

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING CAPACITY)
OF MARTIN COUNTY WATER DISTRICT) CASE NO. 2002-00116
PURSUANT TO KRS 278.280)

COMMISSION STAFF S SECOND SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS TO MARTIN COUNTY WATER DISTRICT

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Martin County Water District ("Martin District") file the original and 5 copies of the following information with the Commission no later than September 10, 2002, with a copy to all parties of record. Each copy of the information requested shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention shall be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. State whether, in light of the absence of any order from the Martin County Judge/Executive amending or revising his Order of July 26, 1996 regarding the number of commissioners for Martin District, Martin District has considered the effect of non-

compliance with that Order upon the legality and validity of measures enacted by Martin District's Board of Commissioners.

2. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 2. Identify the entity that Martin District believes will determine the appropriate number of persons who should compose Martin District's Board of Commissioners.

3. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 2. State whether Martin District agrees that Martin District's Board of Commissioners should have only 3 members. If no, explain why Martin District disagrees.

4. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 2. State whether Martin District agrees that, as presently constituted with 5 members, the composition of Martin District's Board of Commissioners fails to comply with the Martin County Judge/Executive's Order of July 26, 1996 and is therefore not in compliance with KRS 74.363. If no, explain why Martin District disagrees.

5. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 7. Provide a list and brief description of all written policies and procedures that Martin District's Board of Commissioners has approved and adopted and that are currently in effect.

6. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 10. Provide one copy of the documents to which Martin District refers in its response.

7. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 12. Describe Martin District's efforts to ascertain whether the construction of Martin District's raw water supply pipeline required a Certificate of Public Convenience and Necessity.

8. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 12. State whether Martin District agrees that Martin District is responsible for determining whether a construction project requires a Certificate of Public Convenience and Necessity. If no, explain Martin District's position.

9. State whether Martin District agrees that KRS 278.020(1) required Martin District to obtain a Certificate of Public Convenience and Necessity before commencing construction of its raw water supply pipeline. Explain your response.

10. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 12. State whether PDR Engineering has agreed to indemnify Martin District for any fines or penalties that may be assessed to Martin District for failure to obtain a Certificate of Public Convenience and Necessity.

11. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 21. Describe the procedures that Martin District follows for any purchases of goods or services that do not exceed \$20,000.

12. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 23(a). This response

was not responsive to the interrogatory. Describe each financial planning procedure that Martin District currently employs.

13. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 23(a).

a. Describe the financial planning services that PDR Engineering currently provides to Martin District.

b. Identify the PDR Engineering employees who currently provide financial planning services to Martin District.

c. Identify the PDR Engineering employees who previously provided financial planning services to Martin District, state the nature of the service provided, and when such service was provided.

14. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 24. Describe the unwritten procedures that Martin District uses to determine whether its existing rates are adequate to meet its operating expenses and all outstanding debt obligations and to provide for the replacement of depleted or obsolete facilities.

15. State whether Martin District has a written leak detection program or policy. If yes, provide a copy.

16. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 25(d). State the period during which the Kentucky Rural Water Association provided leak detection assistance or performed leak detection surveys.

17. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 26(a). For each

employee listed, state whether the employee has been certified by the Public Service Commission to test meters.

18. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 26(c). State whether Martin District or its personnel visually confirmed the existence of the meter testing records.

19. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 26(b). State whether Martin District is currently testing meters or has retained an outside entity to perform testing. If an outside entity has been retained, state the name and address of the entity.

20. State whether Martin District pulls and tests each of its water meters at least once every 10 years.

21. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 27(b). Describe the efforts that Martin District is currently undertaking to discover unauthorized use or theft of service.

22. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 27(a). On May 29, 2002, Margaret Estep reported a possible theft of water service to Martin District's Board of Commissioners. Describe the action(s) that Martin District took to investigate the report and to recover the cost of any water service that was improperly received.

23. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 28. State whether

Martin District has any written procedures for providing information to the public. If yes, provide these procedures.

24. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 28. List the news media that are contacted in the event of a boil water advisory.

25. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 28.

a. Identify the local newspaper in which Martin District publishes its boil water advisories.

b. State the frequency in which this newspaper publishes.

c. Explain why other forms of news media are not notified.

26. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 29. State whether any formal, written reports on the financial or operational condition of Martin District are provided to the members of Martin District's Board of Commissioners as a normal course of operations. If yes, describe the nature of the written report and state how frequently it is provided to the members.

27. State whether Martin District currently requires any of its employees to attend the monthly meetings of its Board of Commissioners. If yes, identify each employee who is required to attend.

28. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 32.

a. Identify the person who is directly responsible to Martin District's Board of Commissioners for Martin District's operations.

- b. Identify the person to whom all Martin District employees report.
- c. State whether Martin District has evaluated its employees performance. If yes, identify the person(s) who perform(s) the evaluation, state the frequency of the evaluations, and describe the consequences of a poor evaluation.
- d. Identify the person(s) who determine(s) the duties of a job position and the criteria for evaluating job performance.

29. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 33.

- a. Describe the procedures that Martin District uses to advertise vacant or new employee positions.

- b. Describe the process that Martin District used to hire its current Office Manager.

30. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 34. State whether Martin District's Board of Commissioners is provided a listing of all complaints made to Martin District directly or through the Public Service Commission.

31. Refer to Martin District's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 34.

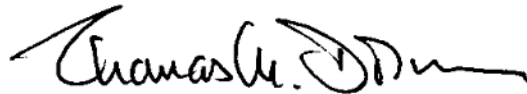
- a. Provide the records that Martin District retains of the physical inspections of the facilities listed.

- b. For each type of facility listed in response to Item 34, identify the person(s) who perform the inspection.

32. Describe the current status of the Buffalo Horn Water Storage Tank.

33. Describe the current operational status of Wolf Creek Water Storage Tank. If Martin District is not currently using this water storage tank, explain why not.

34. Provide the minutes of each meeting of Martin District's Board of Commissioners held since January 1, 2001.



Thomas M. Dorman
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DATED: 8/26/02

cc: Parties of Record