COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CITY OF DRAKESBORO D/B/A DRAKESBORO)	
NATURAL GAS COMPANY - ELECTRONIC)	
INVESTIGATION OF ALLEGED FAILURE TO)	CASE NO. 2019-00065
COMPLY WITH KRS 278.495, 807 KAR 5:027,)	
AND 49 C.F.R. PART 192)	

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 June 19, 2019 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on June 19, 2019 in this proceeding;
- 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 June 19, 2019.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits 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://www.youtube.com/watch?v=_7s5IV5hRGg.

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 13th day of September 2019.

Gwen R. Pinson

Executive Director

Public Service Commission of Kentucky

Steven R. Punson

Drakesboro Natural Gas Co. 212 Mose Rager Boulevard P. O. Box 129 Drakesboro, KY 42337 Drakesboro Natural Gas Co. Drakesboro Natural Gas Co. 212 Mose Rager Boulevard P. O. Box 129 Drakesboro, KY 42337 Ryan Driskill Attorney Yonts, Sherman & Driskill, P.S.C. P.O. Box 370 Greenville, KENTUCKY 42345

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CERTIFICATION

- I, KaBrenda L. Warfield, hereby certify that:
- 1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on June 19, 2019. Formal Hearing Log, Exhibit List, Exhibits, and Witness List are included with the recording on June 19, 2019;
 - 2. I am responsible for the preparation of the digital recording;
- 3. The digital recording accurately and correctly depicts the Formal Hearing of June 19, 2019; and
- 4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of June 19, 2019 and the time at which each occurred.

Signed this 12th day of September, 2019.

KaBrenda L. Warfield, CKP

Paralegal Consultant

Stephanie Schweighardt, Notary Public

State at Large

Commission Expires: January 14, 2023

ID#: 614400



Session Report - Detail

2019-00065 19June2019

City of Drakesboro d/b/a Drakesboro Natural Gas Company (Drakesboro)

Date:	Туре:	Location:	Department:
6/19/2019	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Marvin Anderson; Melissa Holbrook; Mike Jones; Jeffery Roberts; Donald Sims

Judge: Robert Cicero; Talina Mathews; Michael Schmitt

Clerk: KaBrenda Warfield

Event Time	Log Event	
8:37:07 AM	Session Started	
8:37:08 AM	Session Paused	
10:04:40 AM	Session Resumed	
10:04:41 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Chairman Schmitt stating preliminary remarks and introduction of Vice Chairman Cicero and Commissioner Mathews.
10:04:55 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	We are here today for the purpose of receiving evidence in Case No. 2019-00065 City of Drakesboro d/b/a Drakesboro Natural Gas Company alleged failure to comply with KRS 278.495, 807 KAR 5:027 and 49 C.F.R. part 192.
10:05:27 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	The Commission held a previous hearing on March 8, 2019 concerning [click on link for Chairman Schmitt's remarks.]
10:05:42 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	After testimony was taken an Order was issued. As to actions that Drakesboro was required to take. [Click on link for Chairman Schmitt's remarks.)
10:06:05 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	A subsequent Order was entered scheduling the hearing for today and if necessary tomorrow on the violations.
10:06:17 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	So at this point and time would Counsel for the City of Drakesboro please identify himself for the record together with his client and witnesses that he has with him here today?
10:06:21 AM	Chairman Schmitt	,
	Note: Schweighardt, Stephanie	Asking for introductions of counsel, witnessess and PSC staff
10:06:29 AM	Atty Driskill Drakesboro	
	Note: Warfield, KaBrenda	Mayor Mike Jone.
10:06:39 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Did you have witnesses that will testify ultimately?
10:06:42 AM	Atty Driskill Drakesboro	
	Note: Warfield, KaBrenda	Donald Sims, Jeffery Robertson and Marvin Anderson.
10:07:01 AM	Chairman Schmitt	Ali I. A. I.C. O. C.
10.07.02 444	Note: Warfield, KaBrenda	Alright sure. And for Staff?
10:07:03 AM	Staff Atty Park PSC	Also consisting Chause Moutin fuors Duraness
	Note: Warfield, KaBrenda	Also expecting Shawn Martin from Russmar. Melissa Holbrook
	Note: Schweighardt, Stephanie	מטוטוטוטטא

10:07:30 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	At this time are there any pending motions?
10:07:33 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Or anything you would like to say or address to the Commission Mr. Driskill on behalf of your client?
10:07:39 AM	Chairman Schmitt	
	Note: Schweighardt,	Asking for pending motions
	Stephanie	
10:07:50 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	I haven't seen so I don't know. Are there any new exhibits that anyone intends to introduce and if so it might be good to go on and exchange those now to let the people see them?
10:07:55 AM	Chairman Schmitt	
	Note: Schweighardt,	Asking for any exhibits to be exchanged
	Stephanie	
10:08:25 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	If you haven't seen those then perhaps we can go ahead and let you see them now.
10:09:12 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Alright if anything happens and we need to take a few minutes we'll go ahead and do that.
10:09:18 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Alright Mr. Park at this time will you call your first witness?
10:09:18 AM	Chairman Schmitt	A 1 AU
	Note: Schweighardt,	Ask Attorney to call first witness
10:09:35 AM	Stephanie Chairman Schmitt	
10:09:33 AM	Note: Warfield, KaBrenda	One thing I guess I did not get into the last time of what we usually
	Note: Warrield, Rabierida	do at a hearing is Counsel should examine the witness from the chair or standing but not approach the witness unless asked and
10.00.E7 AM	Chairman Cohmitt witness Halb	permission is granted.
10:09:57 AM	Chairman Schmitt - witness Holb	
10:10:08 AM	Note: Warfield, KaBrenda Chairman Schmitt	Swearing the witness in.
10.10.00 AM	Note: Warfield, KaBrenda	Mr. Park you may ask.
10:10:10 AM	Staff Atty Park PSC - witness Ho	·
10.10.10 / 11 /	Note: Warfield, KaBrenda	Direct Examination.
10:11:41 AM	PSC EXHIBIT 01	Direct Examination
	Note: Warfield, KaBrenda	STAFF ATTY PARK PSC - WITNESS HOLBROOK
	Note: Warfield, KaBrenda	FOLLOW UP INSPECTION REPORT
10:11:59 AM	Staff Atty Park PSC	
	Note: Warfield, KaBrenda	I would like to introduce as a hearing exhibit a copy of the report as Staff Exhibit 01.
10:12:05 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Any objection?
10:12:06 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Let it be entered as Staff Exhibit 01.
10:12:52 AM	Staff Atty Park PSC - witness Ho	lbrook
	Note: Warfield, KaBrenda	Direct Continued.
10:15:55 AM	Vice Chairman Cicero	
10 15 50 111	Note: Warfield, KaBrenda	May I ask a quick question?
10:15:58 AM	Vice Chairman Cicero - witness H	
	Note: Warfield, KaBrenda	So the plans that were submitted for review, two of them you haven't reviewed yet?

10:16:04 AM	Vice Chairman Cicero - witness Holbr	rook
	Note: Warfield, KaBrenda Of	f the other ones are you satisfied that the plans that were
		ıbmitted are adequate?
10:16:09 AM	Vice Chairman Cicero - witness Holbr	
	·	kay thank you. Go ahead.
10:16:10 AM	Staff Atty Park PSC - witness Holbroo	
	,	irect Continued.
10:26:53 AM	Chairman Schmitt - witness Holbrook	
40.07.40.44	•	ow the Class Two Leaks, were any of them repaired?
10:27:13 AM	Chairman Schmitt - witness Holbrook	
10.27.20 AM		hat do the regulations say about the repair of class two leaks?
10:27:28 AM	Chairman Schmitt - witness Holbrook	
10:27:33 AM		nank you.
10:27:33 AM	Staff Atty Park PSC - witness Holbroo Note: Warfield, KaBrenda Di	irect Continued.
10:34:42 AM	Chairman Schmitt - witness Holbrook	
10.54.42 AM		when was that done? Do you know?
10:34:54 AM	Chairman Schmitt	o when was that done: Do you know:
10.54.54 AM		nank you.
10:34:58 AM	Staff Atty Park PSC - witness Holbroo	•
10.51.507111	•	irect Continued.
10:44:37 AM	Staff Atty Park PSC - witness Holbroo	
101111077111	•	have no further questions.
10:44:39 AM	Chairman Schmitt	
		ounsel Cross Examination?
10:44:46 AM	Atty Driskill Drakesboro - witness Ho	
	•	ross Examination.
11:07:00 AM	Atty Driskill Drakesboro - witness Ho	lbrook
	•	naudible.
11:07:03 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda Co	ommissioner Cicero any questions?
11:07:07 AM	Vice Chairman Cicero - witness Holbr	rook
		st to confirm the last questions you received. Do you believe that
		ere is corporation from Drakesboro to address the issues that you
11 07 10 414		ave brought to them?
11:07:19 AM	Vice Chairman Cicero - witness Holbr	
11.07.22 AM		o progress is being made?
11:07:22 AM	Vice Chairman Cicero - witness Holbr	
11.07.24 AM	Note: Warfield, KaBrenda In Chairman Schmitt	audible.
11:07:24 AM		ommissioner Mathews?
11:07:29 AM	Chairman Schmitt - witness Holbrook	
11.07.23 AM		s. Holbrook I guess I know we had a hearing in March about the
		ondition of the system the first time you made your inspection
		lick on the link for Chairman Schmitt's remarks.]
11:07:30 AM	Chairman Schmitt	
	Note: Schweighardt, As	sking Witness to explain reason why she went to Drakesboro to
	-	onduct an inspection.
11:07:52 AM	Chairman Schmitt - witness Holbrook	ζ.
		that the record is complete can you just give us a brief summary
		your understanding of why you went to Drakesboro in the first
	pla	ace and what your initial observations were of the system?

11:08:11 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda I'd like to know what the system was in the beginning when you
	were there.
11:09:02 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Without an operator would Drakesboro then be in automatic violation of Federal law and regulations?
11:09:14 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Alright go head and tell us about Mr. Brake or what happended next.
11:09:57 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Mr. Brake as I understand it, he had been responsible for operating the City of Drakesboro Gas System for some time? Would that be fair to say?
11:10:25 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda And when he left, he left the system without anyone qualified to
	operate the system?
11:11:16 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Vanguard was what a third party contractor?
11:11:23 AM	Chairman Schmitt
	Note: Schweighardt, Regarding third-party contract
11-11-20 AM	Stephanie Shairman Calamitta and Hallamak
11:11:29 AM	Chairman Schmitt - witness Holbrook
11.12.17 ٨٨٨	Note: Warfield, KaBrenda Why is that a huge issue?
11:12:17 AM	Chairman Schmitt - witness Holbrook
11:12:23 AM	Note: Warfield, KaBrenda Is there a record or anything? Chairman Schmitt
11.12.23 AM	Note: Schweighardt, Regarding last record of odor test being completed
	Stephanie
11:12:31 AM	Chairman Schmitt - witness Holbrook
111121317111	Note: Warfield, KaBrenda So there may or may not of been odorant placed in there? But there
	is no record in any event of it?
11:12:37 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda This is under Mr. Brakes watch?
11:13:55 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda (Iced Over) What does that mean? I heard you say that, that was a problem?
11:14:46 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda
11:15:40 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Would there be a record?
11:17:42 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda One of the things that I guess we learned during the last hearing that disturbed me was the fraudulent leak survey that supposedly was performed from December 4th - December 06th 2017. Is that correct?
11:18:10 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda One of the employees testified that his signature had been falsified
	and he indicated that he never conducted a leak survey. Is that Correct?
11:18:30 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Did anyone tell you that in addition to the witness testifying about that himself?
11:19:19 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda Typed on it?
11:19:30 AM	Chairman Schmitt - witness Holbrook
	Note: Warfield, KaBrenda I just have a couple more.

11:19:32 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda I know that after our last hearing there were some requirements, that are things that we asked for Drakesboro to do. I just want to ask you about a couple of them to see if they were done.	
11:19:43 AM	Chairman Schmitt - witness Holbrook	
11.13.13 AN	Note: Warfield, KaBrenda One was Drakesboro should use a qualified third party contractor approved by the Commission Staff to operate the gas system. Hat they done that?	
11:20:07 AM	Chairman Schmitt - witness Holbrook	
11120107741	Note: Warfield, KaBrenda So then the third party contractor shall provide one employee dedicated to Drakesboro Natural Gas Distribution System and that employee shall be on-site in Drakesboro during regular business hours and on call during nights and weekends. Has that been dor	
11:20:40 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda Drakesboro was to file with the Commission written status reports that identify reports of gas leaks, how leaks were resolved, responsible for each leak, etc Has that been done?	
11:20:58 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda Would you agree that apparently Mr. Brake when he quit for whatever reason left Drakesboro between a rock and a hard place	e?
11:21:16 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda And Mr. Brake testifies at the last hearing is that correct?	
11:21:20 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda And he said that when he left all records were in his filing cabinet and then suddenly when he looked at it again after it was moved, records had disappeared. Is that correct?	
11:21:32 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda Something to that inaudible.	
11:21:37 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda I mean that's what he said. God knows what really happened.	
11:22:18 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda Just a follow up on the obvious. Without odorant in the gas a homeowner or anyone outside in the vicinity of a leak might not be able to determine that there was a leak or gas was escaping?	e
11:22:34 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda And without knowing that someone could basically die as a result gas insulation over a period of time?	of
11:22:46 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda What's the lower explosive limit of natural gas? Do you know?	
11:22:52 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda And what happens when the mixture or ratio of gas to air is in the range?	at
11:23:02 AM	Chairman Schmitt - witness Holbrook	
	Note: Warfield, KaBrenda And what can be possible ignition sources?	
11:23:16 AM	Chairman Schmitt - witness Holbrook	
11.72.10 AM	Note: Warfield, KaBrenda I have no further questions. Chairman Schmitt	
11:23:18 AM	Note: Warfield, KaBrenda (Chairman Schmitt pointing at Staff Atty Park PSC.)	
11:23:19 AM	Chairman Schmitt	
11:23:29 AM	Note: Warfield, KaBrenda Mr. Driskill? Atty Driskill Drakesboro - witness Holbrook	
11.23.23 AM	Note: Warfield, KaBrenda	1
11.72.45 AM	that sound correct or incorrect?	4
11:23:45 AM	Atty Driskill Drakesboro - witness Holbrook Note: Warfield, KaBrenda That's okay I just wanted to clarify that. Thank you.	
	riote. Warrier, Nabrenda - That's Okay I Just Warren to Clarify that. Hidlik you.	

