

OCT 08 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF SOUTH ANDERSON
WATER DISTRICT FOR A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY
TO BEGIN CONSTRUCTION OF NEW OFFICE
HEADQUARTERS**

Comes South Anderson Water District (hereinafter "the District"), by and through counsel, and submits the following Answers to the Commission Staff's First Request for Information to South Anderson Water District propounded on it by the Commission. The District specifically reserves the right to supplement the Answers to these Requests as additional information becomes available.

REQUEST NO. 1: State the square footage of the present office as compared to the square footage of the proposed facility.

RESPONSE: The current location has approximately 900 square feet of office space while the proposed office consists of approximately 1,600 square feet of office space.

REQUEST NO. 2: State whether the proposed facility has handicapped access and whether the current facility has handicapped access.

RESPONSE: The current location is not handicap accessible. The proposed location is handicapped accessible including wheelchair accessibility which is not possible in the current location.

REQUEST NO. 3: The application states that the proposed facility would have considerably more parking. Provide a more specific response as to how many spaces the parking lot attached to the proposed facility has and whether this parking lot is reserved for the exclusive

use of South Anderson District or if it shared with other businesses.

RESPONSE: The current facility has street parking only on Main Street and employee parking in the rear of the building is shared with two other businesses and an apartment making parking an ongoing concern. The proposed office has a private parking area which would be for the exclusive use of District's customers. The parking area of the proposed facility offers 6-8 customer parking spots as well as an area for employee parking in the rear of the building. This is more than enough parking for the District's needs.

REQUEST NO. 4: Provide the current monthly amount of the rental expense for the current office.

RESPONSE: The current rental expense is \$500.00 per month.

REQUEST NO. 5: Provide the total amount paid for the rental expense of the current office for the year 2017.

RESPONSE: The total rent paid in 2017 for the current office was \$6,000.00.

REQUEST NO. 6: Provide the total amount paid for each utility expense associated with the current office for the year 2017

RESPONSE: The total utility expenses paid for the current office in 2017 were approximately \$6,000.00.

REQUEST NO. 7: Provide the total amount paid for each of the following expenses associated with the current office for the year 2017.

- a. Cleaning
- b. Maintenance
- c. Security

RESPONSE:

- a. Cleaning: \$1,440.00
- b. Maintenance: \$250.00
- c. Security: As far as building security, security cameras have been installed for many years and there is no monthly fee. The District also pays for security on its computers to protect customer and District information. In 2017, the District paid \$11,040.00 for internet/computer security.

REQUEST NO. 8: Provide an estimation of the monthly expenses associated with ownership of the new property. At a minimum, include the expenses previously requested for the current office, as well as any additional expenses, that will be incurred.

RESPONSE: The utility expenses for the proposed office building should remain the same except for an additional \$300.00 per year for HVAC maintenance and water/sewer charges of approximately \$670.00 per year (water is currently included in rent). Therefore, the total expenses for the proposed building would be approximately \$6,970.00

REQUEST NO. 9: Refer to the application, Item 12 state, which states that South Anderson District has the funds on hand to purchase the building, an amount of approximately \$231,500.00. Explain in detail the source of these funds.

RESPONSE: The District has sufficient funds in its Revenue Fund for the purchase price of the building as well as any necessary renovations. The funds had been saved and accumulated over time in anticipation of acquiring a new office building either through purchase or construction. Initially, the District expected to pay considerably more than \$231,500.00 for an office building which would provide the necessary accommodations.

However, the proposed purchase provides for those needs at approximately ½ of the expected cost.

REQUEST NO. 10: Provide the name of the seller of the building South Anderson District proposes to purchase.

RESPONSE: Conway & Lloyd Real Estate Company

REQUEST NO. 11: Describe the relationship of the current owner of the building with South Anderson District.

RESPONSE: There is no personal or familial relationship between Conway & Lloyd or it's owners, shareholders and officers and the District's Commissioners. Conway & Lloyd is a locally owned realty company.

REQUEST NO. 12: Explain how the purchase price of the proposed building was determined.

RESPONSE: The sales price was locally advertised. The District's Chairman, Eddie Stevens, was designated to act as purchasing liaison by unanimous vote of the Board at its general meeting. After Mr. Steven's inspection of the building, he was further authorized to negotiate the purchase of the building within the parameters set by the Commission.

REQUEST NO. 13: Provide the most recent appraisal of the proposed building. If no appraisal is available, provide comparable property sales and their specifications that have occurred in the past three years.

RESPONSE: Due to the specifications of this building, there are no adequate comparable properties for the proposed building. Attached are similar buildings from local areas but even those are not similar enough to give a fair comparison based on the age, location and improvements of the building. The District based the reasonableness of the purchase price on the

fact that, in Anderson County, this building with its improvements and amenities is considerably less expensive than if the District were to construct a building of similar specifications and requires little renovating to be move in ready. In fact, the District had intended to construct a new office building until it learned that this proposed building was for sale and met all of the District's needs.

