differently so one shows up cash basis and other one doesn't?
12:11:08 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Value of underlying treasury market value goes up \$50 in year, coupon payment is \$50, \$100 increase total related to investment?
12:11:23 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	But only fifty cash on hand and other fifty increase underlying value, account for those equally?
12:12:02 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Get in hand \$50 coupon payment but not get \$50 in hand for value increase value of underlying treasury?
12:12:16 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Show up on income statement same, show up on cash basis income the same?
12:12:26 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Ask as post-hearing data request?
12:12:27 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS ISHAM FIGURES APPEAR ON INCOME STATEMENT AND CASH BASIS INCOME THE SAME
12:12:32 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Anticipate a \$2.3 million dollar loss?
12:12:44 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Way invested ensure not the case?
12:13:00 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	In 2023, net income positive or negative?
12:13:14 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Rate base net income and on cash basis?
12:13:20 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	By including and not including depreciation, both positive?
12:13:24 PM	Chairman Chandler Note: Sacre, Candace	Mr. Talley?
12:13:31 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Redirect Examination. Williams written testimony, schedule of operations, work with Vaughn when doing rate study put together schedule of operations?
12:14:03 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Have first page there, statement of adjusted operations?
12:14:07 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Look under revenue requirements, 2022, \$16,792,735?
12:14:33 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Less other things, then shows nonutility income \$204,947?
12:14:43 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Interest income is blank?
12:15:01 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Reference of I, go to next page and read I?
12:15:34 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Understand statement of adjustment operations know whether district recover \$2.3 million loss or just a wash?

12:15:55 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	Working with Vaughn, doing rate study, set aside loss district had, reduce revenue requirements by interest earnings in 2022?
12:16:11 PM	Atty Talley Hardin District No. 2 - witness Isham Note: Sacre, Candace	District asking Commission raise rates so can collect \$2.3 million loss?
12:16:30 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Examination. Pulled out \$15 million, reinvested and spent, \$292,433 all money made nonutility income other than related to principal withdrawn?
12:17:15 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Spent and reinvested in addition to amount kept?
12:17:45 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	\$292,433 what expect to happen and did happen in 2023 nonutility income?
12:18:13 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	If reinvested good portion, just amount of income for other stuff, making money in 2023 from that investment?
12:18:44 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	About twice amount have here?
12:18:48 PM	Chairman Chandler - witness Isham Note: Sacre, Candace	Post-hearing ask for interest income in 2023?
12:18:49 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS ISHAM AMOUNT OF INTEREST INCOME IN 2023
12:19:08 PM	Chairman Chandler Note: Sacre, Candace	Anything else on that issue?
12:19:20 PM	Chairman Chandler Note: Sacre, Candace	Anything else, Ms. Fell?
12:20:20 PM	Chairman Chandler Note: Sacre, Candace	Post-hearing data requests.
12:20:38 PM	Chairman Chandler Note: Sacre, Candace	Briefs.
12:21:28 PM	Chairman Chandler Note: Sacre, Candace	Anything else, Mr. Talley?
12:22:46 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
12:22:50 PM	Chairman Chandler Note: Sacre, Candace	Adjourned.
12:23:11 PM	Session Ended	

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