

# Hardin County Water District No. 1

*Serving Radcliff and Hardin County for Over 50 Years*

1400 Rogersville Road  
Radcliff, KY. 40160

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February 12, 2007

Mr. David Spenard  
Assistant Attorney General  
1024 Capital Center Drive, Suite 200  
Frankfort, KY 40601

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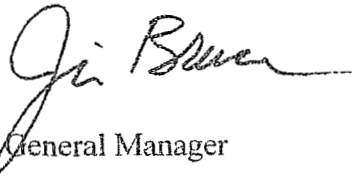
PUBLIC SERVICE  
COMMISSION

**SUBJECT: Response to AG Data Request No. 1  
PSC Case No. 2006-00410**

Dear Hon. David Spenard;

Attached please find the answers to your three questions as presented in your motion filed with the Public Service Commission, on February 2, 2007. If you have any questions or need clarification on these items, please do not hesitate to contact me directly.

Sincerely,



Jim Bruce, General Manager

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

Mr. David Wilson, II, Esq  
HCWD1 Attorney  
Skeeters, Bennett, Wilson & Pike  
550 W. Lincoln Trail Blvd.  
Radcliff, KY 40160

Mr. Brent Tippey, P.E.  
Quest Engineers  
2517 Sir Barton Way  
Lexington, KY 40509

Encl. Certification of Service

RESPONSE TO ATTORNEY'S GENERAL REQUEST No. 1 FOR INFORMATION

RE: Hardin County Water District No. 1 - REQUEST FOR GENERAL RATE ADJUSTMENT  
PSC Case No. 2006-00410

Question (1); HCWD response to PSC Data Request No. 1 (PSC -1), Payables Journal Report. Please confirm (A) that HCWD made payments of monthly dues to the Radcliff Rotary Club; (B) indicate why these payments were made; and (C) indicate how these payments are beneficial to ratepayers in furnishing utility service.

ANSWER (A): Yes, HCWD did make payments during the test year of \$420.

(B): These payments were made to attend weekly luncheons, providing a meal to the attending District employee. These are also considered dues to the Rotary Club, however a tangible meal is provided in exchange for the payment made.

(C): HCWD believes that having a management employee attend these lunches keeps the District informed about 1) customer concerns and issues, 2) provides an outlet for District to inform and communicate about its accomplishments, projects and construction projects directly to customers, and often is allowed to make announcements to the club about upcoming events, projects, water quality changes or water quantity updates.

The financial impact to each HCWD customer during the test year is equivalent to \$0.0037 (< four tenths of one penny) per month. The District believes that the value received for this participation, and resulting exchange of information, and meals provided, is worth the impact and cost to its customer base, and is related and beneficial to the management and operations of a water utility.

Question (2); HCWD response to PSC Data Request No. 1 (PSC -1), Payables Journal Report. Please confirm (A) that HCWD made payments to Metro United Way of Central Kentucky; (B) indicate whether these payments were voluntary contributions of employees withheld from payroll checks, payments made by HCWD to Metro United Way of Central Kentucky, or a mix of both; (C) to the extent that any of the money was that of HCWD (as opposed to employee donation), indicate why these payments were made; and (D) to the extent that any of the money was that of HCWD, indicate how these payments are beneficial to ratepayers in furnishing utility service.

ANSWER (A): Yes, HCWD did make payments during the test year.

(B): 100% or all of these payments were derived from voluntary employee contributions, withheld from their paychecks, and remitted to the agency by HCWD. None of these payments were use of customer or HCWD funds.

(C): Not applicable

(D): Not applicable

Question (3); HCWD response to PSC Data Request No. 1 (PSC -1), Payables Journal Report. Please confirm (A) that HCWD is a member of or has a subscription with Radcliff-Hardin County Chamber of Commerce; (B) indicate why these payments were made; and (C) indicate how these payments are beneficial to ratepayers in furnishing utility service.

ANSWER (A): Yes, HCWD is a member of and payed annual dues during the test year of \$395 to the Radcliff-Hardin County Chamber of Commerce.

(B): These payments were made to maintain membership in the Chamber and to qualify for discounts in training, workshops and to receive a to receive a periodic newsletter of business and community events. Attached is a list of benefits the District receives by being a member of the Chamber.

(C): HCWD believes that it and its customers benefit from Chamber membership in the following ways;

1. Reduced cost of training sessions. Periodically, the Chamber sponsors “brown bag” training sessions on supervision and business management, which District supervisors have attended and benefitted from in past.
2. Attending Chamber events results in District employees staying in contact with and learning from business owners and employees (the majority of which are District customers) which results in the District being more informed about; 1) customer concerns and issues, 2) provides an outlet for District to inform and communicate about its accomplishments, projects and construction projects directly to customers, and often is allowed to make announcements to the club about upcoming events, projects, water quality changes or water quantity updates.
3. The District has received several business awards in recent years from the Chamber, in recognition of its quality customer service. The District believes this recognition directly improves its customer’s confidence in its operations and drinking water quality. Improving “consumer confidence” in public water utilities is a direct charge and mandate of the U.S., EPA, and is part of the Safe Drinking Water Act, amended.

The financial impact to each HCWD customer during the test year is equivalent to \$0.0035 (< four tenths of one penny) per month. The District believes that the value received for this participation, and resulting exchange of information, services and discounts is worth the impact and cost to its customer base, and is related and beneficial to the management and operations of a water utility.

VERIFICATION


The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed data response and answers, and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

HARDIN COUNTY WATER DISTRICT No. 1

By   
JAMES S. BRUCE, GENERAL MANAGER

CERTIFICATION

This is to certify that a true and correct copy of the foregoing was delivered this 12 day of February, 2007 to Ms. Beth O'Donnell, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204.

  
Mr. David T. Wilson II, ESQ.  
Attorney for Hardin County Water District No. 1

STATE OF KENTUCKY  
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 12<sup>th</sup> day of February, 2007, personally appeared before me, James S. Bruce and David T. Wilson, II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.

  
NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; October 30, 2008