

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MONROE)
COUNTY WATER DISTRICT FOR RATE) CASE NO. 2017-00070
ADJUSTMENT PURSUANT TO 807 KAR 5:076)

RESPONSE OF MONROE COUNTY WATER DISTRICT
TO
COMMISSION STAFF'S SECOND POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 3, 2017

FILED: NOVEMBER 17, 2017

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF MONROE)

The undersigned, Jana Dubree, being duly sworn, deposes and states that she is the office manager of Monroe County Water District and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

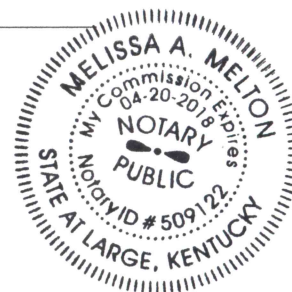
Jana Dubree
Jana Dubree

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of November 2017.

Melissa A. Melton (SEAL)
Notary Public

My Commission Expires: 04/20/18

Notary ID: 509122



VERIFICATION

COMMONWEALTH OF KENTUCKY)

) SS:


COUNTY OF JEFFERSON)

The undersigned, Gerald E. Wuetcher, being duly sworn, deposes and states that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Gerald E. Wuetcher

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17 day of November 2017.



(SEAL)

Notary Public

My Commission Expires: June 26, 2019

Notary ID: 536742

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 1

Witnesses: Jana Dubree

- Q-1.** With regard to the cost-of-living allowances, provide the annual percentage increase to employees' wages for the previous five years, starting with 2012 and ending with 2016.
- A-1.** The cost-of-living wage adjustments provided to Monroe County Water District employees in July of each year were:

Year	COLA (% Increase)
2012	2.0
2013	2.0
2014	2.0
2015	2.0
2016	2.0

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 2

Witness: Jana Dubree

- Q-2.** Provide the annual Consumer Price Index for all Urban Consumers or other determining factor used as a reference to determine the cost-of-living allowances for the previous five years, starting with 2012 and ending with 2016.

- A-2.** Prior to October 9, 2017, Monroe County Water District's Board of Commissioners did not use a specific price index to determine the cost-of-living adjustments for Monroe County Water District employees. At its meeting on October 9, 2017, Board of Commissioners determined that the annual increase in the nonseasonally adjusted Consumer Price Index for all urban consumers, U.S. city average, all items ("CPI-U"), published by the United States Department of Labor, Bureau of Labor Statistics, will be used to assist in determining annual cost-of-living adjustments to an employee's wage rate.

The table below lists the annual inflation rate based upon changes in the Consumer Price Index for All Urban Customers. This information was obtained from the Federal Reserve Bank of Minneapolis's website at <https://www.minneapolisfed.org/community/teaching-aids/cpi-calculator-information/consumer-price-index-and-inflation-rates-1913>.

Year	Inflation Rate
2012	2.1
2013	1.5
2014	1.6
2015	0.1
2016	1.3

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 3

Witness: Melissa A. Melton

- Q-3.** Refer to the testimony of Melissa A. Melton (“Melton Testimony”). For all other water districts with which she works, provide the names of the water districts that grant cost-of-living allowances and the amounts granted for each for the previous five years.
- A-3.** Ms. Melton has identified four water utilities to which she provides technical assistance that make cost-of-living wage adjustments: Fountain Run Water District, the City of Somerset, the City of Edmonton, and Western Rockcastle Water Association. Ms. Melton has no knowledge of the amounts of these adjustments or the time period when the adjustment was granted. She has no knowledge of any other water utility to which she provides technical assistance providing separate cost-of-living wage adjustments. She is aware of other utilities that make annual adjustments to the wages of their employees, but is uncertain the weight given to inflation in determining the level of the wage adjustment.

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 4

Witness: Melissa A. Melton

- Q-4.** Refer to the Melton Testimony. For all other water districts with which she works provide the following:
- a. A list of water utilities that provide bonuses.
 - b. The types of bonus the utility provides.
 - c. Examples of the amount of the bonus.
- A-4.** OBJECTION. The request seeks information that is not relevant. Monroe County Water District has not included any bonus in its calculation of pro forma wages for its employees and has not requested any employee bonus be recovered through its proposed rates for water service.

Without waiving its objection, Monroe County Water District states that Ms. Melton does not have any personal knowledge as to whether any of the other water utilities to which she provides technical assistance provides bonuses to its employees. In preparing her response, Ms. Melton did not conduct a survey of the water utilities to which she provides technical assistance.