11:23:48 AM	Atty Driskill Drakesboro - witness	
	Note: Warfield, KaBrenda	Thank you. Those are all the inaudible.
11:23:51 AM	Chairman Schmitt	
44.00.00.444	Note: Warfield, KaBrenda	Anything else from anyone for this witness?
11:23:58 AM	Chairman Schmitt	
11-24-00 444	Note: Warfield, KaBrenda	But if there is nothing further Ms. Holbrook you may step down.
11:24:08 AM	Chairman Schmitt	Mr. Dark would you like to call anyone also?
11.24.2F AM	Note: Warfield, KaBrenda Chairman Schmitt - witness Ande	Mr. Park would you like to call anyone else?
11:24:25 AM		
11:24:36 AM	Note: Warfield, KaBrenda Chairman Schmitt	Swearing the witness in.
11.24.30 AM	Note: Warfield, KaBrenda	Mr. Park?
11:24:38 AM	Staff Atty Park PSC - witness And	
11.27.30 AM	Note: Warfield, KaBrenda	Direct Examination.
11:32:46 AM	Chairman Schmitt - witness Ande	
11.32.40 AM	Note: Warfield, KaBrenda	Excuse me Mr. Anderson. Could you give an estimate of how many
	Note: Warrield, Rabrellda	have been repaired so far of the 22?
11:33:05 AM	Chairman Schmitt - witness Ande	·
11.55.05 / 11 1	Note: Warfield, KaBrenda	That have already been repaired?
11:33:25 AM	Chairman Schmitt - witness Ande	· · · · · · · · · · · · · · · · · · ·
11133123 / 11 1	Note: Warfield, KaBrenda	How would you then repair?
11:34:12 AM	Chairman Schmitt - witness Ande	·
11.5	Note: Warfield, KaBrenda	Thank you. Mr. Park?
11:34:14 AM	Staff Atty Park PSC - witness And	•
	Note: Warfield, KaBrenda	Direct Continued.
11:49:07 AM	Staff Atty Park PSC - witness And	
	Note: Warfield, KaBrenda	I have nothing further for this witness.
11:49:10 AM	Chairman Schmitt	5 1 1 5 5 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Note: Warfield, KaBrenda	Cross Examination?
11:49:18 AM	Atty Driskill Drakesboro - witness	s Anderson
	Note: Warfield, KaBrenda	Cross Examination.
11:52:20 AM	Atty Driskill Drakesboro - witness	s Anderson
	Note: Warfield, KaBrenda	Those are all of my questions.
11:52:22 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Commissioner Cicero questions?
11:52:26 AM		
	Vice Chairman Cicero - witness A	nderson
	Vice Chairman Cicero - witness A Note: Warfield, KaBrenda	Inderson How many other systems does RussMar operate on a contract basis?
11:53:06 AM		How many other systems does RussMar operate on a contract basis?
11:53:06 AM	Note: Warfield, KaBrenda	How many other systems does RussMar operate on a contract basis? Anderson So the reason for my question is there has been some question
11:53:06 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Anderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been
	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.]
11:53:06 AM 11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.]
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format?
	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format?
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if you are providing the same type of service to other locations that
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if you are providing the same type of service to other locations that are under federal guidelines of how to report leak repairs adequately
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if you are providing the same type of service to other locations that
11:53:56 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if you are providing the same type of service to other locations that are under federal guidelines of how to report leak repairs adequately so that they can be determined of what leaks were actually fixed. Is there standard paperwork that RussMar has or there's not?
11:53:56 AM 11:55:14 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if you are providing the same type of service to other locations that are under federal guidelines of how to report leak repairs adequately so that they can be determined of what leaks were actually fixed. Is there standard paperwork that RussMar has or there's not?
11:53:56 AM 11:55:14 AM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Note: Warfield, KaBrenda Vice Chairman Cicero - witness A Vice Chairman Cicero - witness A	How many other systems does RussMar operate on a contract basis? Inderson So the reason for my question is there has been some question regarding the completeness of the leak reports that have been turned in. [Click on the link for Vice Chairman Cicero's remarks.] Inderson Why is there no standard type of reporting format? Inderson I don't think that anybody is trying to point the finger. I am just trying to find out why it hasn't been an issue in the past especially if you are providing the same type of service to other locations that are under federal guidelines of how to report leak repairs adequately so that they can be determined of what leaks were actually fixed. Is there standard paperwork that RussMar has or there's not?

11:56:40 AM	Vice Chairman Cicero - witness A	
	Note: Warfield, KaBrenda	Thank you I don't have any other questions.
11:56:42 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Commissioner Mathews?
11:56:50 AM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Mr. Anderson I just have a few.
11:56:53 AM	Chairman Schmitt - witness Ande	rson
	Note: Warfield, KaBrenda	I guess the question was asked by Mr. Driskill about the calls you
		get about gas leaks now are about the same as what you would
		expect or what you experienced in other locations. Correct?
11:57:24 AM	Chairman Schmitt - witness Ande	
	Note: Warfield, KaBrenda	But I assume that when you first went there and you talked about
		that you would get two to three calls a week that, that's more than
		you would normally expect in a community? Would that be fair to say?
11:58:05 AM	Chairman Schmitt - witness Ande	•
11.50.05 / 11	Note: Warfield, KaBrenda	Nobody wants to call it.
11:58:19 AM	Chairman Schmitt - witness Ande	
11.50.157	Note: Warfield, KaBrenda	You wouldn't be there if the system didn't have problems. Correct?
11:58:32 AM	Chairman Schmitt - witness Ande	· · · · · · · · · · · · · · · · · · ·
	Note: Warfield, KaBrenda	The issue is that you are not getting as many calls as you did. [Click
		on the link for Chairman Schmitt's remarks.]
11:59:05 AM	Chairman Schmitt - witness Ande	rson
	Note: Warfield, KaBrenda	Well and I think that you indicated that to do the fusion work maybe
		you worked with somebody else for maybe a year in a half. [Click on
		link for Chairman Schmitt's remarks.]
12:00:29 PM	Chairman Schmitt - witness Ande	
	Note: Warfield, KaBrenda	Here's the point and I'll get to I guess the bottom line of it. What
		the Commission is concerned about is basically protecting the people who live in Drakesboro and who are customers of the gas system.
		[Click on the link for Chairman Schmitt's remarks.]
12:01:00 PM	Chairman Schmitt - witness Ande	
	Note: Warfield, KaBrenda	Are you ready to go now? Or do you think that you need to stay
		awhile?
12:01:53 PM	Chairman Schmitt - witness Ande	rson
	Note: Warfield, KaBrenda	How many more people do you think that they need for the gas?
12:02:47 PM	Vice Chairman Cicero - witness A	nderson
	Note: Warfield, KaBrenda	Just gas.
12:03:35 PM	Chairman Schmitt - witness Ande	rson
	Note: Warfield, KaBrenda	The other people should be operator qualified as well. Correct?
12:03:42 PM	Chairman Schmitt - witness Ande	
	Note: Warfield, KaBrenda	If I asked you to estimate how much time you think the present
		employees needed before they would be capable of handling all the
		problems themselves so that RussMar wasn't needed could you give us an estimate?
12:04:25 PM	Chairman Schmitt - witness Ande	
12.07.23 FIN	Note: Warfield, KaBrenda	Get through the winter season, one winter season with them?
12:04:38 PM	Chairman Schmitt - witness Ande	
12.04.30114	Note: Warfield, KaBrenda	I don't think that I have any other questions. Mr. Driskill anything?
12:04:42 PM	Chairman Schmitt - witness Ande	
	Note: Warfield, KaBrenda	Mr. Park?
12:04:44 PM	Atty Park PSC - witness Andeson	
	•	
	Note: Schweighardt,	Redirect.
	Note: Schweighardt, Stephanie	Redirect.

12:05:20 PM	Atty Park PSC - witness Andeson	
12.0F.22 DM	,	That's all I have.
12:05:23 PM	Chairman Schmitt - Atty Driskill Dra Note: Warfield, KaBrenda 1	ikesboro I'll give you another shot if you want?
12:05:25 PM	Chairman Schmitt	The give you another shot if you want:
12.03.23 111		Anything else Commissioner Cicero Commissioner Mathews?
12:05:29 PM	Chairman Schmitt - witness Anders	•
	Note: Warfield, KaBrenda	Alright you may step down. Thank you sir.
12:05:32 PM	Chairman Schmitt	
	· ·	Alright at this time lets take a lunch break until say ten minutes after one o'clock and then we'll come back.
12:05:39 PM	Chairman Schmitt - Staff Atty Park	
	The state of the s	Before we go tho how many more witnesses will you have Mr. Park do you know?
12:06:00 PM	Chairman Schmitt - Atty Driskill Dra	
	The state of the s	And Mr. Driskill you're stiill waiting to see how the rest of this turns out right?
12:06:19 PM	Chairman Schmitt	
		You can call whoever you like it was just a question of timing. We ought to be able to probably finish today.
12:06:31 PM	Commissioner Mathews	
		Have you heard from Mr. Martin?
12:06:36 PM	Staff Attorney Park PSC - Mr.Anders	
	t	Mr. Anderson are you aware if Mr. Martin still intends to be here today?
12:06:51 PM	Chairman Schmitt	
	i	Oaky well we'll see if he comes or if he doesn't come. Alright we'll be in recess until ten minutes after one o'clock.
12:07:04 PM	Session Paused	
1:15:00 PM	Chairman Schmitt	
	·	We are now back on the record in Case No. 2019-00065 City of Drakesboro d/b/a Drakesboro Natural Gas Company. Mr. Park do you have another witness?
1:15:00 PM	Session Resumed	
1:15:27 PM	Chairman Schmitt	
	•	Mr. Roberts.
1:15:37 PM	Chairman Schmitt - witness Roberts	
	•	Swearing the witness in.
1:15:48 PM	Chairman Schmitt	M D I
1.15.40 DM	•	Mr. Park.
1:15:48 PM	Staff Atty Park PSC - witness Rober Note: Schweighardt,	TS Direct Examination.
	Stephanie	Direct Examination.
1:17:54 PM	Vice Chairman Cicero - witness Rob	perts
		You were informed about one that is being withheld for a reason?
1:18:01 PM	Vice Chairman Cicero - witness Rob	
		That's what I am referring to the payment. The payment is being withheld for what reason?
1:18:07 PM	Vice Chairman Cicero - witness Rob	perts
	Note: Warfield, KaBrenda 1	I know.
1:18:09 PM	Vice Chairman Cicero - witness Rob	perts
		I know. Why is it?
1:18:13 PM	Vice Chairman Cicero - witness Rob	
		That's what I was trying to get to. So the city does not have sufficient funds to make a payment?

1:18:18 PM	Vice Chairman Cicero - witness Ro	
1,19,20 DM	Note: Warfield, KaBrenda	That's what they advised you?
1:18:20 PM	Vice Chairman Cicero - witness Ro Note: Warfield, KaBrenda	Did they give you an idea when that payment will be made?
1:18:23 PM	Vice Chairman Cicero - witness Ro	, -
	Note: Warfield, KaBrenda	How much is the amount that is outstanding?
1:18:27 PM	Vice Chairman Cicero - witness Ro	berts
	Note: Warfield, KaBrenda	That's a big payment. Okay. We'll ask more questions later when
1 10 24 514	CL (CALL D. L. DCC D. L.	there is other witnesses. Sorry.
1:18:34 PM	Staff Atty Park PSC - witness Robe	
1:20:23 PM	Note: Warfield, KaBrenda Atty Driskill Drakesboro	Direct Continued.
1.20.25 FM	Note: Warfield, KaBrenda	Which one are you talking about? Are you talking about the local
	Note: Warneld, Rabierida	bank loan or the low interest loan?
1:20:34 PM	Staff Atty Park PSC - witness Robe	erts
	Note: Warfield, KaBrenda	Direct Continued.
1:25:27 PM	Staff Atty Park PSC - witness Robe	erts
	Note: Warfield, KaBrenda	I have no further questions.
1:25:29 PM	Atty Driskill Drakesboro - witness F	Roberts
	Note: Schweighardt,	Cross Examination.
	Stephanie	
1:29:47 PM	Atty Driskill Drakesboro - witness F	
1.20.01 DM	-	Those are all of my questions.
1:30:01 PM	Atty Driskill Drakesboro - witness F	
1:30:03 PM	Note: Warfield, KaBrenda Chairman Schmitt	Your honour I am done.
1.30.03 FM	Note: Warfield, KaBrenda	Commissioner Cicero?
1:30:05 PM	Vice Chairman Cicero - witness Ro	
1.00.00	Note: Warfield, KaBrenda	Of the \$25,000.00 invoice, who would know how old that is? And if
		there has been an agreement to pay it?
1:30:25 PM	Vice Chairman Cicero - witness Ro	berts
	Note: Warfield, KaBrenda	When did you become aware of it?
1:30:30 PM	Vice Chairman Cicero - witness Ro	
	Note: Warfield, KaBrenda	So you don't know whether it's three days past due or three months
1,20,44 DM	Vice Chairman Cicere witness Be	past due?
1:30:44 PM	Vice Chairman Cicero - witness Ro	
1:30:45 PM	Note: Warfield, KaBrenda Chairman Schmitt	I don't have anymore questions.
1.50.45 114	Note: Warfield, KaBrenda	Commissioner Mathews?
1:30:48 PM	Chairman Schmitt - witness Robert	
1.001.101.11		You're an employee of RussMar, Martin, or both?
1:30:59 PM	Chairman Schmitt - witness Robert	
	Note: Warfield, KaBrenda	Do you know how much money since the inception of the RussMar
		contract with Drakesboro that RussMar has billed Drakesboro and
		Drakesboro has paid?
1:31:21 PM	Chairman Schmitt - witness Robert	
	Note: Warfield, KaBrenda	Are substantial repairs needed to bring the system up to a state
1,21,E0 DM	Chairman Cohmitt Witness Bohard	were it is safe?
1:31:50 PM	Chairman Schmitt - witness Robert Note: Warfield, KaBrenda	And exactly what briefly would that entail in your opinion?
1:32:31 PM	Chairman Schmitt - witness Robert	
1.32.31 111	Note: Warfield, KaBrenda	But all of those things that should be done in your opinion will
		require some type of what study or independent assessment?
		·