REQUEST NO. 14: Provide the previous use of the building South Anderson District is proposing to purchase.

RESPONSE: The building was originally constructed as office space for Conway & Lloyd Real Estate. When Conway & Lloyd relocated, the property was used as rental property until it was listed for sale.

REQUEST NO. 15: Provide a list of any renovations, and detailed estimated costs of each renovation, of the proposed building that will be necessary to meet the needs of South Anderson District.

RESPONSE: Below are the necessary renovations for the proposed building in order to meet the needs of the District:

1. Painting (complete interior): \$3,750.00
2. Secure drop-box for after-hour payments: \$850.00
3. Interior doors, locks, closers and rails for ADA compliance \$1,200.00
4. Exterior Sign and Door bells for Handicap entrance: \$1,050.00
5. Remodel counters, cabinets and payment window in reception area: \$2,250.00
6. Remodel break area: \$450.00
7. Install key box, first aid cabinet, bulletin boards, and blinds: \$325.00



EDDIE STEVENS, Chairman
South Anderson Water District

STATE OF KENTUCKY)
COUNTY OF ANDERSON)

Subscribed, sworn to and acknowledged before me, a Notary Public in and for the state and county aforesaid, by *Eddie Stevens, Chairman* to be his free act and deed on this the 4th day of October, 2018.



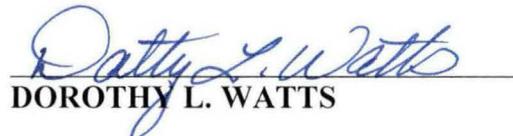
Notary Public, State at Large

My Commission Expires: 10/7/2018.

CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Answers to Interrogatories and Requests for Production of Documents was served via first class U.S. Mail, postage prepaid, upon the following parties on the 5th day of October, 2018:

Gwen R. Pinson
Executive Director
Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602



DOROTHY L. WATTS

Agent Detail Report

Property Type Comm/Prof/Ind **Include** Property Subtype Office **Areas** Anderson County, Fayette County NE 2, Fayette County NW 1, Fayette County SW 4, Franklin County, Fayette County SE 3 **Status** Sold (9/25/2015 or after) **Price** 100,000 to 500,000
Listings as of 09/28/18 at 2:57pm

Sold 04/28/17 **Listing # 1613612** 1228 S US Highway 127, Frankfort, KY 40601 **Listing Price: \$450,000**
County: Franklin **Cross St:**



Property Type	Comm/Prof/Ind	Property Subtype	Office
Area	Franklin County	Subdivision	Commercial
Year Built	Unknown	(Approx) Living Area	2736
Tax ID		Lot Sq Ft (approx)	29185
		Lot Acres (approx)	0.6700

Additional Pictures

DOM/CDOM 231/231

Directions Interstate 64 to Frankfort/Lawrenceburg exit. Take US 127 toward Frankfort. Building is located at the fourth stop light.

Marketing Remark Building and lot located in a high traffic area with great street visibility. Was used in the past as professional office space. Men/women restrooms located on lower level. Additional basement square footage of 1,989. The garage is heated, cooled and has a generator. The building is located near Interstate 64.

Agent-Only Rmrks Zoning for this building is CH. The basement square footage is 1,989. Extra building with 586 square feet of space. This garage is heated, cooled and has a generator. Does not have sprinklers or an elevator in either building.

Listing Agent	Sharon Hadley (ID:59720) Primary:502-330-7100 Secondary:502-223-5500 Other:502-695-3634, FAX: 502-223-7852
LA Email	sharon_hadley@hotmail.com
Listing Office	Capital Realty and Investments (ID:684) Phone: 502-223-5500, FAX: 502-223-7852
Listing Co-Agent	Edward C Kelsey Jr. (ID:68401) Primary:502-330-9798 Secondary:502-223-5500 Other:502-330-9798
Listing Co-Office	Capital Realty and Investments (ID:684) Phone: 502-223-5500, FAX: 502-223-7852
Agreement Type	Excl. Right to Sell Listing Date 06/20/16

Commission 3% **Variable Rate** No

Pending Date 02/06/17 **Estimated Selling Date**

Sold Price 420,000 **Selling Date** 04/28/17
SP % LP 93.33

Selling Agent Sharon Hadley (ID: 59720) Phone: 502-330-7100	Selling Office Capital Realty and Investments (ID: 684) Phone: 502-223-5500
Selling Co-Agent	Selling Co-Office
Financing Cash	Selling Comments 0