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 5

Witness: Melissa A. Melton

- Q-5.** Refer to the Melton Testimony. For each water district with which she works, provide the following:
- a. The name of each water district that completes employee performance evaluations.
 - b. A description of this evaluation.
 - c. The frequency of the evaluation.
- A-5.**
- a. Of the water utilities to which Ms. Melton provides technical assistance, Ms. Melton believes that Edmondson County Water District and Barkley Law Water District conduct employee performance evaluations. Ms. Melton has no personal knowledge as to the practices of the other water utilities to which she provides technical assistance regarding employee performance evaluations.
 - b. Ms. Melton has no personal knowledge of how either water district conducts its employee performance evaluations.
 - c. Ms. Melton believes that each water district conducts its employee performance evaluations annually.

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 6

Witness: Jana Dubree/Gerald Wuetcher

- Q-6.** Provide a comparison of the Monroe County Water District's salaries and benefits with the prevailing national average.
- A-6.** Monroe County Water District (Monroe District) is unclear as to the information being requested. It is not aware of a "prevailing national average" for wages and benefits. It has provided a comparison of its wages and benefits with national averages provided by Bureau of Labor Statistics publication and the American Water Works Association's annual compensation surveys for 2016 and 2017.

Employer Costs Per Hour Worked For Employee Compensation. To compare its wages and benefits with the national average, Monroe District compared its cost per hour worked with the national average employer cost per hour for employee compensation as set forth in the United States Department of Labor publication USDL-17-0770, which the Bureau of Labor Statistics (BLS) prepared and which is entitled "Employer Costs for Employee Compensation – March 2017." The publication is a part of the National Compensation Survey and measures employer costs for wages, salaries and employee benefits for nonfarm private and state and local government workers. Monroe District filed a copy of this publication with the Commission on September 20, 2017. See Monroe County Water District's Notice of Filing (Sept. 20, 2017), Exhibit 16.

In Tables 1 and 2 below, Monroe District provides a comparison of its employer cost per hour worked for employee compensation against four employer categories. These categories are: Civilian Sector; Private Industry; Private Sector Service-Providing; and Private Industry (Trade, Transportation and Utilities). The "Civilian Sector" includes all "workers in the private nonfarm economy excluding households and the public sector excluding the federal government." The "Private Industry" grouping includes all workers except those employed by local, state or federal governments. The "Private Sector Service-Providing" category is a subgroup of "Private Industry" and "includes utilities; wholesale trade; retail trade; transportation and warehousing; information; finance and insurance; real estate and rental and leasing; professional and technical services; management of companies and enterprises; administrative and waste services; educational services; health care and social assistance; arts, entertainment and recreation; accommodation and food services; and other services, except public administration. The

category “Trade, Transportation, and Utilities” is a subset of Private Sector Service-Providing.

Table 1 shows that Monroe District’s employee costs are significantly below these national employer categories. Monroe District’s cost per employee hour is only \$28.15 as compared to the next lowest category of Private Industry Service-Providing, which has an average hourly cost of \$31.83 per employee hour worked. It is approximately 25 percent less than the Civilian Sector Average of \$35.28 per employee hour and approximately 23 percent lower than the average per hour employee cost for “Trade, Transportation and Utilities” employers.

TABLE 1					
Cost Per Hour Worked					
COMPENSATION COMPONENT	All Civilian¹	Private Industry Workers²	Private Industry - Service Providing²	Private Industry - Utilities²	Monroe County Water District
Total Compensation	\$35.28	\$38.96	\$31.83	\$34.61	\$28.15
Wages & Salaries	\$24.10	\$26.50	\$22.41	\$23.80	\$16.75
Total Benefits	\$11.18	\$12.46	\$ 9.42	\$10.81	\$11.40
Paid Leave	2.49	2.96	2.57	2.49	2.49
Supplemental Pay	1.07	1.52	1.48	1.00	0.89
Insurance	3.09	3.38	3.68	3.09	4.76
Retirement & Savings	1.92	1.69	2.17	1.46	1.41
Legally Required Benefits	2.61	2.90	3.30	2.77	1.82
¹ Employer Costs for Employee Compensation – March 2017, Table 1.					
² <i>Id.</i> , Table 12					

Table 2 provides a comparison of each compensation component as a percentage of total compensation. Note that Monroe District’s wage and salaries compose a much smaller portion of total compensation than the four BLS categories. To compensate for this lower level of salaries, a higher percentage of Monroe District’s total compensation is in the form of employee benefits such as health insurance. This table support Commission Staff’s finding that

the reasonableness of the cost of an employee compensation package provided by any entity, regulated or not, should be evaluated in its totality recognizing that the combination of the individual components included in an employee benefit package often vary widely from one business entity to another. One entity may provide higher wages with limits on other benefits when compared to another entity that offers lower wages while providing better insurance coverages or retirement benefits to remain competitive for employee services. As a result, evaluating the level of one benefit of a compensation package in

isolation, such as wages or health insurance, without giving consideration to the level of all other benefits included with the package is neither fair, just, nor reasonable.