1:32:41 PM	Chairman Schmitt - witness Roberts	
	Note: Warfield, KaBrenda And as f	ar as you know that has not been authorized?
1:32:57 PM	Chairman Schmitt - witness Roberts	
	Note: Warfield, KaBrenda That has	s not been done as far as you know?
1:33:00 PM	Chairman Schmitt - witness Roberts	
	Note: Warfield, KaBrenda Is it pos	sible to estimate the approximate cost of compliance or
	bringing	the system in to line with what it should be to be operated
	safely a	nd economically?
1:33:29 PM	Chairman Schmitt - witness Roberts	
	Note: Warfield, KaBrenda I have n	o further questions.
1:33:36 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda Anything	g Mr. Driskill?
1:33:38 PM	Atty Driskill Drakesboro - witness Roberts	
	Note: Schweighardt, Recross	
	Stephanie	
1:34:32 PM	Atty Driskill Drakesboro - witness Roberts	
	Note: Warfield, KaBrenda Alright t	hose are all my questions.
1:34:38 PM	Atty Driskill Drakesboro - witness Roberts	
	Note: Warfield, KaBrenda Those a	re all my questions. That's it. I'm done.
1:34:45 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda Any other	er questions, Mr. Park?
1:34:47 PM	Staff Atty Park PSC - witness Roberts	
	Note: Warfield, KaBrenda Redirect	•
1:34:54 PM	Staff Atty Park PSC - witness Roberts	
	Note: Warfield, KaBrenda Nothing	further.
1:34:55 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda Anything	g else of this witness?
1:34:57 PM	Chairman Schmitt	•
	Note: Warfield, KaBrenda You may	/ step down Mr. Roberts. Thank you.
1:35:01 PM	Chairman Schmitt	,
		anyone else?
1:35:19 PM	Chairman Schmitt - witness Jones	
		g the witness in.
1:35:27 PM	Chairman Schmitt - witness Jones	g
		e seated.
1:35:30 PM	Staff Atty Parks PSC - witness Jones	
	•	xamination.
	Stephanie	
1:39:36 PM	Vice Chairman Cicero - witness Jones	
	Note: Warfield, KaBrenda So just t	to interrupt for a second.
1:39:39 PM	Vice Chairman Cicero - witness Jones	•
	Note: Warfield, KaBrenda So your	cash flow situation as far as the \$25,000.00 invoice is not
		d by whether you can use grant money or not?
1:40:18 PM	Vice Chairman Cicero - witness Jones	•
	Note: Warfield, KaBrenda Okay.	
1:40:19 PM	Staff Atty Park PSC - witness Jones	
	•	ontinued.
1:43:39 PM	Atty Driskill Drakesboro	
	•	st going to say if he is being asked a question about a
	•	tem i think it may be helpful just to reference that or show
		ch line of the document you are referring to.
1:43:51 PM	Staff Atty Park PSC - witness Jones	-
	Note: Warfield, KaBrenda Direct C	ontinued.

1:52:17 PM		
	OBJECTION	
	Note: Warfield, KaBrenda	Atty Driskill Drakesboro
1:53:00 PM	Chairman Schmitt - Atty Driskill D	
4 =0 00 014	Note: Warfield, KaBrenda	About what now? Making payment?
1:53:32 PM	Chairman Schmitt - Atty Driskill D	
	Note: Warfield, KaBrenda	He is the Mayor. He can say what he thinks, and what he thinks as
		an individual, and what he thinks as mayor, and the Counsel can say what he thinks.
1,E2,4E DM	OVERRULED	what he thinks.
1:53:45 PM		You may answer the question in any way insudible
	Note: Warfield, KaBrenda	You may answer the question in any way inaudible. Chairman Schmitt - Atty Driskill Drakesboro
1,E2,E1 DM	Note: Warfield, KaBrenda	,
1:53:51 PM	Staff Atty Park PSC - witness Jone	
1. E4. 1 E DM	Note: Warfield, KaBrenda	Direct Continued.
1:54:15 PM	Chairman Schmitt	And Tables Mr. Details had no that Coursel account and
	Note: Warfield, KaBrenda	And I think Mr. Driskill told us that Counsel approval was not
1.E4.21 DM	Chairman Schmitt	necessary?
1:54:21 PM		Fourths southwarts?
1.F4.22 DM	Note: Warfield, KaBrenda	For the contracts?
1:54:22 PM	Chairman Schmitt	Oles and The alcoso
1-E4-20 DM	Note: Warfield, KaBrenda	Okay now. Thank you.
1:54:30 PM	Atty Driskill Drakesboro	
	Note: Warfield, KaBrenda	I'm not so sure that, that means that the Counsel couldn't at some
1.E4.24 DM	Chairman Calamitt	point overrule it.
1:54:34 PM	Chairman Schmitt	Ob I was daystand
1.E4.27 DM	Note: Warfield, KaBrenda	Oh I understand.
1:54:37 PM	Staff Atty Park PSC - witness Jone	
2-01-27 DM	Note: Warfield, KaBrenda	Direct Continued.
2:01:37 PM	Vice Chairman Cicero - witness Jo	
2-01-41 DM	Note: Warfield, KaBrenda	Do you think that is a good idea?
2:01:41 PM	Vice Chairman Cicero - witness Jo	
	Note: Warfield, KaBrenda	No that you don't know when last time there was a rate increase,
2:02:27 PM	Vice Chairman Cicero - witness Jo	and you don't know whether you are covering your expenses.
2:02:2/ PM		· · · · ·
	Note: Warfield, KaBrenda	But you don't know if the revenue generated will be enough to cover the loan?
2:02:34 PM	Vice Chairman Cicero - witness Jo	
2.02.34 PM		
	Note: Warfield, KaBrenda	So really you are throwing a dart and you don't know whether the dart is going to hit the board or not?
2:02:42 PM	Vice Chairman Cicero - witness Jo	
2.02.72 FM	Note: Warfield, KaBrenda	I looked at your financial statements that were supplied by the
	Note: Warneld, Rabierida	auditor [click on the link for Vice Chairman Cicero's remarks.]
2:04:34 PM	Vice Chairman Cicero - witness Jo	
2.01.51111	Note: Warfield, KaBrenda	So I don't know what the \$120,000.00 loan does for you in terms of
	Note: Warneld, Rabieria	ongoing operations if you have a negative cash flow throughout the
		operation?
2:05:01 PM	Vice Chairman Cicero - witness Jo	·
2.00.01	Note: Warfield, KaBrenda	So if you didn't have the RussMar and the construction bills you
	Hotel Walliela, Rabiella	would have enough free cash flow to make your monthly payments?
2:06:10 PM	Vice Chairman Cicero - witness Jo	
 •	Note: Warfield, KaBrenda	What would the grant money be used for?
2:06:40 PM	Vice Chairman Cicero - witness Jo	· ,
	Note: Warfield, KaBrenda	Have you identified what your capital plan is going to be for
	airioia, iabiciaa	
		purposes of spending the \$750,000.00? Or are you just applying for
		purposes of spending the \$750,000.00? Or are you just applying for the \$750,000.00 grant and then you are going to develop a plan for

2:07:02 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda But they haven't come to you yet with a plan?
2:07:12 PM	Vice Chairman Cicero - witness Jones Note: Warfield, KaBrenda But did he give you a summary of what the 1.5 million would be spent on? Or did he just say that one and a half million dollars seems like a good number to fix the system?
2:07:38 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda So my only comment is you don't have to pay the grant back. But the \$750,000.00 is a loan? Correct?
2:07:50 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda I mean is he going to have some meeting that lays out this plan that says here is what we are going to spend it on?
	Note: Warfield, KaBrenda So you are depending on somebody to obligate you to a \$750,000.00 loan without really understanding what the money will be spent on?
2:08:14 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda Wouldn't you want that information?
2:08:18 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda Because it sounds like you are in the process of applying for that \$750,000.00 loan and \$750,000.00 grant, right?
2:08:36 PM	Note: Warfield, KaBrenda Well do you plan on having a meeting with Mr. Martin to establish Vice Chairman Cicero - witness Jones
2:08:36 PM	Note: Warfield, KaBrenda I would think that you want to know what you are obligating yourself to. What it's for.
2:09:15 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda And I agree with you. It could be a lot more. The interesting part is [click on the link for Vice Chairman Cicero's remarks.]
2:10:49 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda You have no city administrator and no bookkeeping or financial help whatsoever?
2:11:14 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda There is no assistance from the Kentucky Leauge of Cities or any place like that, that can assist you with budgeting type processes or anything like that?
2:11:56 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda What is your background if I may ask?
2:12:17 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda You're familiar with the education system and obviously aren't afraid to get your hands dirty. Obviously it's totally up to you but is there a community college that offers basic business classes that talks about budgeting or trying to manage? You don't need to be a skilled accountant but it always helps if you understand your budgeting, forecasting, and revenue versus expenses.
2:12:57 PM	Vice Chairman Cicero - witness Jones Note: Warfield, KaBrenda You're a jack of all trades, we're going to give you that.
2:13:16 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda I'm not sure what the city's finances are but obviously if those people left I would think there would be salary cap for you to hire somebody that could step in. That would be the first answer I would give you.
2:13:54 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda I was referring more to your office people.

2:14:01 PM	Vice Chairman Cicero - witness J	ones
	Note: Warfield, KaBrenda	I can't solve the cities financial situation I can suggest that you see
		about helping yourself out with the financial course or whatever just
		for the basics on budgeting.
2:14:16 PM	Vice Chairman Cicero - witness J	ones
	Note: Warfield, KaBrenda	I just know that right now those loans that you are looking at will
		end up overwhelming the system in terms of [click on link for Vice
		Chairman Cicero's remarks.]
2:14:54 PM	Vice Chairman Cicero - witness J	ones
	Note: Warfield, KaBrenda	So I guess that was not a question but a comment.
2:14:58 PM	Vice Chairman Cicero - witness J	ones
	Note: Warfield, KaBrenda	I interrupted you and I am sorry.
2:15:01 PM	Staff Atty Park PSC - witness Jon	nes
	Note: Warfield, KaBrenda	Direct Continued.
2:17:04 PM	PSC EXHIBITS 2 & 3	
	Note: Warfield, KaBrenda	PSC EXHIBIT 2: STATEMENT OF REVENUE, EXPENSES, AND
	, , , , , , , , , , , , , , , , , , , ,	CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR
		ENDED JUNE 30, 2016 AND STATEMENT OF CASH FLOWS
		PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016
	Note: Warfield, KaBrenda	Staff Atty Park PSC - witness Jones
	Note: Warfield, KaBrenda	PSC EXHIBIT 3: SAME TWO STATEMENTS ENDING INTHE YEAR
	,	2017
2:18:05 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Mr. Driskill do you have any objection to any of these?
2:18:21 PM	Chairman Schmitt	, , , , ,
-	Note: Warfield, KaBrenda	Let it be filed as PSC Exhibit 2 and 3.
2:18:23 PM	Chairmam Schmitt	
	Note: Schweighardt,	Let those be filed as PSC Exhibits 2 & 3
	Stephanie	
2:18:33 PM	PSC EXHIBIT 4	
	Note: Warfield, KaBrenda	THE SAME TWO PROPRIETARY FUND STATEMENTS FOR THE YEAR
	,	ENDING IN JUNE 30, 2018
	Note: Warfield, KaBrenda	Staff Atty Park PSC - witness Jones
2:19:15 PM	Staff Atty Park PSC - witness Jon	•
	Note: Warfield, KaBrenda	Direct Continued.
2:20:12 PM	Vice Chairman Cicero - witness J	
	Note: Warfield, KaBrenda	Excuse me, which CPA person is that?
2:20:18 PM	Vice Chairman Cicero - witness J	·
	Note: Warfield, KaBrenda	That's an outside auditor?
2:20:28 PM	Vice Chairman Cicero - witness J	
	Note: Warfield, KaBrenda	So the outside accountant does the books for all of the City of
	rioter trainiela, nabrenaa	Drakesboro?
2:20:36 PM	Vice Chairman Cicero - witness J	
2.20.50	Note: Warfield, KaBrenda	You say used to. Who does it now?
2:21:01 PM	Vice Chairman Cicero - witness J	·
2.21.01	Note: Warfield, KaBrenda	What is the accountant responsible for doing?
2:21:16 PM	Vice Chairman Cicero - witness J	•
2.21.10 111	Note: Warfield, KaBrenda	So this is a contract service?
2:21:22 PM	Vice Chairman Cicero - witness J	
2.21.22 FI'I	Note: Warfield, KaBrenda	So they actually are a contract accounting service that handles your
	Note: Warneld, Nabrellud	financial piece of it?
2:21:45 PM	Vice Chairman Cicero - witness J	
2.21.7J [1]	Note: Warfield, KaBrenda	In order to make sure an invoice is paid somebody has to enter it
	Note. Waineld, Nabielida	into the system. Who does that?
		into the system. Who does that:

2:21:56 PM	Vice Chairman Cicero - witness Jor	
		So she does that.
2:22:02 PM	Vice Chairman Cicero - witness Jor	
		When an invoice comes in who does it go to?
2:22:09 PM	Vice Chairman Cicero - witness Jor	
		Who approves it before it goes to the bookkeeper?
2:22:14 PM	Vice Chairman Cicero - witness Jor	
	Note: Warfield, KaBrenda	So you look at those and you approve them and then you give them
0.00.04.044		to your bookkeeper or to the accountant?
2:22:21 PM	Vice Chairman Cicero - witness Jor	
2 22 22 514	Note: Warfield, KaBrenda	One in the same.
2:22:23 PM	Vice Chairman Cicero - witness Jor	
2-22-27 DM		I'm just making sure that I am referring to the same person.
2:22:27 PM	Vice Chairman Cicero - witness Jor	
	Note: Warfield, KaBrenda	Once you approve it you give it to that person, and that person is responsible for entering it into the system making certain it gets paid by the due date, collecting any bills that have been issued to customers, making deposits to the bank all of that?
2:23:10 PM	Vice Chairman Cicero - witness Jor	
		Who reconciles all of those accounts?
2:23:16 PM	Vice Chairman Cicero - witness Jor	nes
	Note: Warfield, KaBrenda	You get a bank statement every month and somebody has to look at
		the expenditures and the deposits and reconcile to a balance.
2:23:27 PM	Vice Chairman Cicero - witness Jor	nes
		The accountant/bookkeeper?
2:23:30 PM	Vice Chairman Cicero - witness Jor	
	Note: Warfield, KaBrenda	Okay. So the person that's receiving the money which is the
2 22 46 014	\(' \ C \ ' \ C \ ' \ \ \ \ \ \ \ \ \ \ \	separate clerk. Is that the one that also issues the invoices?
2:23:46 PM	Vice Chairman Cicero - witness Jor	
2.22.EE DM	Note: Warfield, KaBrenda Vice Chairman Cicero - witness Jor	To the customer?
2:23:55 PM		
	Note: Warfield, KaBrenda	In order for the billing system to issue an invoice there has to be input that says the customer consumed so much gas, so much
		water?
2:24:29 PM	Vice Chairman Cicero - witness Jor	
	Note: Warfield, KaBrenda	So since you are using this bookkeeper/accountant as your contract
	,	services performing your accounting functions right?
2:24:41 PM	Vice Chairman Cicero - witness Jor	nes
	Note: Warfield, KaBrenda	Why can't they give you advice on management of the budget, and
		the forecasting, and looking at what the loan repayment
		requirements are?
	Note: Warfield, KaBrenda	I am wondering if there isn't a service there that could help you
2.25.50 DM	Vice Chairman Cicere witness ler	since you are already paying them?
2:25:58 PM	Vice Chairman Cicero - witness Jor Note: Warfield, KaBrenda	Well it sounds like Karen knows enough to be able to manage the
	Note: Warrield, Rabrellda	accounting system using quickbooks or whatever she is using [click
		on link for Vice Chairman Cicero's remarks.]
		I would think that you would want to use a service like that in order
		to help you with this planning process.
2:26:37 PM	Vice Chairman Cicero - witness Jor	nes
	Note: Warfield, KaBrenda	The the auditor is not the same as the accountant. The auditor [click
		on the link for Vice Chairman Cicero's remarks.]
2:27:45 PM	Vice Chairman Cicero - witness Jor	
	Note: Warfield, KaBrenda	So is this audit firm that you have, is that the same one you have
		had for several years?

