

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If Augusta objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

7. For any document withheld on the ground of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown or explained; and the nature and legal basis for the privilege asserted.

8. In the event any document requested has been destroyed or transferred beyond the control of Augusta, its counsel, or its witnesses, state: the identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; the time, place and method of destruction or transfer; and the reason(s) for its destruction or transfer. If such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

Requests for Information

1. State how the Kentucky Division of Water classifies Augusta's water operations (water treatment plant and distribution system) for purposes of 401 KAR 8:030.

2. a. State whether as part of their routine duties, Augusta's water treatment plant operators take water samples from Augusta's water distribution system.

b. If Augusta's water treatment plant operators take water samples from Augusta's water distribution system, state how frequently in a week the plant operators perform such duties and the length of time that this duty requires.

c. Refer to Augusta's Response of 1/30/2015, Exhibit 3, page 13 of 21. Explain the notation "1 HOUR PER DAY FOR ONE EMPLOYEE TO COLLECT WATER DISTRIBUTION SAMPLES. THIS EMPLOYEE VARIES." Identify the employees listed on page 13 to which this notation applies.

3. Regarding the salaries of Augusta Water Treatment Plant employees:

a. For period from January 1, 2010 through June 30, 2014, state the dates when the salaries/wages of Augusta Water Treatment Plant employees were increased, the amount (percentage) of the increase, and the reason(s) for the increase.

b. If salary/wage increases for the Augusta Water Treatment Plant employees require the approval of the Augusta City Council, provide the minutes of each meeting for period from January 1, 2010 through June 30, 2014 in which employee salaries or wages were discussed.

4. Refer to Augusta's Response of 1/30/2015, Exhibit 3, page 13 of 21.

a. Describe the duties that were performed by the Youth Summer Program employees.

b. State whether the Youth Summer Program employees performed duties solely for the Water Treatment Plant.

c. Describe how the wages for the Youth Summer Program employees were assigned to the Water Treatment Plant.

d. State whether Augusta received any outside funding from other governmental units to finance any portion of the costs of its Youth Summer Program. If Augusta received other funding, state the amount and source of the funding.

5. Refer to Augusta's Response of 1/30/2015, Exhibit 2, page 1 of 10.

a. Provide an invoice for the payment of \$18,615.41 for "KLC Workers Comp."

b. State whether the Kentucky League of Cities ("KLC") has written a workers compensation insurance policy that covers only Augusta's Water Treatment Plant employees.

c. If the KLC policy covers other Augusta employees, then

(1) Describe the full extent of the coverage.

(2) State the total cost of the policy.

(3) Explain how Augusta allocated a portion of the total costs to the Water Treatment Plant.

d. Describe how the cost of workers compensation coverage is allocated to each of employees listed in Exhibit 3(b)(c) of Augusta's Response of 1/30/2015.

e. Augusta recorded refunds from the KLC on January 22, 2014 (\$786.60) and April 29, 2014 (\$31.72). Explain why these amounts were not credited to "Salaries" in the Expense Register.

6. Provide the invoices for the Expense Register entries:

a. 07/18/2013 – USA Bluebook – Supplies – \$300.95

b. 09/13/2013 – USA Bluebook – Supplies – \$322.72

c. 10/09/2013 – USA Bluebook – Supplies – \$20.16

d. 01/17/2014 – USA Bluebook – Supplies – \$796.26

7. Provide a copy of all internal memoranda, guidance statements, regulations, policies and procedures, ordinances, and resolutions that address eligibility for and the level of employee health insurance coverage that Augusta provides.

8. At Exhibit 2, page 1 of 10 of Augusta's Response of 1/30/2015, entries to "Office – Health Insurance" and "Health Insurance" appear.

- a. Describe the costs represented by each entry.
- b. Explain the need for separate entries for Health Insurance.
- c. Explain why these entries appear only once on the Expense Register.
- d. State whether the Augusta Water Treatment Plant incurred other costs for health insurance and, if so, where these costs appear in the Expense Register.

9. Refer to Augusta's Response of 1/30/2015, Exhibit 3, "Regional Water Treatment Plant Employee Benefits." State why the health insurance expense for Ms. Schweitzer exceeds that individual expense of the other listed employees.