Staff Report at 15.

TABLE 2					
Percent of Total Compensation					
COMPENSATION COMPONENT	All Civilian Workers¹	Private Industry Workers²	Private Industry - Service Providing²	Private Industry - Utilities²	Monroe County Water District³
Total Compensation	100.00	100.00	100.00	100.00	100.000
Wages & Salaries	68.30	68.00	68.60	68.80	59.551
Total Benefits	31.70	32.00	31.40	31.20	40.449
Paid Leave	7.10	7.60	7.90	7.20	8.854
Supplemental Pay	3.00	3.90	3.90	2.90	3.171
Insurance	8.80	8.70	8.40	8.90	16.923
Retirement & Savings	5.40	4.30	4.00	4.20	5.024
Legally Required Benefits	7.40	7.50	7.20	8.00	6.478
¹ Employer Costs for Employee Compensation – March 2017, Table 1. ² <i>Id.</i> , Table 12. ³ Because of rounding, the components comprising “Total Benefits” does not equal the stated total.					

Attached as Exhibit A to this Response is a description of the methodology that Monroe District used to determine its cost per hour worked for employee compensation. Extracts from the BLS “Employer Costs for Employee Compensation – March 2017” containing the information reflected in Tables 1 and 2 are attached as Exhibit B to this Response.

National Industry-Specific Occupational Employment and Wage Estimates. The BLS conducts a semiannual mail survey designed to produce estimates of employment and wages for specific occupations. It collects data on wage and salary workers in nonfarm establishments to produce employment and wage estimates for about 800 occupations. It produces these occupational estimates for the nation as a whole, by state, by metropolitan or nonmetropolitan area, and by industry or ownership. It produces occupational employment and wage estimates for over 450 industry classifications at the national level. The industry classifications correspond to the sector, 3-, 4-, and selected 5- and 6-digit North American Industry Classification System (NAICS) industrial groups.

Monroe District used the reported data from the May 2016 National Industry-Specific Occupational Employment and Wage Estimates specific to NAICS 221300 (Water, Sewage and Other Systems) which is an industry within Sector 22 (Utilities). It identified occupational titles within the Water, Sewage and Other Systems Industry that are comparable to its employee positions and then compared the national annual and hour wages for these occupational titles with annual and hourly wages for the Monroe District

position. Table 3 contains the results of this comparison. It shows that Monroe District employees are earning wages below the national average for similar positions.

The wage data for all occupational titles within the Water, Sewage and Other Systems Industry can be found at https://www.bls.gov/oes/current/naics4_221300.htm.

AWWA Compensation Survey. On October 20, 2017, Monroe District filed with the Commission a comparison of its employee wages with State and National Salaries. The sources of the national salaries were the 2016 AWWA Compensation Survey and 2017 AWWA Compensation Survey. The survey did not provide specific information on employee benefits. A revised copy of the comparison is attached to this Response as Exhibit C. This Exhibit has been revised to reflect Monroe District employee's pay based upon a 2080 hour work year rather than actual test years hours. Monroe District's salaries generally are below the national average found by the 2016 and 2017 AWWA Compensation Surveys.