2:27:52 PM	Vice Chairman Cicero - witness J	
	Note: Warfield, KaBrenda	So do you think it is time for a change?
2:28:03 PM	Vice Chairman Cicero - witness J	
	Note: Warfield, KaBrenda	Did they help you with the budget?
2:28:05 PM	Vice Chairman Cicero - witness J	
	Note: Warfield, KaBrenda	Did they help you with the budget?
2:28:17 PM	Vice Chairman Cicero - witness J	
	Note: Warfield, KaBrenda	Well the budget year ends at the end of this month so that means
		that your 19-20 budget will be in place assuming it is approved by your fiscal court [click on link for Vice Chairman Cicero's remarks.]
	Note: Warfield, KaBrenda	I just hope you find something before the city gets itself into a
	Note: Warrield, Rabrellda	position were it can't afford to pay for the loans it has taken out.
2:29:01 PM	Staff Atty Park PSC - witness Jon	· ·
2.23.01.11	Note: Schweighardt,	Direct Continued.
	Stephanie	Direct Contanued
2:29:49 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	We see that a lot.
2:29:52 PM	Staff Atty Park PSC - witness Jon	nes
	Note: Warfield, KaBrenda	Direct Continued.
2:32:20 PM	Atty Driskill Drakesboro	
	Note: Warfield, KaBrenda	Sorry which figure did you reference sir?
2:32:29 PM	Commissioner Mathews	
	Note: Warfield, KaBrenda	I think he said 2018 but he actually said 2016's number.
2:32:37 PM	Staff Atty Park PSC - witness Jon	
	Note: Warfield, KaBrenda	Direct Continued.
2:35:26 PM	Atty Driskill Drakesboro	and the second s
2 25 20 DM	Note: Warfield, KaBrenda	Where did you say the usage was?
2:35:38 PM	Staff Atty Park PSC - witness Jon	
2.20.40 DM	Note: Warfield, KaBrenda	Direct Continued.
2:38:40 PM	Staff Atty Park PSC - witness Jon	
2:38:44 PM	Note: Warfield, KaBrenda Chairman Schmitt	That's all I have you honour.
2.30.77 FM	Note: Warfield, KaBrenda	Direct? Cross? I guess you can cross your own witness under these
	Note: Warneld, Rabierida	circumstances so go ahead.
2:39:07 PM	Atty Driskill Drakesboro - witness	
	Note: Schweighardt,	Cross Examination.
	Stephanie	
2:51:58 PM	Vice Chairman Cicero - Atty Drisk	xill Drakesboro
	Note: Warfield, KaBrenda	It doesn't represent a future cost it's past cost that's been incurred
		[click on link for Vice Chairman Cicero's remarks.]
2:52:14 PM	Atty Driskill Drakesboro - Vice Ch	
0 =0 46 014	Note: Warfield, KaBrenda	But it is a real cost?
2:52:16 PM	Vice Chairman Cicero - Atty Drisk	
	Note: Warfield, KaBrenda	It's real cost that has already been incurred all depreciation does is
2:52:30 PM	Vice Chairman Cicero - Atty Drisk	allow you to spread it out over the life of the asset.
2.32.30 FM	Note: Warfield, KaBrenda	So until you make another expenditure which is what depreciation is
	Note: Warneld, Rabierida	supposed to be used for [click on link for Vice Chairman Cicero's
		remarks.]
	Note: Warfield, KaBrenda	I think the point you are trying to make is, it's not an obligation of
	,	those funds.
2:52:53 PM	Atty Driskill Drakesboro - Vice Ch	nairman Cicero
	Note: Warfield, KaBrenda	I know it's not an obligation, it's not a bill that is sent to you for
		depreciation.

2 52 56 514	AU D: 1:11 D 1 1 1 1/2 CI	
2:52:56 PM	Atty Driskill Drakesboro - Vice Ch	
	Note: Warfield, KaBrenda	But it does represent a real expense whether it is future or past it is
2:52:56 PM	Vice Chairman Cicero - Atty Drisk	a real expense right?
2.32.30 FM	Note: Warfield, KaBrenda	Correct.
2:53:01 PM	Vice Chairman Cicero - Atty Drisk	
2.55.01 114	Note: Warfield, KaBrenda	It's only an accounting function that allows you to spread your
	Note: Warneld, Rabienda	expenses to tie it to revenue [click on link for Vice Chairman Cicero's
		remarks.]
2:53:45 PM	Atty Driskill Drakesboro - Vice Ch	
	Note: Warfield, KaBrenda	Right. So if you brought a thirty thousand dollar house and over
		thirty years you depreciate it straight line method you would
		theoretically have no house at the end that was worth anything
		because that why it was depreciated over thirty years. [Click on link
2.54.07 DM	Att. Duighill Dunkaghava Vice Ch	for remarks.]
2:54:07 PM	Atty Driskill Drakesboro - Vice Ch	So with respect to the gas [inaudible] there is a depreciation and
	Note: Warfield, KaBrenda	that is taking into account that in the future it is expected that there
		will be an expense we'll have to make up for something else. Right?
2:54:19 PM	Vice Chairman Cicero - Atty Drisk	·
	Note: Warfield, KaBrenda	I mean it depends on how good you are with the useful life but
	·	essentially you're assigning something that's got to be something
		similar to it. Yeah.
2:54:25 PM	Atty Driskill Drakesboro - Vice Ch	
	Note: Warfield, KaBrenda	Right. The point I am trying to make though is that depreciation is a
2 E4 24 DM	\'. Cl : C: All D: l	real cost whether it is future or past there is some need for it.
2:54:31 PM	Vice Chairman Cicero - Atty Drisk	
2:54:34 PM	Note: Warfield, KaBrenda Atty Driskill Drakesboro - Vice Ch	It's a non-cash item. That was my point.
2.54.54 FM	Note: Warfield, KaBrenda	I agree with you, no I agree with you, I think we are agreeing but
	Note: Warneld, Rabienda	we are saying different things. I am just making a point to him that
		even though there is a free cash flow, you have to put money aside
		because there is going to be probably some future cap [inaudible].
2:54:46 PM	Vice Chairman Cicero - Atty Drisk	
	Note: Warfield, KaBrenda	You would think because something is going to wear out and you're
2 54 52 514		going to have to replace it sooner or later so yes.
2:54:52 PM	Atty Driskill Drakesboro - Vice Ch	
	Note: Warfield, KaBrenda	So I think we are in agreement on it. Am I understanding it correctly?
2:54:58 PM	Vice Chairman Cicero - Atty Drisk	•
2.5 1.50 114	Note: Warfield, KaBrenda	I think from a lawyers perspective you are probably explaining it
	Moter Warnera, Rabi enad	correctly yes.
2:55:07 PM	Commissioner Mathes	• •
	Note: Warfield, KaBrenda	That's a little bit better than an economist but not [inaudible.]
2:55:09 PM	Atty Driskill Drakesboro	
	Note: Warfield, KaBrenda	Do what?
2:55:10 PM	Commissioner Mathews	
	Note: Warfield, KaBrenda	It's a little bit better than an economist.
2:55:13 PM	Atty Driskill Drakesboro	
2.55 46 524	Note: Warfield, KaBrenda	Okay.
2:55:16 PM	Chairman Schmitt	Wall this is a good time to much this take a level with five of
	Note: Warfield, KaBrenda	Well this is a good time to probably take a break until five after three and then we'll come back and you can finish your examination
		of Mr. Jones.
2:55:28 PM	Session Paused	5 55601

3:19:35 PM	Session Resumed
3:19:36 PM	Chairman Schmitt
	Note: Warfield, KaBrenda Are you ready to continue your examination Mr. Driskill?
3:19:43 PM	Atty Driskill Drakesboro - witness Jones
3:30:55 PM	Note: Warfield, KaBrenda Cross Continued. Atty Driskill Drakesboro - witness Jones
3.30.33 114	Note: Warfield, KaBrenda Those are all my questions. Thank you.
3:30:59 PM	Chairman Schmitt
	Note: Warfield, KaBrenda Thank you. Commissioner Ciciero questions?
3:31:01 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda So just a clarification. These aren' t really questions, just a couple of comments.
3:31:08 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda So as the manager of your operation, it is your fiduciary responsibility to make sure the money that is spent, is spent in a way that is being used for the benefit of those you represent. Is that not correct?
3:31:25 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda So when you go to a bank and you say I need to borrow \$750,000.00 or a \$120,000.00 is it not your fiduciary responsibility to make sure that what you are asking for is necessary?
3:31:59 PM	Vice Chairman Cicero - witness Jones
3:32:03 PM	Note: Warfield, KaBrenda You need it for your constituents? Vice Chairman Cicero - witness Jones
3.32.03 FIVI	Note: Warfield, KaBrenda Okay. So, the only reason why financial questions are being asked in the first place is to determine whether you have the ability to pay for the penalties that are probably going to be assessed and how they can be mitigated if we can determine what is required to fix the system in the first place. But we are not there yet. And I can tell you are not there yet.
3:32:27 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda As far as whether you can turn a loan back in without a pre- payment fee [click on the link for Vice Chairman Cicero's remarks.]
3:33:48 PM	Vice Chairman Cicero - witness Jones
	Note: Warfield, KaBrenda That's all I have.
3:33:49 PM	Chairman Schmitt
3:33:55 PM	Note: Warfield, KaBrenda Commissioner Mathews? Commissioner Mathews - witness Jones
3.33.33 114	Note: Warfield, KaBrenda What is the impact of the closing of that third unit in Paradise on
2.24.44 DM	your finances?
3:34:44 PM	Commissioner Mathews - witness Jones Note: Warfield, KaBrenda So they did not live there, they did not stop there?
3:34:52 PM	Commissioner Mathews - witness Jones
	Note: Warfield, KaBrenda They don't pay property tax to you because they are outside?
3:34:55 PM	Atty Driskill Drakesboro
2 25 00 014	Note: Warfield, KaBrenda Most people that work at [inaudible] don't live in Drakesboro.
3:35:00 PM	Commissioner Mathews - witness Jones Note: Warfield, KaBrenda That was curiosity as much as anything else.
3:35:04 PM	Chairman Schmitt - witness Jones
	Note: Warfield, KaBrenda Mayor Jones, as I understand it you were elected Mayor and took office probably January 1st January 2nd?
3:35:18 PM	Chairman Schmitt - witness Jones
	Note: Warfield, KaBrenda And you had no inkling that all the city employees were going to quit including the accountant

2.25.20 DM	Chairman Cahraith witness lanes	
3:35:28 PM	Chairman Schmitt - witness Jones	The could be the state of the s
		They all just walked off the job including the gas people and left you without a gualified energies? Corect?
2.25.42 DM		without a qualified operator? Corect?
3:35:43 PM	Chairman Schmitt - witness Jones	Co hasiaally the Dublic Comics Commission on My Lyons in
	Note: Warfield, KaBrenda	So basically the Public Service Commission, or Mr. Lyons in
		communication with you that indicated that you had to have under
		federal regulations you had to have a qualified operator or the PSC would not have any alternative but to order the system to be shut
		down. Correct?
3:36:29 PM	Chairman Schmitt - witness Jones	down. Correct:
J.JU.23 FIN		All of this occured in the dead of winter?
3:36:39 PM	Chairman Schmitt - witness Jones	All of this occured in the dead of winter:
3.30.39 FM		Which basically it wouldn't have been in any of your residence or
	Note: Warfield, KaBrenda	Which basically it wouldn't have been in any of your residence or customers interest to have their gas cut off in the dead of winter.
		Correct?
3:36:52 PM	Chairman Schmitt - witness Jones	Correct:
3.30.32 114	Note: Warfield, KaBrenda	So you had to have somebody come in and initially that was
		Vanguard for a short period of time. Correct?
3:37:06 PM	Chairman Schmitt - witness Jones	varigual a for a short period of time. Correct.
3.37.00111		Or it was Atmos who sent somebody in at first, is that right?
3:37:27 PM	Chairman Schmitt - witness Jones	or it was Atmos who sent somebody in at mist, is that right:
3.37.27 114		And at that point and time is that when Vanguard came on board for
	Note: Warneld, Rabienda	a short time? Because once again you were without a qualified
		operator.
3:37:36 PM	Chairman Schmitt - witness Jones	SP3:30:
		At some point it is determined that odorant was not placed in the
	, , , , , , , , , , , , , , , , , , , ,	gas system, but when odorant was introduced into the system
		maybe there were a hundred and three or so calls from people that
		they smell gas. Is that your understanding?
3:38:11 PM	Chairman Schmitt - witness Jones	
	Note: Warfield, KaBrenda	And Vanguard sent people out to answer those calls.
3:38:32 PM	Chairman Schmitt - witness Jones	
		Vanguard was there because you employed them as a contractor
		and you did that because the PSC you knew was going to order that,
		that be done becuase you could not continue to operate the system
		in violation of federal law. Correct?
3:38:55 PM	Chairman Schmitt - witness Jones	
		Now you indicated that there were twenty to thirty customers found
2 22 22 24		that apparently were not being billed?
3:39:09 PM	Chairman Schmitt - witness Jones	
	Note: Warfield, KaBrenda	Are these cutomers, they were metered and not billed or they just
2 20 E4 DM		didn't have a meter at all?
3:39:51 PM	Chairman Schmitt - witness Jones	Consequence of the consequence of the distribution of the sequence of the sequ
		So somebody would be marked as a bad debt and yet they still
2:40:04 DM		continue to receive the service?
3:40:04 PM	Chairman Schmitt - witness Jones	And that was under the previous administration?
2.40.12 DM	Note: Warfield, KaBrenda Chairman Schmitt - witness Jones	And that was under the previous administration?
3:40:12 PM		Now I think that you indicated that you had talked to the
	Note: Warfield, KaBrenda	Now I think that you indicated that you had talked to the Department of Local Government maybe about a KIA loan or
		something?
3:40:57 PM	Chairman Schmitt - witness Jones	Someamig:
5. 10.57 11.1		Now the Pennyrile grant and the Pennyrile loan has that grant and
		loan been applied for? Or do you know?
		Tour Seen applied for to you know.