10. State whether Augusta pays Old-Age, Survivors, and Disability Insurance (Social Security) employment tax and Hospital Insurance (Medicare) employment for each employee listed in Exhibit 3(b)(c) of Augusta's Response of 1/30/2015.

11. State whether Augusta provides to any retirement benefits to its employees or has established a deferred compensation plan for its employees. If such benefits are provided or such plan established, describe the benefits provides and state the cost to provide such benefits in the test period for the employees listed in Exhibit 3(b)(c) of Augusta's Response of 1/30/2015.

12. In Augusta's Response of 1/30/2015 at Item 4, Augusta states that "[n]o common costs/expenditures were incurred during Fiscal Year 2014." At Exhibit 3, page 4 of 21, the following annotation appears on the pay record for the Assistant City Clerk: "85% – Water

Treatment Salary 15% - General Fund Salary.” State whether Augusta allocates the Assistant City Clerk’s Salary between its General Fund and the Water Treatment Plant.

13. Describe how Augusta determined that eighty-five percent of Ms. Schweitzer’s salary should be allocated to the Water Treatment Plant.

14. State the number of hours that Ms. Schweitzer is required to work each week.

15. Refer to Augusta’s Response of 1/30/2015, Exhibit 3(d).

a. State whether Ms. Schweitzer performs all of the tasks that are listed in “General Duties and Responsibilities” Section of the position description for Assistant City Clerk/Treasurer.

b. Identify the tasks on “General Duties and Responsibilities” Section that Ms. Schweitzer performs only for the Water Treatment Plant.

c. Identify the tasks on “General Duties and Responsibilities” Section that Ms. Schweitzer does not perform for the Water Treatment Plant.

d. State the percentage of Ms. Schweitzer’s work time that is devoted to performing tasks for the Water Treatment Plant and describe how Augusta determined this percentage.

16. State the location of Ms. Schweitzer’s workplace.

17. State whether Kentucky Utilities Company is the sole electric service provider to Augusta Water Treatment Plant and its facilities.

18. List the metering point location(s) where Kentucky Utilities Company delivers electric service to Augusta Water Treatment Plant and its facilities.

19. Provide the billing invoices for electric service that the Augusta Water Treatment Plant received during the test period.

20. State the rate schedules under which the Augusta Water Treatment Plant receives electric service from Kentucky Utilities Company.

21. Refer to the property insurance expenses reflected in the Expense Register.

a. Provide the invoice(s) for insurance coverage provided by Ohio Casualty and Liberty Mutual Insurance during the test period.

b. If the nature of the coverage is not reflected on the invoices, provide the coverage sheet for each policy.

c. State whether the property insurance policies that were underwritten by Ohio Casualty and Liberty Mutual Insurance cover only facilities used in the operation of Augusta's Water Treatment Plant.

d. If the policy covers other property, then

(1) Describe the full extent of the coverage.

(2) State the total cost of the policy.

(3) State the total cost of the insured property.

(4) Explain how Augusta allocated a portion of the total insurance cost to the Water Treatment Plant.

22. State whether sulfur dioxide (SO₂) is used in the treatment process at the Augusta Water Treatment Plant. If SO₂ is used, explain how it is used.

23. State whether calcium hypochlorite is used in the treatment process at the Augusta Water Treatment Plant. If calcium hypochlorite is used, explain how it is used.

24. State whether Augusta Water Treatment Plant exclusively uses chlorine gas in 2000 pound cylinders for its treatment process. If not, state the size of other chlorine gas cylinders used at the Augusta Water Treatment Plant.

25. Refer to Augusta's Response of 1/30/2015, Exhibit 8, pages 29 – 70 of 70. For each invoice listed below, state whether the purchased chemicals were used at Augusta's Wastewater Treatment Plant.