TABLE 3

Occupation Code	Title	Description	Mean Hourly Wage (\$)	Annual Mean Wage (\$)	Comparable WD Position	Hourly Wage (\$)	Annual Salary (\$)
11-1021	General and Operations Manager	Plan, direct, or coordinate the operations of public or private sector organizations. Duties and responsibilities include formulating policies, managing daily operations, and planning the use of materials and human resources, but are too diverse and general in nature to be classified in any one functional area of management or administration, such as personnel, purchasing, or administrative services.	61.89	128,740	General Manager	28.00	58,240
11-3011	Administrative Services Manager	Plan, direct, or coordinate one or more administrative services of an organization, such as records and information management, mail distribution, facilities planning and maintenance, custodial operations, and other office support services.	38.28	79,610	Office Manager	23.03	47,902
43-1011	First-Line Supervisors of Office and Administrative Support Workers	Directly supervise and coordinate the activities of clerical and administrative support workers.	25.52	53,090	Office Manager	23.03	47,902
43-3031	Bookkeeping, Accounting, and Auditing Clerks	Compute, classify, and record numerical data to keep financial records complete. Perform any combination of routine calculating, posting, and verifying duties to obtain primary financial data for use in maintaining accounting records. May also check the accuracy of figures, calculations, and postings pertaining to business transactions recorded by other workers.	18.32	38,100	Accounts Receivable Clerk III	16.20	33,696
					Accounts Receivable Clerk II	12.43	25,854
					Accounts Receivable Clerk I	11.68	24,294
51-8031	Water and Wastewater Treatment Plant and System Operators	Operate or control an entire process or system of machines, often through the use of control boards, to transfer or treat water or wastewater	22.55	46,900	Distribution Crew Supervisor	21.93	45,614
					Customer Service Supervisor	19.01	39,540
47-2061	Construction Laborers	Perform tasks involving physical labor at construction sites. May operate hand and power tools of all types: air hammers, earth tampers, cement mixers, small mechanical hoists, surveying and measuring equipment, and a variety of other equipment and instruments. May clean and prepare sites, dig trenches, set braces to support the sides of excavations, erect scaffolding, and clean up rubble, debris and other waste materials. May assist other craft workers.	17.88	37,180	Laborer II	14.74	30,659
					Laborer I	12.24	24,602
					Laborer I	11.22	23,338

TABLE 3

Occupation Code	Title	Description	Mean Hourly Wage (\$)	Annual Mean Wage (\$)	Comparable WD Position	Hourly Wage (\$)	Annual Salary (\$)
47-2070	Construction Equipment Operators	No description provided	23.12	48,100	Meter Tester/Equipment Operator	19.53	40,622
47-2152	Plumbers, Pipefitters, and Steamfitters	Assemble, install, alter, and repair pipelines or pipe systems that carry water, steam, air, or other liquids or gases. May install heating and cooling equipment and mechanical control systems. Includes sprinklerfitters.	23.82	49,540	Distribution Crew Supervisor	21.93	45,614
					Customer Service Supervisor	19.01	39,540
					Meter Tester/Equipment Operator	19.53	40,622

METHODOLOGY FOR DETERMINING MONROE COUNTY WATER DISTRICT'S COST PER HOUR FOR EMPLOYEE COMPENSATION

Wages and Salaries/Supplemental Pay. To determine the per hour cost of Employee Wages and Salaries, Monroe District divided the total pro forma cost of regular pay by the pro forma total number of hours worked. Total regular pay was based upon the current wage rates of Monroe County Water District employee and the number of regular hours each employee worked in the test period. For the newly hired employees, a 2,080 hour work year is assumed. The pro forma total number of hours worked was determined by adding total number of regular hours worked in the test period by current employees with the assumed number of hours for each newly hired employee and the actual overtime hours worked by current employees during the test period.

The Bureau of Labor Statistics defines Supplemental Pay as “premium pay for work done in addition to that performed during the regular work schedule (such as overtime, weekends, and holidays) and for shift differentials, and nonproduction bonuses (such as yearend, referral, and attendance bonuses).” As the only component of supplemental pay that is included in Monroe District’s proposed pro forma Wages and Salaries is overtime pay, Monroe District calculated supplemental pay using actual overtime hours worked in the test period and applied a wage rate equal to 1.5 times the employee’s current wage rate. This total was divided by the pro forma total number of hours worked. New hires were not assumed to work any overtime hours.

TABLE 1						
Position Title	Current Wage (\$)	2015 Regular Hrs	2015 Overtime Hrs	Regular Pay (\$)	Overtime Pay (\$)	Total Pay (\$)
General Manager	28.00	2080	10.5	58,240.00	441.00	58,681.00
Office Manager	23.03	2080	109.0	47,902.40	3,765.41	51,667.81
Distribution Crew Supervisor	21.93	2080	214.0	45,614.40	7,039.53	52,653.93
Accounts Receivable III	16.20	2080	41.0	33,696.00	996.30	34,692.30
Customer Service Rep Supervisor	19.01	2080	108.0	39,540.80	3,079.62	42,620.42
Meter Tester/Equipment Operator II	19.53	2080	81.0	40,622.40	2,372.90	42,995.30
Laborer II	14.74	2080	25.0	30,659.20	552.75	31,211.95
Accounts Receivable II	12.43	2080	50.0	25,854.40	932.25	26,786.65
Laborer I	12.24	2010	99.0	24,602.40	1,817.64	26,420.04
Accounts Receivable I (2017 Hire)	11.68	2080	0.0	24,294.40		24,294.40
Laborer I (2017 Hire)*	11.22	2080	0.0	23,337.60		23,337.60
Total		22,810	737.5	394,364.00	20,997.39	415,361.39
Total Hours = 22,810 + 737.5 = 23,547.5						
Per Hour - Wages & Salaries = \$394,364 ÷ 23,547.5 = \$ 16.75						
Per Hour - Supplement Pay = \$20,997.39 ÷ 23,547.5 = \$ 0.89						

Table 1 reflects how Per Hour- Wages and Salaries and Per Hour – Supplemental Pay were determined.