3:41:15 PM	Chairman Schmitt - witness Jones	
	Note: Warfield, KaBrenda	Correct me if I am wrong I do not want to put words in your mouth.
		But I assume he told you he was either going to apply for it or he
2.41.24 DM	Chairman Cabraitt witness land	intended to apply for it or something? Is that right?
3:41:34 PM	Chairman Schmitt - witness Jones	
	Note: Warfield, KaBrenda	But right now as of today you do not know the status of that meeting or whether an actual application has been made?
3:41:43 PM	Chairman Schmitt - witness Jones	•
J. TI. TJ F111	Note: Warfield, KaBrenda	But if it was made, it would of been done by Mr. Martin on behalf of
	Note: Warneld, Rabienda	the City of Drakesboro?
3:41:51 PM	Chairman Schmitt - witness Jones	,
3112132111	Note: Warfield, KaBrenda	And other than that you have talked to a bank that you identified
	•	about either a line of credit or a loan of \$120-125,000.00?
3:42:11 PM	Chairman Schmitt - witness Jones	S
	Note: Warfield, KaBrenda	And now that is kind of in limbo pending what happens at the end of
		this case? Is that correct?
3:42:41 PM	Chairman Schmitt - witness Jones	
	Note: Warfield, KaBrenda	You have two employees who do the work at the gas system and
		the water system? Is that correct?
3:43:02 PM	Chairman Schmitt - witness Jones	
2-42-0E DM	Note: Warfield, KaBrenda	Then you have a clerk? The city clerk?
3:43:05 PM	Chairman Schmitt - witness Jones	
2.42.07 DM	Note: Warfield, KaBrenda	And the bookkeeper?
3:43:07 PM	Chairman Schmitt - witness Jones Note: Warfield, KaBrenda	Is the bookkeeper full time or part time?
3:43:15 PM	Chairman Schmitt - witness Jones	·
J. TJ. 1J FIN	Note: Warfield, KaBrenda	As a contractor or an employee?
3:43:38 PM	Chairman Schmitt - witness Jones	• •
3. 13.30 111	Note: Warfield, KaBrenda	And then you got two part time people?
3:43:45 PM	Chairman Schmitt - witness Jones	, ,
	Note: Warfield, KaBrenda	And as of today is there a definite time or time frame with in which
	•	you and Mr. Martin have agreed to meet and discuss what it will
		take, how much is involved, and how much it will cost to assess the
		status of the cathodic protection, the regulators, and the other
		issues that the other people here Melissa Holbrook and Mr. Anderson and others have talked about had to be done?
3:44:32 PM	Chairman Schmitt - witness Jones	
J. 77. JZ F11	Note: Warfield, KaBrenda	Okay. Thank you. I have no further questions.
3:44:37 PM	Chairman Schmitt	Okay. Mank you. I have no farther questions.
5111157 111	Note: Warfield, KaBrenda	Anything else?
3:44:38 PM	Staff Atty Park PSC - witness Jone	
	Note: Warfield, KaBrenda	Redirect.
3:46:40 PM	Staff Atty Park PSC - witness Jone	
	Note: Warfield, KaBrenda	That's all I have.
3:46:42 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Mr. Driskill. Commissioners anything else?
3:46:46 PM	Chairman Schmitt - witness Jones	
	Note: Warfield, KaBrenda	You may step down thank you.
3:46:50 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	Anything further?
3:46:56 PM	Chairman Schmitt	
2 46 72 77	Note: Warfield, KaBrenda	Mr. Driskill would you like to call someone?
3:46:59 PM	Atty Driskill Drakesboro	Today if the pooled present with the Time 1119 11
	Note: Warfield, KaBrenda	Judge if we could approach real quick, I would like to ask you
		something.

2 47 45 014	ALL D.: 1:11 D. 1. 1.	
3:47:45 PM	Atty Driskill Drakesboro	1
2 47 40 814	Note: Warfield, KaBrenda	Judge we'll call Donald Sims.
3:47:49 PM	Chairman Schmitt	M. C.
2.47.F0 DM	Note: Warfield, KaBrenda	Mr. Sims.
3:47:50 PM	Chairman Schmitt - witness Sims	Consider the witness in
2-40-02 DM	Note: Warfield, KaBrenda	Swearing the witness in.
3:48:03 PM	Chairman Schmitt - witness Sims	Discoults seeked Mr. Deistell conservation
2 40 05 04	Note: Warfield, KaBrenda	Please be seated. Mr. Driskill you may ask.
3:48:05 PM	Atty Driskill Drakesboro - witness	
	Note: Schweighardt,	Direct Examination.
2.F0.06 DM	Stephanie	Cima
3:59:06 PM	Atty Driskill Drakesboro - witness	
2.F0.10 DM	Note: Warfield, KaBrenda	I don't have any other questions for Mr. Sims.
3:59:10 PM	Chairman Schmitt	Mr. Dayle and acceptions 2
2.F0.16 DM	Note: Warfield, KaBrenda	Mr. Park any questions?
3:59:16 PM	Chairman Schmitt	Commission of Circus?
2.F0.17 DM	Note: Warfield, KaBrenda	Commissioner Cicero?
3:59:17 PM	Chairman Schmitt	Commission on Matheway
2.F0.10 DM	Note: Warfield, KaBrenda	Commissioner Mathews?
3:59:19 PM	Chairman Schmitt	Just a couple
3:59:28 PM	Note: Warfield, KaBrenda Chairman Schmitt - witness Sims	Just a couple.
3.39.20 PM	Note: Schweighardt,	In terms of leaks that have been found and been repaired did you
	Stephanie	mean to say that maybe of the leaks that have been found on the
	Stephanie	leak survey that 21 had been repaired?
3:59:50 PM	Chairman Schmitt - witness Sims	isak sarrey that II had seen repaired.
	Note: Warfield, KaBrenda	Mr. Anderson indicated that there was a temporary repair but
		ultimately there was going to be an additional repair made. Is that
		correct?
4:00:14 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	Or is twenty one the final?
4:00:25 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	That's twenty one that at some point and time you will have to go
		back and assess it within what the six month period or something
		and perhaps make the final repair?
4:00:37 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	I guess Mr. Driskill asked you questions about inmates. These were
4.00.4E DM	Chairman Cabraith with an Circa	inmates of the county jail. Is that correct?
4:00:45 PM	Chairman Schmitt - witness Sims	And we had a bearing have in Mayels and T doubt long wife you was
	Note: Warfield, KaBrenda	And we had a hearing here in March and I don't know if you were
		present or if you saw it on the internet. But a lady was here and I don't remember her name but she was a customer and she claimed
		that an inmate came into her home when the gas was off and cut it
		on. Apparently that is not occurring under this administration is that
		correct?
4:01:06 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	Now inmates are confined to weedeaters and things?
4:01:13 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	They are not making repairs or turning on gas?
4:01:28 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	If you had to create a document that for instance noted a leak repair
		or something you wouldn't have an inmate sign off as a witness?
4:01:41 PM	Chairman Schmitt - witness Sims	
	Note: Warfield, KaBrenda	No further questions.

4:01:46 PM	Atty Driskill Drakesboro - witness	
4:02:43 PM	Note: Warfield, KaBrenda Atty Driskill Drakesboro - witness	Redirect.
	Note: Warfield, KaBrenda	Alright those are all of my questions.
4:02:46 PM	Chairman Schmitt Note: Warfield, KaBrenda	May this witness be excused?
4:02:49 PM	Chairman Schmitt - witness Sims Note: Warfield, KaBrenda	Okay. You may step down. Thank you.
4:02:51 PM	Chairman Schmitt	
4:02:55 PM	Note: Warfield, KaBrenda Chairman Schmitt	Mr. Driskill do you have another witness?
4:03:02 PM	Note: Warfield, KaBrenda Atty Driskill Drakesboro	And I assume your case is concluded also Mr. Park?
	Note: Warfield, KaBrenda	the only exception would be if we wanted to keep the record open for Mr. Martin.
4:03:07 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	For the record we discussed it off the record. I did with Mr. Diskill and Mr.Park about perhaps keeping the record open and hearing from Mr. Martin about a timeline and the cost of assessing the areas that [click on the link for Chairman's remarks.]
4:03:46 PM	Atty Driskill Drakesboro	-
	Note: Warfield, KaBrenda	I'm fine with however, I think a deposition would be much more economical to do it by deposition. [Click on link for remarks.]
4:04:02 PM	Staff Atty Park PSC	
	Note: Warfield, KaBrenda	Deposition would be fine and probably better for everybody.
4:04:09 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	And you could agree on the location. And if not then somebody file something and we'll just enter a Order.
4:04:20 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	For the record Mr. Martin was supposed to be here this morning and then his flight was delayed because of weather and when he realized he was not going to make it he turned back.
4:04:37 PM	Chairman Schmitt	
4:04:45 PM	Note: Warfield, KaBrenda Chairman Schmitt	Does anyone know how long Mr. Martin will be vacationing?
	Note: Warfield, KaBrenda	Alright why don't we just let it go at that. We will keep the record open and Counsel Mr. Park and Mr. Driskill will get together and work out the details of a deposition [click on link for Chairman Schmitt's remarks.]
4:05:13 PM	Staff Atty Park PSC	
	Note: Warfield, KaBrenda	And your honour there are also a number of open matters that are being addressed so we may have some additional follow up in the next month or two.
4:05:22 PM	Chairman Schmitt	
	Note: Warfield, KaBrenda	I guess Ms. Holbrook hadn't had a chance to look at some of the things and I know the Mayor's group was still working on somethings [click on the link for Chairman Schmitt's remarks.]
4:05:42 PM	Atty Driskill Drakesboro	
	Note: Warfield, KaBrenda	Wel'll continue to do the bi-weekly submissions and we can submit the proof of whatever he.
4:05:52 PM	Chairman Schnmitt	
	Note: Warfield, KaBrenda	I understand on the record now, we had a discussion earlier that the City is attempting to negotiate a loan a line of credit with a local bank [click on the link for Chairman Schmitt's remarks.]

4:08:33 PM Chairman Schmitt

Note: Warfield, KaBrenda

Alright is there anything else that anyone would like to say or that we need to consider? Mr. Driskill? Mr. Park? If not then this hearing is in recess and may or may not be re-adjourned depending on further developments in the case including but not limited to the deposition of Mr. Martin. Okay thank you.

4:08:59 PM Session Paused 4:09:04 PM Session Ended



Exhibit List Report

2019-00065 19June2019

City of Drakesboro d/b/a Drakesboro Natural Gas Company (Drakesboro)

Name:	Description:
PSC Exhibit 01	06-14-2019 Inspection Repor t
PSC Exhibit 02	City of Drakesboro, Kentucky Statement of Revenue, Expenses, And Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2016; and City of Drakesboro, Kentucky Statement of Cash Flows Proprietary Funds For The Year Ended 06-30-16
PSC Exhibit 03	City of Drakesboro, Kentucky Statement of Revenue, Expenses, And Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2017; and City of Drakesboro, Kentucky Statement of Cash Flows Proprietary Funds For The Year Ended 06-30-17
PSC Exhibit 04	City of Drakesboro, Kentucky Statement of Revenue, Expenses, And Changes in Net Position - Proprietary Funds For the Year Ended June 30, 201; and City of Drakesboro, Kentucky Statement of Cash Flows Proprietary Funds For The Year Ended 06-30-18

INSPECTION REPORT

INSPECTION INFORMATION

KY PSC Inspector(s): Melissa Ho			olbrook and Chris Ba	iley Report N	lumber:	D	rakesboro-061720		
Inspection Date(s): 6-14-2019				Report D	Report Date:		6-17-2019		
Inspection Type:			rd ance Follow-up			Operator (ator Qualification		
			OPERATOR	INFORMATIO	ON				
Name of Operator: City of Drakesbo			boro OP ID No.: (If no of if an application has been seen as the seen application of the seen applicat		A STATE OF THE PARTY OF THE PAR	THE THE STATE OF T	Unknown		
Type of Facility:	Z(122)	Municipal		Location of Facility:			City of Drakesboro		
Area of Operation	on:	City of Drakes	sboro						
for Inspection Lette Mayor Mike Jones P.O. Box 129 Drakesboro, KY 423									
Phone # and En	mail.	i -							
		270-476-898		gmail.com					
Records Locatio		270-476-898 Drakesboro		gmail.com					
Records Locatio Persons Interviewed	Title	Drakesboro	Fire Dept.	Phone No. 270-543-6425		y0120@gma			
Records Locatio Persons Interviewed Mike Jones Jeff Roberts	Title Mayor Russma	Drakesboro	Fire Dept.	Phone No. 270-543-6425 606-875-4655	Jones Jeff.rot	y0120@gma perts@russn	narutiltites.com		
Records Locatio Persons Interviewed Mike Jones Jeff Roberts ason Warren Donald Dee Sims	Title Mayor Russma	Drakesboro	Fire Dept. Office dent	Phone No. 270-543-6425	Jones Jeff.rot Jason.v	y0120@gma perts@russn	narutiltites.com smarutiltties.com		
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PSC EXHIBIT ____

Date of Last Inspection:	2-21-2019					
Number of Deficiencies:	35	Deficiencies not Cleared:	11			

Summary of Areas Inspected

PHM	SA Question Set				1
×	Emergency Plan	\boxtimes	Operations and Maintenance Plan		Critical Valves Maintenance Inspections
×	Cathodic Protection		Accidents	\boxtimes	Leak Surveys
×	Odorization	\boxtimes	Operator Qualification	\boxtimes	Damage Prevention
×	Pipeline Markers	\boxtimes	Regulator Stations	\boxtimes	DIMP
×	Field Inspection		Other		
Othe	<u>r.</u>				
Stat	e Question Set				
×	Cybersecurity		Other		
Othe	r				
Othe	<u> </u>				

Summary

The following deficiencies were cited in the February 2019 inspection. A follow-up inspection was required to clear the 35 deficiencies and check operator's progress. The following deficiencies were reviewed as follows.

Follow-up Inspection Findings

 Drakesboro's written procedural manual for operations and maintenance activities does not include all procedures required by 49 CFR §192.605. The missing items are highlighted in red.

Follow-up: The plan was provided for review.

 Drakesboro's plan to minimize the hazard resulting from a gas pipeline emergency does not include all procedures required by 49 CFR §192.615. The missing items are highlighted in red.