- a. Invoice No. S1607735.1 – 07/02/2013 – \$1671.25 – page 29
- b. Invoice No. S1614625.1 – 08/27/2013 – \$1727.50 – page 35
- c. Invoice No. S1621110.1 – 10/22/2013 – \$1327.50 – page 40
- d. Invoice No. S1626045.2 – 12/11/2013 – \$2571.25 – page 43
- e. Invoice No. S1626547.1 – 12/11/2013 – \$ 157.00 – page 47
- f. Invoice No. S1629578.1 – 01/21/2014 - \$1190.00 – page 52
- g. Invoice No. S1632847.1 – 02/25/2014 - \$1608.75 – page 54
- h. Invoice No. S1637504.1 – 04/08/2014 - \$1561.25 – page 59
- i. Invoice No. S1643002.1 – 06/03/2014 - \$1321.25 – page 65

26. Refer to Augusta's Response of 1/30/2015, Exhibit 2. For each entry listed below, state whether the expense is related to chemicals used at Augusta's Wastewater Treatment Plant and should not be assigned to Augusta's Water Treatment Plant.

- a. 11/13/2013 – C.I. Thornburg – \$1327.50
- b. 01/17/2014 – C.I. Thornburg – \$2571.25
- c. 01/17/2014 – C.I. Thornburg – \$ 157.00
- d. 02/05/2014 – C.I. Thornburg – \$1190.00
- e. 03/19/2014 – C.I. Thornburg – \$1608.75
- f. 04/23/2014 – C.I. Thornburg – \$1561.25
- g. 06/03/2014 – C.I. Thornburg – \$1321.25

27. Refer to Augusta's Response of 1/30/2015, Exhibit 2 and Exhibit 8. For each Expense Register entry listed below, identify the invoice(s) related to the payment. If no

supporting invoice exists, explain why the amount should be assigned to the Water Treatment Plant.

- a. 10/09/2013 – C.I. Thornburg-Chemicals – \$1342.11
- b. 11/01/2013 – C.I. Thornburg-Chemicals – \$2000.00
- c. 11/13/2013 – C.I. Thornburg-Chemicals – \$1250.00
- d. 01/17/2014 – C.I. Thornburg-Chemicals – \$2072.96
- e. 06/30/2014 – C.I. Thornburg-Chemicals – \$6691.61
- f. 06/30/2014 – C.I. Thornburg-Chemicals – \$3464.75

28. Refer to Augusta’s Response of 1/30/2015, Exhibit 8, page 67 of 70, Invoice No. S1645601.1, page 1. Among the items listed on this invoice is a 43.5 pound pail of Accu-Tab Waste Water Tablets. State why this purchase should be assigned to Augusta Water Treatment Plant.

29. Refer to Augusta’s Response of 1/30/2015, Exhibit 2, page 1 of 10. The expense of \$2,921 labeled “C I Thornburg – Materials” and dated August 14, 2013 is entered as “Repairs/Supplies.” Invoice No. S1610528.1 from C.I. Thornburg, which is dated July 23, 2013 and found at Exhibit 8, page 33 of 70, lists a purchase of chemicals for the invoiced amount of \$2,921. State whether the Expense Register entry is for Invoice No. S1610528.1 and whether the purchase should be classified as a purchase of chemicals.

30. Refer to Augusta’s Response of 1/30/2015, Exhibit 2, page 10 of 10.

a. List the expenditures from “Repairs/Supplies” that are part of \$26,667.31 that has been reclassified as a capital improvement.

- b. For each expenditure listed,
 - (1) Provide an invoice.
 - (2) Explain why the expenditure was reclassified.

c. State whether one effect of the reclassification is that the Depreciation Reserve Account funds will be used to pay the reclassified expenditures.

31. List the vehicles that are assigned for the Augusta Water Treatment Plant's use. State whether any other city department or agency uses these assigned vehicles.

32. State whether the Augusta Water Treatment Plant has credit card account available for its use only. If yes, identify the persons who are permitted access to and use of such credit card and for what purposes this card may be used.

33. Provide all written policies and procedures that Augusta and Augusta Water Treatment Plant has regarding the use of official vehicles.

34. State whether Augusta Water Treatment Plant employees are required to record the mileage and purpose of their travels when using assigned vehicles.