Insurance. Insurance per hour cost was determined by adding Monroe District’s current contribution for each employee to health, dental and life insurance coverage for its current employees and then dividing by the pro forma total number of hours worked.

Retirement. Retirement cost was determined by applying Monroe District’s defined contribution rate of eight percent, applying it to pro forma wages, and dividing by the pro forma total number of hours worked.

Table 2 below shows the calculations for insurance and retirement costs.

TABLE 2								
Position Title	Health Insurance		Dental Insurance		Life Insurance		Insurance Annual (\$)	Retirement
	Month (\$)	Annual (\$)	Month (\$)	Annual (\$)	Month (\$)	Annual (\$)		
General Manager	992.53	11910.36	30.34	364.08	33.78	405.36	12,679.80	4,694.48
Office Manager	922.36	11068.32	30.34	364.08	7.20	86.40	11,518.80	4,133.42
Distribution Crew Supervisor	733.55	8802.6	0	0	10.65	127.80	8,930.40	4,212.31
Accounts Receivable III	992.53	11910.36	30.34	364.08	14.55	174.60	2,449.04	2,775.38
Customer Service Rep Supervisor	992.53	11910.36	30.34	364.08	33.45	401.40	12,675.84	3,409.63
Meter Tester/ Equipment Operator II	992.53	11910.36	0	0	24.60	295.20	12,205.56	3,439.62
Laborer II	992.53	11910.36	30.34	364.08	33.45	401.40	12,675.84	2,496.96
Accounts Receivable II	807.55	9690.6	30.34	364.08	2.70	32.40	10,087.08	2,142.93
Laborer I	733.55	8802.6	0	0	10.65	127.80	8,930.40	2,113.60
Accounts Receivable I (2017 Hire)	789.69	9476.28	30.34	364.08	2.85	34.20	9,874.56	1,943.55
Laborer i (2017 Hire)	0	0	0	0	3.15	37.80	37.80	1,867.01
Total	8949.35	107392.2	212.38	2548.56	173.73	2,124.36	112,065.12	33,228.91
Insurance Per Hour = \$112,0615 ÷ 23,547.5 = \$4.76								
Retirement Per Hour = \$33,228.91 ÷ 23,547.5 = \$1.41								

Legally Required Benefits. The Bureau of Labor Statistics defines “legally required benefits” as “Social Security, Medicare, federal and state unemployment insurance, and workers’ compensation.” Monroe District incurred employee costs for workers’ compensation and for Social Security and Medicare employer taxes (FICA). The pro forma workers’ compensation expense is \$11,120.80. FICA expense was determined by multiplying pro forma total wages by .0765. The total of FICA expense and workers’ compensation expense is \$76,170.19. This amount was divided by the pro forma total number of hours worked to produce the per hour cost for legally required benefits.

Paid Leave. The Bureau of Labor Statistics defines paid leave as “vacations, holidays, sick leave, and personal leave.” Because of the difficulty in calculating this cost, Monroe District used the Paid Leave Cost for the Civilian Sector, which was \$2.49 per hour. See “Employer Costs for Employee Compensation – March 2017,” Table 1. Monroe District believes that the

use of this proxy likely overstates its actual costs. Because Monroe District has calculated Wages and Salaries Cost based upon a 2,080 hour work year, which would include paid leave, the cost of paid leave is reflected in the Wages and Salaries component.

Total Employer Cost Per Employee Hour. Table 3 provides a summary of the individual component costs that comprise Monroe District’s Employer Cost per Employee Hour. These amounts are reflected in the Tables found in the Response to Question 6.