Follow-up: The plan was provided for review.

- Drakesboro does not have a written program to prevent damage to underground pipelines from excavation activities as required by 49 CFR §192.614.
 Follow-up: The plan was provided for review.
- Drakesboro does not have a written public education program as required by 49 CFR § 192.616.

Follow-up: The plan was provided for review.

- Drakesboro does not have a written anti-drug plan as required by 49 CFR § 199.101.
 Follow-up: The plan was provided for review.
- Drakesboro does not have a written alcohol misuse plan as required by 49 CFR § 199.202.

Follow-up: The plan was provided for review.

- Drakesboro has not conducted drug tests as required by 49 CFR § 199.105.
 Follow-up: Mike Jones, Melissa Holland, Donald Sims, Jordon Shaw were drug tested on February 19, 2019.
- 8. Drakesboro has not provided training for supervisory personnel who will determine whether an employee must be drug tested based on reasonable cause as required by 49 CFR § 199.113 (c).

Follow-up: The operator has not conducted training yet. Operator stated he would contact police dept. to conduct training.

- Drakesboro does not have a written distribution integrity management plan as required by 49 CFR § 192.1005.
 Follow-up: The written plan was provided for review. Original version April 21, 2014.
- Drakesboro does not have welding procedures as required by 49 CFR § 192.225.
 Follow-up: The welding procedures manual was provided for review.
- Drakesboro does not have written plastic joining procedures as required by 49 CFR § 192.273(b).

Follow-up: The fusion procedures manual was provided for review. The operator is currently only using compression and stab fittings.

- 12. Drakesboro's operator qualification program does not meet the requirements of 49 CFR § 192.805. The missing items are highlighted in red. Follow-up: The operator qualification plan was provided for review.
- 13. Drakesboro has not submitted annual reports as required by 49 CFR § 191.11.

 Follow-up: The operator has not submitted online report as required to PHMSA online.
- 14. Drakesboro has not sent the customer notification required by 49 CFR § 192.16. Follow-up: The operator hand- delivered notifications to the customers in March 2019. when paying their gas bill. Notice was also, posted in the local newspaper. The remaining customer notifications will be hand- deliver to customers.
- 15. Drakesboro has not sent public awareness messages as required by 49 CFR § 192.616.
 Follow-up: The public awareness message has not been delivered as required. The operator stated brochures are currently being printed.
- Drakesboro has not trained appropriate operating personnel to ensure they are knowledgeable of emergency procedures as required by 49 CFR § 192.615(b)(2). Follow-up: Emergency Response Training was conducted on June 14, 2019 by Jeff Roberts and documented.
- 17. Drakesboro did not establish and maintain liaison with appropriate fire, police, and other public officials as required by 49 CFR § 192.615(c).
 Follow-up: Meeting was conducted on June 14,2019 with Mayor, Gas Dept., Russmar and Fire Dept. Chief reviewing issues with gas emergencies and record reviewed.
- Drakesboro does not review or update its operation and maintenance plan as required by 49 CFR § 192.605 (a).
 Follow-up: New plan was implemented in 2019.
- 19. Drakesboro has not conducted periodic sampling of combustible gases in its distribution lines to assure the proper concentration of odorant test as required by 49 CFR § 192.625(f) since November 2017. Follow-up: The records for May 8, 2019, May 17.2019, May 20, 2019, May 31,2019, 6June 6,2019 indicate readings were conducted by Drakesboro Employee Donald Sims (OQ-February 13, 2019).
- 20. Drakesboro has not conducted patrolling of its distribution mains as required by 49 CFR § 192.721 since 2017.
 Follow-up: Operator needs to make a patrolling list for known hazardous piping and document as required.
- 21. Drakesboro has not conducted a leakage survey in its business district as required by 49 CFR § 192.723 since 2017. Additionally, the employee who is listed on the record of the 2017 survey as having conducted the survey, Jordon Shaw, verified to Staff on February 7, 2019, that he did not conduct the leak survey.

Follow-up- Leak survey conducted by Russmar on March 20,2019 until April 16,2019. No Class 1 leaks, 22-Class 2 leaks, and 7-Class 3 leaks.

 Drakesboro has not conducted regulator/relief valve inspections as required by 49 CFR § 192.739.

Follow-up- The operator could not produce records at the time of inspection.

 Drakesboro has not conducted valve inspections as required by 49 CFR § 192.747 since 2016.

Follow-up: Critical Valve inspections conducted on May 15, 2019 by Donald Sims (OQ February 21,2019).

24. Drakesboro has not tested pipelines under cathodic protection as required by 49 CFR § 192.465 (a).

Follow-up: Pipe to soil readings conducted on May 4, 2019 by Donald Sims is not operator qualified and Marvin Anderson (OQ December 10,2021). All Readings are below the required -0.85.

25. Drakesboro has not conducted cathodic protection rectifier inspections as required 49 CFR § 192.465 (b).

Follow-up: Donald Sims visits rectifier monthly, he is currently not documenting readings. Operator is not operator qualified to conduct inspections. After review of cathodic protection readings the rectifier is properly working.

 Drakesboro has not conducted atmospheric corrosion inspections as required by 49 CFR § 192.481.

Follow-up: The inspection has not been conducted at this time.

- 27. Drakesboro's pipeline markers do not meet the requirements of 49 CFR § 192.707. Numerous pipeline markers in field were unable to read. Follow-up: The operator has ordered new pipeline markers to be installed upon arrival. New signs have been installed at all regulator stations.
- 28. Drakesboro failed to ensure that individuals performing covered tasks were qualified as required by 49 CFR § 192.805(b). At the time of Staff's inspection, two employees of Drakesboro who were not properly qualified were performing covered tasks. Staff also received a report from a customer that prisoners turned on gas service and entered the home to relight appliances.

 Follow-up: The operator has two current employees, Donald Sims and Jordon Shaw,

Follow-up: The operator has two current employees, Donald Sims and Jordon Shaw, who are operator qualified to restore service (OQ February 14,2019), and Russmar employee Marvin Anderson (OQ July 31,2022) on site to turn on gas for customers.

- 29. Drakesboro did not properly repair a damaged plastic main on Wyatt's Chapel Road as required by 49 CFR § 192.311. Operator repaired a 2 "plastic main with a clamp. Follow-up: The operator has not found location at this time to repair.
- 30. Drakesboro did not ensure that combustible gas in its distribution lines was properly odorized as required by **49 CFR § 192.625(a)**. A 3rd party contractor conducted odor test and verified there was no odorant in the gas system.

Follow-up: The records for May 8, 2019, May 17.2019, May 20, 2019, May 31,2019, 6June 6,2019 indicate readings were conducted by Drakesboro Employee Donald Sims (OQ-February 13, 2019).

- 31. Drakesboro failed to follow procedures in its emergency plan in response to two reports of gas detected inside and outside of homes as required by CFR § 192.605(a). Follow-up: No issues indicated in records. All emergency calls through 911 in cad system. A record of each emergency documented.
- 32. Drakesboro has not offered excess flow valves to existing customers as required by 49 CFR § 192.383(d).

Follow-up: At this time the operator has not sent. The operator plans on sending to customers when public awareness message goes out.

- 33. Drakesboro has failed to ensure that each person making joints in plastic pipelines is qualified as required by 49 CFR § 192.285.
 Follow-up: Drakesboro employees Donald Sims and Jordon Shaw are currently operator qualified on using stab and mechanical fittings on (OQ February 19,2019).
- 34. Drakesboro has failed to maintain for the useful life of each pipeline records of each test performed under 49 CFR Subpart J as required by 49 CFR 192.517.
 Follow-up: The original MAOP records were not found. A history of operating pressure needs to be reviewed to establish MAOP.
- 35. Drakesboro has failed to keep records of the following procedures as required by 49 CFR § 192.603(b):
 - Installation of new service lines:
 - Installation of excess flow valves;
 - Response to and repair of leaking pipelines;
 - Atmospheric corrosion inspections;
 - Odorant tests (2018 and 2019);
 - Patrolling of distribution mains (2018);
 - Leak surveys (2018);
 - Valve inspections (2018 and 2019);
 - Pipe-to-soil readings (2018); and
 - Cathodic protection rectifier inspections (2018).

Follow-up: The following records were reviewed: installation of new service line, installation efv, odor tests, leak survey, valve inspections, and pipe to soil readings, and leak repairs. The records provided by Russmar were not adequate documentation for leak repairs. Please see records below.

Inspector Comments

The closing conference was conducted with the following: Mayor Mike Jones, Drakesboro employee Donald Sims, and Russmar employee Jeff Roberts.

After conducting the follow-up inspection, it was discussed that 12 of the 35 deficiencies have not been corrected. The following recommendations were made: The City of Drakesboro needs to contract trained and operator qualified specialists to assess the pipeline system for corrosion, rectifier's, measurement, and regulator stations.

Submitted by:

Melissa Holbrook 6-17-2019

Melisa Walliada

Utility Regulatory and Safety Investigator

City of Drakesboro leak Repairs.

There was a total of 29 Leaks Reported in the annual Leak Survey

22 Grade 2 Leaks

7 Grade 3 Leaks

Putting all this information together from the DFR and the Leak Survey, which doesn't correspond due to documentation.

Leaks Repaired from DFR's Location , Date , Leak Order #

- 1. 100 Harper Circle 3-18-2019
- 2. Jackson Town Rd 3-19-2019
- 3. US.431 3-19-2019
- 4. 48 Beach Creek Brown RD 3-20-2019 Leak Order 1016
- 5. 301 Union Chapel Lane 3-20-2019
- 6. Intersection of Broad St & Kennedy Jones Ave 3-21-2019
- 7. Christian Street 3-25-2019 ? Multiple on Christian Street
- 8. 160 woodruff & Beech creek 3-25-2019
- 9. Jones Ave & Christian 3-25-2019 Leak Order 1006
- 10. Everly & Christian 3-26-2019
- 11. 310 Christian 3-26-2019
- 12. 217 Guitar Ave 3/27/2019 Leak Order 1002
- 13. 116 Cornette St 3/27/2019
- 14. 507 Broad way 3-28-2019
- 15. Ditney Hill Rd 3/28/2019
- 16. 3190 Hwy 431 4/1/2019
- 17. 110 Kirtley Rd 4/1/2019 Leak Order 1026
- 18. 1554 Hwy 431 4/1/2019 Leak Order 1024
- 19. Merale Travis Hwy 4/2/2019
- 20. Hwy 1163 & Beechcreek Rd 4/3/2019
- 21. 208 Mill Rd 4/3/2019

Supervisor: Dustinh			****	West 1 1111 No. 3 53 18	Exact Loca	tions	NEOV	or hora	1) .ec
apervisor. 1303110 M	agasi		-	А	B	C C	A+B+C=D	£2 DOLO	, Harper circle
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Tlme	Drive Time	Work Time	Total Hours		Cost Codes
Justin Whaner	6:00	5:00			4	1	111	Foreman	
Cordell Hill	7:00	5:00			_3	7	10	hab	
Facilities		Unit	Start	End	Total			Cost	
Description	Equipment Description			Miles/Hrs				Code	
Chery 3500 CX35A Mini EX		483	3111	70180 3114	375				
<i>r</i>									
								-1	
			Toda	y's Prod	uction				
	escription			Units/	Footage	e Vi		ditional Con	nments
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Dug up leak god Cut black top	and h	ackfill	ed						

pervisor: Dustin W	190,00				Exact Local		Drake	esboro	
)			A	В	С	A+B+C=D		
Employee Name &	Start	End	Lunch	Vac	Drive	Work	Total		Cost
Class (Foreman, Op, Lab)	Time	Time	/	Time	Time	Time	Hours	_	Codes
Justin Wagner	7:30	5:00	0,5			9	9	Forema	Λ
Socdell Hill	7:30	5:00	0.5			9	9	Lab	
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				WINEST N					
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Description		Number		Miles/Hrs				Cod	2
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Chery 2500 CX55B price EX		483	3114	3116	9				
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			Toda	ny's Prod	uction				
Task D	escription		Toda		uction		A	dditional (Comments
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Dug up alines an	dfixed	leaks	Toda			Jac			
Dug up alines an	d fixed	leaks	Toda			Jac			
Dug up alines an a"steel line, capped	d fixed		Toda				Kson?		
Dug up a lines an Dug up a lines an 2"steel line, capped ain hole in steel se but band clamponi	d fixed		Toda						

upervisor: Dustin We	agner				Exact Loca		Drak	kesboro
Employee Name &	Start	End	Lunch	Vac	B Drive	C Work	A+B+C=D	Cost
Class (Foreman, Op, Lab)	Time	Time		Time	Time	Time	Hours	Codes
Dustin Wagner Cordell Hill	7:30	5:00	0.5			9	9	Foreman
Cordell Hill	7:30	5:00	0.5			9	9	Lab
							1017	
	-		-					
	1				-			
	1		-				-	
					110			
Equipment Unit Start				End	Total			Cost
Description		Number		Miles/Hrs				Code
Chevy 2500 CX55B mini Ex		164	70212	70265	53			
		483	3116	3119	1			
			-					
				-	-			
			-					
	A-10-	-	-			-	- 6	
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Dug up 2 lines an Tighten cap on se	d fixed ervice 7	leaks ap Ste	el				eech C	reek Browder Rd
Dug up 2 lines an Tighten cap on se	d fixed ervice 7	leal(s ap ste ne plast	el				eech C	
Dug up 2 lines an Tighten cap on se	d fixed ervice 7	leal(s ap ste ne plast stop de	el				eech C	reek Browder Rd
Task Do Dug up 2 lines an Tighten cap on Se pin hole in 3" ser Cut out and fixed, c Backfilled with do	d fixed ervice 7	leal(s ap ste ne plast stop de	el				eech C	reek Browder Rd

	0 .						1. 1/	10. 6.00
Supervisor: Dustin W	agner			A	Exact Local	tion: C	A+B+C=D	esboro
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	Drive Time	Work Time	Total Hours	Cost Codes
Dustin Wagner Cordell Hill	7:30	5:00	0.5			9	9	Forekan
Cordell Hill	7:30	5:00	0.5			9	9	Lab
Equipment Description		Unit Number	Start Miles/Hrs	End Miles/Hrs	Total Miles/Hrs			Cost Code
Chery 2500 CX55B Min EX		164	70265	70370	105			
<u> </u>		483			0			
			Tod	ay's Prod				
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Helped with leak sur	vey							
								A CONTRACTOR OF THE CONTRACTOR