35. Refer to Augusta's Response of 1/30/2015, Exhibit 2. Describe how Augusta assigned charges labeled as "US Bank – Credit Card Gas" and US Bank-Credit Card-Fuel" to the Augusta Water Treatment Plant.

36. During the test period, bank service charges of \$243 were incurred. Describe the reason(s) that these charges were incurred.

37. Refer to Augusta's Response of 1/30/2015, Exhibit 4. Monthly reports of meter readings at the Augusta Water Treatment Plant indicate that 50,026,000 gallons of water was provided to the Augusta Water Distribution System during the test period. At Exhibit 4, page 25 of 25, Augusta reports retail sales of 177,991,494 gallons for the test period.

a. State whether the reported amount of retail sales is correct.

b. If the reported amount is incorrect, provide for each month of the test period, the Augusta's correct retail water sales.

38. At Augusta's Response of 1/30/2015, Exhibit 1, page 45 of 53, Augusta reported the level of water treated for the test period as 214,160,700 gallons. According to the monthly operating reports that Augusta submitted to the Kentucky Division of Water, the Augusta Water Treatment Plant treated 270,622,000 gallons of water during the test period. The difference is approximately 56,461,300 gallons or 26.4 percent.

a. Explain why the amount of treated water reported to the Division of Water differs from that reported in the Audit Report.

b. Explain why the amount of treated water reported to the Division of Water should not be used to calculate the water charge.

39. For each meter that is used to measure the water treated at and distributed from the Augusta Water Treatment Plant, indicate the type of meter, the date it was last tested, the entity testing the meter, and the water measured (i.e., treated water, internal plant usage, water flowing to Bracken District, water flowing to Augusta's distribution system).

40. For each bond issuance listed below, list and describe the purpose and uses of the bond proceeds:

- a. 1995 Series A Bonds;
- b. 1995 Series B Bonds;
- c. 2004 Series Bonds.

41. Refer to Augusta's Response of 1/30/2015, Exhibit 6. State whether Augusta filed a copy of "Water Purchase Contract Modification of 2008" ("2008 Agreement") with the Kentucky Public Service Commission after its execution. If not, explain why not.

42. State whether Augusta was aware that the Kentucky Public Service Commission in Administrative Case No. 351¹ required municipal utilities to file a copy of all contracts and contract amendments with it within 30 days of execution of the contract or amendment.

43. Describe how Augusta determined the proposed monthly Capital Cost Charge of \$6,090. Show all calculations made to determine the charge.

44. State whether Augusta agrees that the Augusta Water Treatment Plant's design capacity is 1.44 million gallons of water per day.

45. State the actual production capacity of the Augusta Water Treatment Plant. If the actual production capacity is less than 1.44 MGD, state the reasons why Augusta is of the opinion that the production capacity is less.

46. At Paragraph 16 of the Water Purchase Contract dated March 4, 1993, Augusta agreed to appoint a Water Supervisory Board. Identify each person who Augusta has appointed to the Water Supervisory Board since March 4, 1994 and the date of that person's appointment.

47. Provide all executive orders, council resolutions, memoranda or other documents that under which Augusta formally established the Water Supervisory Board.

48. Provide the minutes of each meeting of the Water Supervisory Board.

49. State whether the Water Supervisory Board is still in existence. If not, provide all documents that terminated the existence of this board.

50. Refer to Paragraph 5 of the 2008 Agreement.

a. State whether a Water Supply Management Board has been established. If not, explain why not.

b. Describe the level of involvement of the Water Advisory Board in the day-to-day operations of the Augusta Water Treatment Plant.

¹ *Submission of Contracts and Rates of Municipal Utilities Providing Wholesale Service to Public Utilities*, Administrative Case No. 351 (Ky. PSC Aug. 10, 1994).

c. Provide the minutes of the Augusta City Council since May 1, 2008 in which the activities or recommendations of the Water Advisory Board are discussed or mentioned.

51. Refer to Paragraph 6 of the 2008 Agreement.

a. State whether Augusta is currently providing Bracken District a copy of all expenditures for the Augusta Water Treatment Plant on a monthly basis.

b. If Augusta is not currently providing Bracken District a copy of all expenditures for the Augusta Water Treatment Plant, state when Augusta began providing Bracken District with a copy of the monthly expenditures, when it ceased providing such reports, and the reason(s) for the cessation.