Other Sold Information

Buyer Out of County Yes	Buyer Out of State No
Seller Leaves County No	Seller Leaves State No
New Construction No	First Time Buyer No
Was listing a FSBO? No	Sale Type Arms Length Sale
Closing Cost/Prepays 0	Other Concessions 0
Other Info 0	Tax Rate 13.245
Lot Front Footage 100	Lot Depth 280
Building SF 4725	Warehouse SF 586
Current Zoning Highway Commercial	ADA Accessible No
# of Drive-in Doors 1 (In smaller building.)	Inground Tank? No
Railroad Siding? No	# of Men's Restrooms 1
# of Women's Rstrm. 1	

Financial Info

Electric \$120 (Average per month)	Sewer & Water \$28 (Average per month)
---	---

Building & Land Data

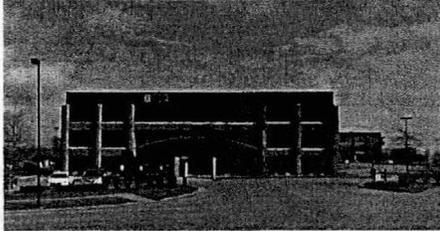
Terms Sale	Sale/Lease Includes Buildings, Land
Construction Brick, Vinyl	Roof Type Shingle
Ceiling Drywall	Floor Type Tile/Brick, Partially Carpeted
Number of Buildings 2	Number of Stories Basement
Utilities on Site Electricity Avail, Natri Gas Avail, Water Available	Sewer Sewer Connected
Sprinklers None	Parking 6 - 10 Spaces
Docks None	Misc. Features Air Conditioning

Presented By: Dwight A Conway / Conway Real Estate Phone: 502-680-7793
 Featured properties may not be listed by the office/agent presenting this brochure.
 Information has not been verified, is not guaranteed and subject to change.
 Copyright ©2018 Rapattoni Corporation. All rights reserved.
 U.S. Patent 6,910,045

Agent Detail Report

Property Type Comm/Prof/Ind **Include Property Subtype** Office **Areas** Anderson County, Fayette County NE 2, Fayette County NW 1, Fayette County SW 4, Franklin County, Fayette County SE 3 **Status** Sold (9/25/2015 or after) **Price** 100,000 to 500,000
Listings as of 09/28/18 at 2:57pm

Sold 05/30/17 **Listing # 1624034** 535 Wellington Way #360, Lexington, KY 40503 **Listing Price: \$425,000**
County: Fayette **Cross St:**



Property Type	Comm/Prof/Ind	Property Subtype	Office
Area	Fayette County SE 3	Subdivision	Commercial
Year Built	2006	(Approx) Living Area	2355
Tax ID		Lot Sq Ft (approx)	67518
		Lot Acres (approx)	1.5500

Additional Pictures

DOM/CDOM 132/132

Directions Located between Nicholasville Road and Clays Mill Road

Marketing Remark 2,355 square foot office condominium for sale in the desirable Wellington Office Park. This suite consists of up to 14 private offices, Large break room, Large reception area, copy area and a lot of high end finishes. Great opportunity to own your own office space.

Listing Agent	Kevin Verhoven (ID:17005) Primary:859-224-8833, FAX: 859-219-9666
LA Email	kverhoven@thegibsoncompany.com
Listing Office	The Gibson Company (ID:170) Phone: 859-224-8833, FAX: 859-219-9666
Listing Co-Agent	Brian Erwin (ID:10169) Primary:859-492-5416 Secondary:859-224-8833 Other:859-492-5416
Listing Co-Office	The Gibson Company (ID:170) Phone: 859-224-8833, FAX: 859-219-9666
Agreement Type	Excl. Right to Sell Listing Date 10/28/16

Commission 3% **Variable Rate** No

Pending Date 03/09/17 **Estimated Selling Date**

Sold Price 405,000 **Selling Date** 05/30/17
SP % LP 95.29

Selling Agent Katie Feola (ID: 76274) Phone: 859-552-8457 **Selling Office** Rector Hayden, Realtors (ID: 249) Phone: 859-276-4811

Selling Co-Agent **Selling Co-Office**
Financing Conventional **Selling Comments**

Other Sold Information

Buyer Out of County No	Buyer Out of State No
Seller Leaves County No	Seller Leaves State No
New Construction No	First Time Buyer No
Was listing a FSBO? Yes	Sale Type Arms Length Sale
Closing Cost/Prepays 0	Other Concessions 0
Other Info 0	Trade Name Use Wellington Office Park
Tax Rate 1.20	Current Zoning P-1
ADA Accessible Yes	Fire Code Yes

Presented By: Dwight A Conway / Conway Real Estate Phone: 502-680-7793
 Featured properties may not be listed by the office/agent presenting this brochure.
 Information has not been verified, is not guaranteed and subject to change.
 Copyright ©2018 Rapattoni Corporation. All rights reserved.
 U.S. Patent 6,910,045