Job Name: Dra Keshora	TIM		Job Numbi	er:	1935	6		Date:	3-22-2019	
Supervisor: Dustin Wac	ivet.				Exact Loca		Drake	esboro		
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	B Drive Time	C Work Time	A+B+C=D Total Hours		Cost Codes	
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							The state of			
								1		
Equipment Description		Unit Number	Start Miles/Hrs	End Miles/Hrs 70730		Cost Code				
Chevy 2500 CX5SB		483	3119	3119	_0					
			Toda	y's Prod						
	escription			Units/i	Footage		Ac	iditional (Comments	
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						,				

pervisor. JEREMY JANES	4-10-4				Exact Loca	ation:	JONES AV	/F
			7	A	B B	С	A+B+C=D	
Employee Name &	Start	End	Lunch	Vac	Drive	Work	Total	
Class (Foreman, Op, Lab)	Time	Time		Time	Time	Time	Hours	41 - 25 / 5h - 40/
EREMY JANES	3:00 PM	10:30 PM	2,0		1.0	6.5	7.5	1hr-25 6.5hrs-101
				0.45-01-0			0.570	
							-	
	THE REST							
			A SHIP					
		1.125						
		1 11 11	- Ct - 1		7.4.1			
Equipment Description	Unit Number	Start Wiles/Hrs	End Miles/Hrs	Total				
016 CHEVY 2500		143	minesiriis	mitesims	7.5	1hr-25 6.	.5hrs-101	
010 CHEV 1 2500				100	7.3			
						1.414		
						-	-	
			-			-	-	
		-	-	-	-	-		
					-		1010,000	
				 	-			
	X E SULLE			-				
			Tode	ay's Prod	duction			
Task	Description	n		Units/	Footage		1	dditional Comments
Took air compressor to DRAKE	ESBORO and	d help fix le	ak on	i arke				
4" steel main								
					W. C. L.			
	Marie Company							
	THE SECOND					4		

lob Name: Drakesboro t and m		:	Job Numbe	er:	19356	78.73		Date: 3/25/19
Supervisor. Jeremy banks					Exact Loc	ation:	Drakesbo	
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	A Vac Time	B Drive Time	C Work Time	A+B+C=D Total Hours	
Foreman Jeremy Banks	6 AM	6:30 PM	0.0		3.5	8.5	12.0	25-3.5/101-8.5
ab Dustin Drake	6 AM	6:30 PM	0.5		3.5	8.5	12.0	25-3.5/101-8.5
ab William Hampton	6 AM	6:30 PM	V. b.		3.5	8.5	12.0	25-3.5/101-8.5
Equipment Description		Unit Number	Start Miles/Hrs	End Miles/Hrs	Total Miles/Hrs			
2016 chevy 3500 Case 55 mini		136 An			1,415.0	25-3.5/1 25-3.5/1		
			Toda	y's Proc	duction			
Task De	escription			Units/	Footage			dditional Comments
Repaired leak						Cristian	st	
		-				-		
				-		E		
				1				

Class (Foreman, Op, Lab) Time Time Dustin Lab (6:00 11:00pm Condell Hill Lab (6:00 11:00pm Equipment Description Chry 3500 Time Time Time Time Time Time Time Time District Number Manuel Time Time Time	Lunch	A Vac Time	Exact Loca B Drive	tion: C Work	Drakest A+B+C=D	1010	
Employee Name & Start End Time Time Dusting a Cordell Hill Lab 6:00 11:00pm Cordell Hill Lab 6:00 11:00pm Equipment Oescription Number M C 1844 8500 164	C.5	Vac	Drive		A+B+C=D		
Equipment Description Chrevy 2500 Class (Foreman, Op, Lab) Time Time Time	C.5		- ALL ALL ALL ALL ALL ALL ALL ALL ALL AL	IAInele			
Equipment Description Chrevy 2500 Dustinhagner For 5:00 11:00pm Equipment Description Chrevy 2500 11:00pm Unit Number M		Time	Time		Total		Cost
Equipment Oescription Number M			Time	Time	Hours		odes
Equipment Unit Number M. C. PRVY 3500 1/04	C '5	0	4	13.5	17.5	25-4hr	101-1354
Description Number M. C. NRVY 8500 1/04 7			د	135	16.5	25-3hr	101 - 13.56
Description Number M. C. NRVY 8500 1/04 7							
Description Number M. C. NRVY 8500 1/04 7							
Description Number M. C. NRVY 8500 1/04 7							
Chevy 3500 164 7 CX55B 1483 3		End Miles/Hrs				Cost Code	
CX55B 1483 3	m730	71000	270	10	31		
	3/19	3124	5	10	1		
	Toda	y's Produ	uction				
Task Description		Units/F			Add	itional Comme	nts
Fixed & service line plastic with stab	filling					f In, Beec	
Dug up 4" stoel line, found leak, bad lea Letted on a 4" snort stop in seperated holes. Cut out 2' at leak	k cli			Inters	ection o istian	f Jones A St	lone and
helded 2' of 4" Steel backin Cut blacktop for laf ball holes Hauled off 2 loads of concrete, blackto	n. 1:et						
Housed 2 loads of gravel							

Job Number:

19356

Job Name: Drakesboro t and m

Supervisor. Jeremy banks					Exact Loc	ation:	Drakesbo	oro
				A	В	С	A+B+C=D	
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	Drive Time	Work Time	Total Hours	
Foreman Jeremy Banks	7:30 AM	5:30 PM	0.5			9.5	9.5	0101-9-5
Lab Dustin Drake	7:30 AM	5:30 PM	0.5			9.5	9.5	0101-9-5
Lab William Hampton	7:30 AM	5:30 PM	10.85			9.5	9.5	0101-9-5
Equipment Description		Unit Number	Start Miles/Hrs	End Miles/Hrs				
2016 chevy 3500		136			148,123.0	0101-9-5		
Case 55 mini		463			1,415.0	0101-9-5		
			Toda	y's Prod	uction			
Task Di	escription	77			ootage	1	Ad	ditional Comments

Today's Production								
Task Description	Units/Footage	Additional Comments						
Repaired leak	3h	Corner of Ike everly ave. And Christian st. 2" coated						
		Steele main in the dirt 2 leaks						
Repaired leak	6h	Front of 310 Christian st 2" coated steel main under						
		Blacktop cut blacktop 15'x5'						
Moved excavator	30m	From Christian st. To broad st.						

ob Name: Drakes boro			Job Numbe		19356			Date:	3-26-2019
upervisor: Dustin W	agner				Exact Loca		Drake	sboro	
Employee Name &	Start	End	Lunch	Vac Vac	B Drive	Work	A+8+C=D		Cost
Class (Foreman, Op, Lab)	Time	Time	Luncii	Time	Time	Time	Hours		Codes
Justin Liberner For	00:8	6:00	0.5			9.5	9.5	10	
redell Hill I Lab	8:00	6:00	0.5			9.5	9.5	10	
									,
				MV N EVI					
	115 46								da se ve de la
Equipment		Unit	Start	End	Total			Cos	
		Number			Miles/Hrs			Code	
		164	71000	71040	40		101		
Thery 2500 X5510 minicx		483	3124	3131	17		101		
		100	1		1		1-1		
	,		11.23						
								-	
				-	-				
			1						
			Toda	y's Prod	luction			-	
			Tout			-	44	disional C	Comments
	scription		C 1. L	Unitsy	Footage	210			
Cut Blacktop, Hauler	ott:	510005	of dirt			914	Christ	rian /	tve
Hauko 3 losas at gr	ave i		4.4	-			-		
There was no leak	deany	Satura	teo	-			-		
Dug out 40 of his	16 9	Steel	-leel	-		-		-	
Hanko 3 loads of go There was no leak, Dug out 40 of lin Dug out 20 of se	ince 1	W.	2.4651			-			
Dugant Tap				-		-			
NO Le	n 1/			-	-	-			
110 6	417			1				27,043-12.0	
				1					

Job Name: Drakesboro t and fi	,		Job Numo	er.	19300		II.	Date: 3/2//19
Supervisor Jeremy banks	THE WAY SEED		-		Exact Loc	ation:	Drakesbo	oro.
upervisor seremy banks				1 A	B B	C C	A+B+C=D	
Employee Name &	Start	End	Lunch	Vac	Drive	Work	Total	1
Class (Foreman, Op, Lab)	Time	Time	1000	Time	Time	Time	Hours	
Foreman Jeremy Banks	7:30 AM	4:30 PM				8.5	8.5	0101-8-5
ab Dustin Drake	7:30 AM	4:30 PM				8.5	8.5	0101-8-5
ab William Hampton	7:30 AM	4:30 PM	. 0.			8.5	8.5	0101-8-5
						1		
			- Value					
		11-74	Chart	End	Total		-	Landan de la companya
Equipment Description		Unit Number	Start Miles/Hrs	1	CONTRACTOR OF STREET			
2016 chevy 3500		136	minesiins	, mincorring				
Case 55 mini		463	1	1	1,525.0	0101-8-5		
Case 33 mm		100						
					1			
						-		
					-	-		
					-		-	
					-	-	-	
		1			1			
		4	7.1	au'a Da-	duction	al insuring		
			Iod	ay's Prod	Footage	1		dditional Comments
	Description				30m	507 hrs		pointed leak stripped out 2" ma
Repaired leak			*****	ui.	2011			ine had been abandoned with a
				+				cap was leaking. Loosed up cap add
								retighten cap stapped leak 4'x4'
						Blackto		Name a matter between hid or or or or

Supervisor: Dustin b	Sapor	<u>c</u>			Exact Loca		Drakes	boro
			I 1	A	B	C	A+B+C=D	
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	Drive Time	Work Time	Total Hours	Cost Codes
		200		111111	rinac	6.5	6.5	
Dustin Wigner Cordell Hill	7:30	2:00				6.5	6.5	101
O10611 HID	1:50	2700				6.5	(012)	701
				11111				
	-						-	
	-							
	200					THE		
						1. 11.2		
	<u> </u>							
Equipment		Unit	Start	End	Total			Cost
Description		Number		Miles/Hrs	Miles/Hrs	1 1 1		Code
Cherry 2500		164	71084	71445	361		101	
CX55B Mini Ex		483	3135	3137	2		101	
		-	-					
		-	-		-			
		-	-					
		-						
		-						
							all sell	
					<u> </u>			
	-		Toda	y's Prod	uction			
Took D	escription	-	Toda		Footage		Add	litional Comments
0.101-VL du	CALL C	ادول ا	1'00	Onicayi	Cologe		D:+ne	, Villad
Cut Blacktop, du Dut Band Clamp of dict. Hayled 1 100	311	led of	13god			Leak	PC JOSE	Hill Ad to Hillside La
dict Hay led 1 100	d con	covel	Low				CIUS	
CHILIPPING 1 100	01 9	Lavor						

pervisor: Dustin W	agner			A	Exact Loca B	tion:	A+B+C=D	baro	
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	Drive Time	Work Time	Total Hours		Cost Codes
Justia Dagger For	5:00	6:00	0.5		Ц	8,5	125	25-46	101-8.5W
dod Hill Hobre	6:00	6:00	0.5		3	8,5	11.5	25-3hr	101-8.5hr
joined Adons op	5:00	6:00	0.5		L	8.5	12.5	135-4hr	101- 8.5hr
<u> </u>	-			-			-		
	1							-	
								1	
	-			sid - Lu					*
								1	
	2000	3							
Equipment Description		Unit Number	Start Miles/Hrs	End Miles/Hrs	Total Miles/Hrs			Cost Code	
1 pus asa		164	71445	7071	32/2	101-	· 8.5h		
Chevy 9500 CX556		483	3137	3140	326	101	8.5h		
			-						
		-		-	-		-		
			1		1				
			-	-	-	-	and the same		
		-	-	-		-			
		-	-		-		A T A		
			Toda	y's Prod		,		d Pains and O	
	Description	10.00	***	Units/	Footage	1010		dditional Con	nments
	e, Fixed	150K P	1.77	-		319	U THY	W 751	
11" Land Clamp				+		-			
Dugue 2' Steel. Ti	obtered i	10000	clano			110	Kirtle	v Rd.	
they was already or	7:1	THE	-2-101)			1111			
						1		1101	
	1		11'51.	111.		1554	111111	431	
Dugua 4" Stelline	and 4XI	24561 1	01, 1210	Since		100	11 400	10.	
Dug up 4" Steel line Frand Ruk, Hast Covered back up. Di	and 4XI	laced.	op. 1200	Since		100	1140	10:	

Job Name: Drakesborg	THE		Job Numb	er:	1935	6		Date: 3-27-2019
supervisor: Dustin L	baner				Exact Loca	ition:	Drake	onde
	, ,			A	В	С	A+B+C=D	
Employee Name &	Start	End	Lunch	Vac	Drive	Work	Total	Cost
Class (Foreman, Op, Lab)	Time	Time	-	Time	Time	Time	Hours	Codes
Dustin Wagner For	7:30	5.30	0.5			9.5	9.5	101
Dustin Wagner For Cordell Hill Lab	7:30	5:30 5:30	0.3			9.5	9.5	/01
							500	
							The same	
	1111					See any other		
			100					
	-						-	
	-			1000000				
	-	-	-					
			10000					
				1 200		100		
		- 121-						
Equipment		Unit	Start	End	Total			Cost
Description		Number		Miles/Hrs	-			Code
Chevy 2500		164		71084	44	10		
Chevy 2500 CX55B MiniEx		483	3131	3135		10)I	
				100000000000000000000000000000000000000		1		
						1 2		
	- 5 IV-20							
						777-38	300	
		-			-		72	
							-	
	-	-		10000	7777	THE REAL PROPERTY.	-	
			-	-			-	
		-		0.00				a source of the second
		-	8 200					
								A STATE OF THE STA
			Toda	ay's Prod	uction			
Task De	escription			Units/	Footage		Ad	ditional Comments
Dugus 1"steel, F	nel heri	Kirth	band			217	Guite	ar Ave
1-1)	PACO 155	in the	- wats					7.10.8
Camp			74.44					
C. L. DI Vien 110	1-1-00	Lland	A: ~}-	-		01/	0-505	ete st.
Cut Blacktop, Hau Repaired 2" Steel of Clamp. Hauled 1 10	KO 677	1 1090	A	-		110	COLLIE	the st.
Repaired 2" Steel of	as Itak	with	pana					
Clamp. Hauled 1 15	ad at a	ravel						
)						
						100		