TABLE 3			
Component	Total	Cost Per Hour	Percentage of Total Employer Cost
Employee Wages	\$394,364.00	\$16.7476	59.55%
Supplement Pay (Overtime Pay)	\$20,997.39	\$0.8917	3.17%
Health Insurance	\$107,392.20	\$4.5607	16.22%
Dental Insurance	\$2,548.56	\$0.1082	0.38%
Life Insurance	\$2,124.56	\$0.0902	0.32%
FICA	\$31,775.15	\$1.3494	4.80%
Retirement	\$33,272.24	\$1.4130	5.02%
KACO Workers Compensation	\$11,122.80	\$0.4724	1.68%
Total Compensation	\$603,596.90	\$25.6332	
Add Average Employer Cost of Paid Leave		\$2.49	8.85%
Total Cost Per Employee Hour		\$28.12	100.00%

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: civilian workers, by major occupational and industry group, March 2017

Compensation component	Occupational group							
	All workers ¹		Management, professional, and related		Sales and office		Service	
	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent
Total compensation	\$35.28	100.0	\$58.46	100.0	\$25.27	100.0	\$18.02	100.0
Wages and salaries	24.10	68.3	39.58	67.7	17.73	70.2	12.90	71.6
Total benefits	11.18	31.7	18.87	32.3	7.53	29.8	5.11	28.4
Paid leave	2.49	7.1	4.74	8.1	1.69	6.7	0.90	5.0
Vacation	1.21	3.4	2.27	3.9	0.84	3.3	0.43	2.4
Holiday	0.74	2.1	1.37	2.3	0.51	2.0	0.27	1.5
Sick	0.38	1.1	0.78	1.3	0.22	0.9	0.14	0.8
Personal	0.16	0.4	0.31	0.5	0.11	0.5	0.05	0.3
Supplemental pay	1.07	3.0	2.02	3.5	0.60	2.4	0.31	1.7
Overtime and premium ⁴	0.26	0.7	0.15	0.3	0.15	0.6	0.15	0.8
Shift differentials	0.06	0.2	0.08	0.1	0.02	0.1	0.05	0.3
Nonproduction bonuses	0.76	2.2	1.79	3.1	0.43	1.7	0.11	0.6
Insurance	3.09	8.8	4.78	8.2	2.42	9.6	1.41	7.8
Life	0.05	0.1	0.08	0.1	0.03	0.1	0.02	0.1
Health	2.94	8.3	4.53	7.7	2.32	9.2	1.36	7.6
Short-term disability	0.06	0.2	0.09	0.2	0.04	0.2	0.02	0.1
Long-term disability	0.05	0.1	0.08	0.1	0.03	0.1	(⁵)	(⁶)
Retirement and savings	1.92	5.4	3.72	6.4	0.93	3.7	0.81	4.5
Defined benefit	1.22	3.5	2.37	4.1	0.47	1.9	0.65	3.6
Defined contribution	0.69	2.0	1.34	2.3	0.46	1.8	0.16	0.9
Legally required benefits	2.61	7.4	3.61	6.2	1.90	7.5	1.69	9.4
Social Security and Medicare	1.95	5.5	3.09	5.3	1.48	5.8	1.08	6.0
Social Security ⁷	1.55	4.4	2.42	4.1	1.19	4.7	0.86	4.8
Medicare	0.40	1.1	0.67	1.1	0.29	1.1	0.21	1.2
Federal unemployment insurance	0.03	0.1	0.02	(⁶)	0.03	0.1	0.04	0.2
State unemployment insurance	0.16	0.5	0.15	0.3	0.15	0.6	0.15	0.8
Workers' compensation	0.47	1.3	0.35	0.6	0.23	0.9	0.43	2.4

See footnotes at end of table.

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: civilian workers, by major occupational and industry group, March 2017 — Continued