52. Provide the calculation of water charges sheets that appeared in Augusta's Audited Basic Financial Statements for each fiscal year from 2002 through 2009. (The calculation of water charges sheet appears at page 40 of Audited Basic Financial Statements for the Fiscal Year ending June 30, 2014.)

53. Refer to Augusta's Response of 1/30/2015, Exhibit 6, page 5 of 5. Provide the calculations that are referenced in Paragraph 1 if they are not included in the calculation of water charges sheets requested above.

54. Provide invoices for all purchases of chemicals and all testing expenditures for Fiscal Year 2012 -2013.

55. Using the same format used in Augusta's Response to the Request of 1/30/2015, Exhibit 2, provide for each category listed in the summary statement of the operating costs for the Fiscal Year ending June 30, 2013, an itemized listing of purchases or expenditures in each category that indicates the amount, payee, date and nature of each expense/purchase.

56. Refer to Exhibit 6, Page 2 of 5. Paragraph 2 of the 2008 Agreement provided that for 36 months Bracken District would pay Augusta \$588.75 monthly to fund the Capital Cost depreciation account.

a. Describe the purpose of the Capital Cost depreciation account.

b. State whether Augusta established an account at U.S. Bank in Augusta, Kentucky to deposit these payments. If yes, state when was the account established and whether it is still in existence.

c. State whether the account was established to provide that withdrawals could only be made with if the signatures of the Mayor of Augusta and Bracken District's Chairman.

d. State the number of these payments that Bracken District made in accordance with the 2008 Agreement.

e. State whether, upon receipt of Bracken District's payment, Augusta immediately deposited into Capital Cost depreciation account at the Augusta Branch of U.S. Bank. If no, explain why not.

f. State whether Augusta made monthly deposits of \$196.25 into the Capital Cost depreciation account at the Augusta Branch of U.S. Bank. If yes, state the date on the month when Augusta generally made such deposits.

g. Describe Augusta's practice regarding the deposits of funds into the Capital Cost depreciation account at the Augusta Branch of U.S. Bank

h. State whether the 2008 Agreement required Augusta to make payments of \$196.25 monthly to the Capital Cost depreciation account.

57. Refer Augusta's Response of 1/30/2015, Exhibit 5, page 1 of 10.

a. State whether page 1 reflects actual deposits, withdrawals, and account balances of the bank account at U.S. Bank in Augusta, Kentucky required by the 2008 Agreement.

b. Describe the circumstances surrounding the following deposits listed “City of Augusta” and state whether any of the funds deposited include funds previously provided by Bracken District.

(1) 12/24/08 – City of Augusta – \$12,677.88

(2) 03/05/09 – City of Augusta – \$ 6,303.94

c. State whether the City of Augusta obtained the approval and signature of Bracken District’s Chairman before the withdrawals on 04/21/11 and 02/21/12 were made. If not, explain why not.

d. State whether prior to June 30, 2011, the City of Augusta expended funds attributable to the Capital Cost depreciation account without first depositing those funds into the designated account at U.S. Bank in Augusta, Kentucky. If yes, list the date, amount, and purpose of each such expenditure.

58. State whether Augusta agrees that on or about June 24, 2013, Bracken District provided Augusta \$5,149.99 for repair of the Water Treatment Plant’s high service pump. If yes, explain why this payment is not reflected on Exhibit 5, page 1 of 10.

59. State whether Augusta is currently providing Bracken District monthly a copy of all monthly expenditures for the Water Treatment Plant.

60. State whether, since the execution of the 2008 Agreement, Augusta has provided Bracken District monthly a copy of all monthly expenditures for the Water Treatment Plant.

61. State the date on which Augusta last provided Bracken District with a monthly statement of expenditures for the Water Treatment Plant.

Dated: March 18, 2015

Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Bracken District's March 18, 2015 electronic filing of First Request for Information is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on March 18, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the First Request for Information will be delivered to the Commission on or before March 20, 2015.



Gerald E. Wuetcher