Job Name: Diakestoro	174 11		Job Numb	er:	19356			Dote: 4-2-2019
Supervisor: Justin Who	1066				Exact Loca		Drake	Shora
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	Drive Time	Work Time	A+B+C=D Total Hours	Cost Codes
Dustin Wagner For Condell Hill lob Sorred Adams op	5:00 7:30	5:30 4:00	0.5		6	8	12	25-6hr 101-6hr
Sorred Adams op	7:30	4:08	0,5			8	8	101-3hc
Equipment Description		Unit Number		End Miles/Hrs				Cost Code
Cherry 2500 CX55B Mini Ep		483	3140	73/93 3140	431	11	01 - 12 01 - 86	Ac r
				,				
			L		İ			- Company of the Comp
			Toda	y's Prod				
Jugua 2" Steelline	. Put 1	Bandelo	mpon		Footage	528		ditional Comments
heround Tap. rived to Reinstall Tap 45	arvice.	- 1 - 2 - 2	to the back					
us) Has to be fixed.	waiti	ng on p	parts	F.			~-	
Crove to Delta Mas	stingo	and Bac	K					
					1	W/ear	le Imvis	s Hwy and Prechareek

iupervisor: Dustin We	MORE				Exact Loca	The second second	PLOKE	skoro
Employee Name & Class (Foreman, Op, Lab)	Start Time	End Time	Lunch	Vac Time	B Drive Time	Work Time	A+B+C=D Total Hours	Cost Codes
Justink langer For	7:30	5:00	0.5			9	9	101 - 960
Sustinulagner For Contell Hill Lab	7:30	5:00	0.5			q	q	101 - 960
Jarred Adaps Op	7:30	5:00	0.5			9	9	101-96
								7
Secretary of the second								-
	1000				1011	and a second		
		-						
Equipment		Unit	Start	End	Total		No.	Cost
Description		Number		Miles/Hrs	Miles/Hrs			Code
Chevy 2500		164	73193	7350	58		- 9h.	
CY.SSB MINI EX		483	3140	3143	3	10	- ghe	
		-		THE PERSON NAMED IN				
			ļ					
	-		-	-				
			-					
		1						
					1			
							V. Land	
				<u> </u>	<u> </u>			
			Toda	ay's Prod				
	escription			Units/	Footage			ditional Comments
		Linke Class		Units/	Footage	エル	isection	Huy 1163 and
		hine place		Units/	Footage	BREC	rsection hereok	Rd. Hwy 1163 and
Tosk Do Installed 2x5 Tao. 15x1 Reduces. 1 of 1" Reduces. Fixed Tap		tice the		Units/	Footage	BREC	isection	Rd. Hwy 1163 and
Installed 2x5 Tao. 5x1 Reducer. 1° of 1" Redu c er. Fixed Tag	of 5 pilesplas and se		tic. 141 om yesterd	Units/	Footage	Beec 528	rsection hereek Beechen	Rd. Houy 1163 and Rd. Peck Ad
Installed 2x5 Tao. 1/2x1 Reducer. 1' of 1" Reducer. Fixed Tap Dug up 1" Steel Lip	of 5 pilesplas and se		tic. 141 om yesterd	Units/	Footage	Beec 528	rsection hereok	Rd. Houy 1163 and Rd. Peck Ad
Tostalled 2x5 Tao. XXI Reducer. 1° of 1" Redu c er. Fixed Tag	of 5 pilesplas and se		tic. 141 om yesterd	Units/	Footage	Beec 528	rsection hereek Beechen	Rd. Houy 1163 and Rd. Peck Ad
Installed 2x5 Tao. 1/2x1 Reducer. 1' of 1" Reducer. Fixed Tap Dug up 1" Steel Lip	of 5 pilesplas and se		tic. 141 om yesterd	Units/	Footage	Beec 528	rsection hereek Beechen	Rd. 163 and Rd. eck Ad

Statement of Revenue, Expenses, And Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2016

		WATER FUND		SEWER FUND	NATURAL GAS FUND	PF	TOTAL COPRIETARY FUNDS
Operating revenue:	•	124 202	d.	112.064	¢ 421.002	6	(70.240
Current use charges	\$	134,202	\$	113,064	\$ 431,083	\$	678,349
Reconnect and tap fees		6.510		-	4.200		10.710
Late charges and penalties Miscellaneous revenue		6,519		*	4,200		10,719
Gas franchise revenue		5		2 207	-		2 207
Gain on sale of assets		-		3,307	-		3,307
		140.506			425,202	_	-
Total Operating Revenue		140,726		116,371	435,283		692,380
Operating expenses:							
Contract purchases		91,153		-	137,861		229,014
Payroll costs		15,288		15,288	92,097		122,673
Supplies and materials		6,604		29,826	17,876		54,306
Repair and maintenance		6,004		23,189	23,696		52,889
Utilities				31,413	12,260		43,673
Insurance		13,431		13,431	49,263		76,125
Purchased services		1,500		1,500	20,356		23,356
Depreciation expense		32,071		19,237	33,647		84,955
Taxes and licenses		827		-	1,432		2,259
Franchise costs				•	6,614		6,614
Seminars and training		45		45	-		90
Other costs	**********	679	_	149	10,336		11,164
Total Operating Expenses		167,602		134,078	405,438		707,118
Total Operating Income (Loss)	_	(26,876)	-	(17,707)	29,845	*****	(14,738)
Non-operating revenue (expenses):							
Interest revenue		4		4	16		24
Interest expense		(8,328)		(8,327)	(4,881)	(21,536)
Total Non-operating Revenue (Expenses)		(8,324)		(8,323)	(4,865	_	(21,512)
Income (Loss) Before Capital Contributions		(35,200)		(26,030)	24,980		(36,250)
Capital Contributions:							
Contribution in aid of construction		*	-	-		-	-
CHANGE IN NET POSITION		(35,200)		(26,030)	24,980		(36,250)
NET POSITION - BEGINNING		252,413	_	397,808	587,670		1,237,891
NET POSITION - ENDING	\$	217,213	5	371,778	\$ 612,650	\$	1,201,641

The accompanying notes are an integral part of these financial statements.

PSC EXHIBIT <u>2</u>

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	,	B	usine	ess Type Activiti		nterprise Funds		
		FUND		FUND		FUND		TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$	137,569	\$	115,824	\$	377,601 \$		630,994
Cash payments to suppliers		(119,896)		(101, 239)		(276,626)		(497,761)
Cash payments to employees		(15,288)		(15,288)		(92.097)		(122,673)
Other income		-						
Net Cash Provided by (Used in)								
Operating Activities		2,385		(703)		8,878		10,560
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
That we work the training								
Transfers to Other Funds		-		-		~		-
Transfers from Other Funds		-	_	-		-		-
Net Cash Provided by (Used in)								
Non-Capital Financing Activities		*	_			-		*
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition of capital assets		-				(248,093)		(248,093)
Principal paid on revenue bonds and notes		(11,500)		(11,500)				(23,000)
Net borrowings on line of credit						158,558		158,558
Interest paid on debt		(8,328)	_	(8,327)		(4,881)		(21,536)
Net Cash Used in Capital and								
Related Financing Activities		(19,828)		(19.827)		(94.416)		(134,071)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest on investments		4		4	~	16		24
NET INCREASE (DECREASE) IN CASH								
AND CASH EQUIVALENTS		(17,439)		(20,526)		(85,522)		(123,487)
CASH AND CASH EQUIVALENTS AT								
BEGINNING OF YEAR	_	37,823	_	118,859		228.473		385,155
CASH AND CASH EQUIVALENTS AT		** ***		20.20		145 80.	•	
END OF YEAR	\$	20,384	\$	98,333	2	142,951	5	261,668

Statement of Revenue, Expenses, And Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2017

		WATER		SEWER	NAT	TURAL GAS		TOTAL PRIETARY
		FUND		FUND		FUND	1	FUNDS
Operating revenue:			1				-	
Current use charges	\$	132,027	\$	146,118	\$	354,671	\$	632,816
Reconnect and tap fees								
Late charges and penalties		4,654		-		5,138		9,792
Miscellaneous revenue		8,408				3,613		12,021
Gas franchise revenue		•		3,534				3,534
Gain on sale of assets		-	_	-		-		-
Total Operating Revenue		145,089	_	149,652		363,422	-	658,163
Operating expenses:								
Contract purchases		85,024				165,750		250,774
Payroll costs		14,944		14,944		88,623		118,511
Supplies and materials		4,951		31,647		11,757		48,355
Repair and maintenance		23,066		26,317		24,830		74,213
Utilities				27,433		12,867		40,300
Insurance		13,088		13,088		43,748		69,924
Purchased services		1,500		1,500		21,129		24,129
Depreciation expense		32,071		19,237		38,660		89,968
Taxes and licenses		460				1,624		2,084
Franchise costs		-				7,067		7,067
Seminars and training		75		175		2,414		2,664
Other costs		1,561	_	101	-	12,070		13,732
Total Operating Expenses	-	176,740	-	134,442		430,539		741,72
Total Operating Income (Loss)	_	(31,651)) _	15,210	- 3-1	(67,117)		(83,558
Non-operating revenue (expenses):								
Interest revenue		4		4		11		1
Interest expense		(7,744)) _	(7,743)) _	(7,023)	/	(22,51
Total Non-operating Revenue (Expenses)		(7,740)) _	(7,739)	(7,012)	-	(22,49
Income (Loss) Before Capital Contributions		(39,391))	7,471	į	(74,129)	,	(106,04
Capital Contributions:								
Contribution in aid of construction	_	-		+		-		
CHANGE IN NET POSITION		(39,391	.)	7,471	1	(74,129	1)	(106,04
NET POSITION - BEGINNING	_	217,212	<u>!</u> .	371,778	3 _	612,650	! _	1,201,6
NET POSITION - ENDING	\$	177,821	L	\$ 379,249	9 \$	538,521	\$	1,095,5

The accompanying notes are an integral part of these financial statements.

PSC EXHIBIT _ 3_

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2017

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

		R	ucina	ess Type Activitie	ac . I	ntarnrica Funda		
		WATER	usine	SEWER		TURAL GAS	•	
		FUND		FUND	147	FUND		TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES								101.10
Cash received from customers	\$	140,060	\$	143,594	\$	393,399	\$	677,053
Cash payments to suppliers		(129,565)		(99,756)		(306,228)		(535,549
Cash payments to employees		(14,944)		(14,944)		(88,623)		(118,511
Other income		-		-			-	
Net Cash Provided by (Used in)								
Operating Activities	-	(4,449)		28,894		(1,452)	-	22,991
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
								.05
Transfers to Other Funds						-		
Transfers from Other Funds					*****	-	-	
Net Cash Provided by (Used in)								
Non-Capital Financing Activities				-	-	-	-	
CASH FLOWS FROM CAPITAL AND RELATED					****			
FINANCING ACTIVITIES								
Acquisition of capital assets						(19,175)		(19,175
Principal paid on revenue bonds and notes		(12,500)		(12,500)		(14,513)		(39.5
Net borrowings on line of credit						16,442		16.44
Interest paid on debt		(7,744)		(7,743)	_	(7,023)		(22,5)
Net Cash Used in Capital and								
Related Financing Activities	-	(20,244)		(20,243)		(24,269)	_	(64,756
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest on investments		4	_	3		10	_	li li
NET INCREASE (DECREASE) IN CASH								
AND CASH EQUIVALENTS		(24,689)		8,654		(25,711)		(41,740
CASH AND CASH EQUIVALENTS AT								
BEGINNING OF YEAR		20,384	-	98,333	-	142,951		261.66
CASH AND CASH EQUIVALENTS AT								
END OF YEAR	\$	(4.305)	\$	106.987	\$	117,240	5	219.92

Statement of Revenue, Expenses, And Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2018

		WATER FUND		SEWER FUND	NA	TURAL GAS	PF	TOTAL
Operating revenue:						TOND		<u>FUNDS</u>
Current use charges	\$	133,303	\$	114,103	\$	471,762	•	710.160
Reconnect and tap fees		_		,	Ψ	471,702	Þ	719,168
Late charges and penalties		2,249		2,269		10,936		1
Miscellaneous revenue		14		14		10,930		15,454
Gas franchise revenue				4,402		-		28
Gain on sale of assets				7,702				4,402
Total Operating Revenue		135,566		120,788		482,698		739,053
Operating expenses:								
Contract purchases		81,680						
Payroll costs		14,963		14.002		210,822		292,502
Supplies and materials		6,193		14,963		89,635		119,561
Repair and maintenance				26,748		10,967		43,908
Utilities		2,131		15,499		16,724		34,354
Insurance		12.216		25,987		13,692		39,679
Purchased services		12,216		12,216		49,934		74,366
Depreciation expense		1,500		1,500		20,442		23,442
Taxes and licenses		32,071		19,237		36,864		88,172
Franchise costs		460		-		1,963		2,423
Seminars and training		-				8,804		8,804
Other costs		188		188		2,542		2,918
		1,316		12		13,377		14,705
Total Operating Expenses		152,718	-	116,350		475,766		744,834
Total Operating Income (Loss)		(17,152)		4,438		6,932		(5,781)
Non-operating revenue (expenses):								
Interest revenue		4		4		•		1-0
Interest expense		(7,124)		(7,123)		(0.005)		17
Total Non-operating Revenue (Expenses)	*	(7,120)		(7,119)		(9,005) (8,996)		(23,252)
				3.3.12		(0,330)		(23,235)
Income (Loss) Before Capital Contributions		(24,272)		(2,681)		(2,064)		(29,016)
Capital Contributions:								
Contribution in aid of construction								
Control in aid of Construction		-		-		*		-
CHANGE IN NET POSITION		(24,272)		(2,681)		(2,064)		(29,016)
NET POSITION - BEGINNING		177,821		379,249		538,521		1,095,591
NET POSITION - ENDING	\$	153,549	\$	376,568	\$	536,457	\$	1,066,575

The accompanying notes are an integral part of these financial statements.

PSC EXHIBIT 4

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES		WATER FUND		SEWER FUND	ities - Enterprise Fun NATURAL GAS FUND	ds TOTAL
Cash received from customers Cash payments to suppliers Cash payments to employees Other income Net Cash Provided by (Used in) Operating Activities	\$	138,900 (105,888) (14,963)	\$	121,432 (84,345) (14,963)	\$ 460,474 (349,602) (89,635)	
	-	18,049		22,124	21,237	61,410
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						01,410
Transfers to Other Funds Transfers from Other Funds Net Cash Provided by (Used in) Non-Capital Financing Activities	_	<u>:</u> .				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						-
Acquisition of capital assets Principal paid on revenue bonds and notes Net borrowings on line of credit Interest paid on debt		(13,000)		(13,000)	(14,995)	(40,995)
Net Cash Used in Capital and Related Financing Activities		(7,124)		(7,123)	(9,005)	(23,252)
		(20,124)		(20,123)	(24,000)	(64,247)
CASH FLOWS FROM INVESTING ACTIVITIES						(04,247)
Interest on investments		4		4		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					9	17
ASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(2,071)		2,005	(2,754)	(2,820)
ASH AND CASH EQUIVALENTS AT END OF YEAR		(4,305)	10	6,987	117,240	219,922

The accompanying notes are an integral part of these financial statements.

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