Compensation component	Occupational group				Industry group			
	Natural resources, construction, and maintenance		Production, transportation, and material moving		Goods-producing ²		Service-providing ³	
	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent
Total compensation	\$35.63	100.0	\$28.07	100.0	\$39.45	100.0	\$34.57	100.0
Wages and salaries	23.82	66.9	18.52	66.0	26.19	66.4	23.74	68.7
Total benefits	11.81	33.1	9.55	34.0	13.26	33.6	10.83	31.3
Paid leave	1.95	5.5	1.69	6.0	2.59	6.6	2.47	7.1
Vacation	0.99	2.8	0.85	3.0	1.33	3.4	1.19	3.4
Holiday	0.63	1.8	0.56	2.0	0.90	2.3	0.72	2.1
Sick	0.22	0.6	0.20	0.7	0.26	0.7	0.40	1.1
Personal	0.10	0.3	0.08	0.3	0.10	0.3	0.17	0.5
Supplemental pay	1.03	2.9	0.99	3.5	1.47	3.7	1.00	2.9
Overtime and premium ⁴	0.70	2.0	0.57	2.0	0.58	1.5	0.20	0.6
Shift differentials	0.04	0.1	0.08	0.3	0.08	0.2	0.05	0.2
Nonproduction bonuses	0.29	0.8	0.34	1.2	0.81	2.1	0.75	2.2
Insurance	3.33	9.4	2.98	10.6	3.71	9.4	2.99	8.6
Life	0.04	0.1	0.04	0.1	0.06	0.2	0.04	0.1
Health	3.18	8.9	2.82	10.0	3.51	8.9	2.85	8.2
Short-term disability	0.08	0.2	0.06	0.2	0.08	0.2	0.05	0.2
Long-term disability	0.03	0.1	0.06	0.2	0.06	0.1	0.05	0.1
Retirement and savings	2.11	5.9	1.30	4.6	2.21	5.6	1.87	5.4
Defined benefit	1.47	4.1	0.76	2.7	1.22	3.1	1.23	3.5
Defined contribution	0.64	1.8	0.53	1.9	0.99	2.5	0.64	1.9
Legally required benefits	3.39	9.5	2.60	9.3	3.29	8.3	2.49	7.2
Social Security and Medicare	2.01	5.6	1.57	5.6	2.22	5.6	1.90	5.5
Social Security ⁷	1.62	4.5	1.26	4.5	1.78	4.5	1.51	4.4
Medicare	0.39	1.1	0.31	1.1	0.43	1.1	0.39	1.1
Federal unemployment insurance	0.03	0.1	0.03	0.1	0.03	0.1	0.03	0.1
State unemployment insurance	0.24	0.7	0.18	0.6	0.23	0.6	0.15	0.4
Workers' compensation	1.12	3.1	0.82	2.9	0.81	2.1	0.41	1.2

¹ Includes workers in the private nonfarm economy excluding households and the public sector excluding the Federal government.

² Includes mining, construction, and manufacturing. The agriculture, forestry, farming, and hunting sector is excluded.

³ Includes utilities; wholesale trade; retail trade; transportation and warehousing; information; finance and insurance; real estate and rental and leasing; professional and technical services; management of companies and enterprises; administrative and waste services; educational services; health care and social assistance; arts, entertainment and recreation; accommodation and food services; other services, except public administration; and public administration.

⁴ Includes premium pay (such as overtime, weekends, and holidays) for work in addition to the regular work schedule.

⁵ Cost per hour worked is \$0.01 or less.

⁶ Less than .05 percent.

⁷ Social Security refers to the Old-Age, Survivors, and Disability Insurance (OASDI) program.

Table 12. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: private industry workers, by industry group and full-time and part-time status, March 2017

Series	Total compensation	Wages and salaries	Benefit costs					Legally required benefits
			Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	
Cost per hour worked								
All full-time workers in private industry	\$38.96	\$26.50	\$12.46	\$2.96	\$1.52	\$3.38	\$1.69	\$2.90
Goods-producing ¹	40.01	26.50	13.51	2.65	1.52	3.79	2.23	3.32
Construction	39.79	27.50	12.29	1.81	1.09	3.21	2.22	3.95
Manufacturing	40.04	26.06	13.97	3.04	1.67	4.05	2.20	3.02
Service-providing ²	38.65	26.50	12.15	3.05	1.52	3.26	1.54	2.78
Trade, transportation, and utilities	34.61	23.80	10.81	2.49	1.00	3.09	1.46	2.77
Information	56.98	37.25	19.73	5.30	2.50	5.63	2.58	3.72
Financial activities	49.53	32.21	17.31	4.29	3.83	4.15	1.99	3.06
Professional and business services	44.34	30.99	13.34	3.44	2.33	2.93	1.49	3.16
Education and health services	37.80	25.87	11.93	3.22	0.72	3.66	1.73	2.59
Leisure and hospitality	19.22	14.05	5.17	1.00	0.30	1.70	0.45	1.72
Other services	32.03	22.61	9.42	2.31	0.50	2.75	1.32	2.53
All part-time workers in private industry	17.23	13.69	3.54	0.50	0.23	0.68	0.37	1.76
Service-providing ²	17.11	13.59	3.52	0.50	0.22	0.68	0.37	1.74
Trade, transportation, and utilities	14.72	11.33	3.39	0.39	0.21	0.84	0.42	1.53
Professional and business services	22.05	18.28	3.78	0.39	0.44	0.45	0.29	2.20
Education and health services	27.36	21.08	6.28	1.43	0.42	1.29	0.74	2.41
Leisure and hospitality	11.14	9.45	1.69	0.06	0.04	0.17	0.04	1.37
Percent of total compensation								
All full-time workers in private industry	100.0	68.0	32.0	7.6	3.9	8.7	4.3	7.5
Goods-producing ¹	100.0	66.2	33.8	6.6	3.8	9.5	5.6	8.3
Construction	100.0	69.1	30.9	4.5	2.7	8.1	5.6	9.9
Manufacturing	100.0	65.1	34.9	7.6	4.2	10.1	5.5	7.5
Service-providing ²	100.0	68.6	31.4	7.9	3.9	8.4	4.0	7.2
Trade, transportation, and utilities	100.0	68.8	31.2	7.2	2.9	8.9	4.2	8.0
Information	100.0	65.4	34.6	9.3	4.4	9.9	4.5	6.5
Financial activities	100.0	65.0	35.0	8.7	7.7	8.4	4.0	6.2
Professional and business services	100.0	69.9	30.1	7.8	5.3	6.6	3.4	7.1
Education and health services	100.0	68.4	31.6	8.5	1.9	9.7	4.6	6.9
Leisure and hospitality	100.0	73.1	26.9	5.2	1.5	8.8	2.4	8.9
Other services	100.0	70.6	29.4	7.2	1.6	8.6	4.1	7.9
All part-time workers in private industry	100.0	79.5	20.5	2.9	1.3	3.9	2.1	10.2
Service-providing ²	100.0	79.5	20.5	2.9	1.3	4.0	2.2	10.2
Trade, transportation, and utilities	100.0	77.0	23.0	2.6	1.5	5.7	2.9	10.4
Professional and business services	100.0	82.9	17.1	1.8	2.0	2.1	1.3	10.0
Education and health services	100.0	77.0	23.0	5.2	1.5	4.7	2.7	8.8
Leisure and hospitality	100.0	84.8	15.2	0.6	0.4	1.5	0.4	12.3

¹ Includes mining, construction, and manufacturing. The agriculture, forestry, farming, and hunting sector is excluded.

² Includes utilities; wholesale trade; retail trade; transportation and warehousing; information; finance and insurance; real estate and rental and leasing; professional and technical services; management of companies and enterprises; administrative and waste services; educational services; health care and social assistance; arts, entertainment and recreation; accommodation and food services; and other services, except public administration.

Comparison of Water District Wages with State and National Water Industry Wages/Salaries

	Years Employed by Monroe District	Age	Monroe District Annual Pay	2016		2017		2017	2016
				AWWA - 50th Percentile	AWWA - Mid Average Salary	AWWA - 50th Percentile	AWWA - Mid Average Salary	KRWA Average	KLC
General Manager	16	65	\$58,240.90	\$81,120.00	\$84,708.00	\$75,000.00	\$76,513.00	\$64,063.00	\$58,355.00
Office Manager	26	46	\$47,902.40	\$48,256.00	\$59,754.00	\$49,098.00	\$54,151.00	\$50,033.00	\$35,880.00
Distribution Crew Supervisor	20	46	\$45,614.40	\$56,000.00	\$56,496.00	\$53,800.00	\$54,449.00	\$46,522.00	\$46,236.00
Accounts Receivable III	20	60	\$33,696.00	\$47,996.00	\$52,701.00	\$47,955.00	\$53,689.00	\$35,394.00	\$31,006.00
Customer Service Rep Supervisor	17	61	\$39,540.80	\$52,358.00	\$48,804.00	\$50,514.00	\$48,463.00	\$30,142.00	\$35,652.00
Meter Tester/Equip. Operator II	15	56	\$40,622.40	\$47,000.00	\$47,603.00	\$45,000.00	\$45,462.00	\$37,348.00	\$35,652.00
Laborer II	13	62	\$30,659.20	\$37,950.00	\$41,873.00	\$36,872.00	\$36,506.00	\$37,348.00	\$28,375.00
Accounts Receivable II	6	28	\$25,854.40	\$40,000.00	\$40,404.00	\$38,480.00	\$39,219.00	\$35,394.00	\$31,006.00
Laborer I	2	47	\$26,948.44	\$37,950.00	\$41,873.00	\$36,872.00	\$36,506.00	\$30,244.00	\$28,375.00
Accounts Receivable I (2017 Hire)	0	30	\$24,294.40	\$40,000.00	\$40,404.00	\$38,480.00	\$39,219.00	\$35,394.00	\$31,006.00
Laborer (2017 Hire)	0	25	\$23,337.60	\$37,950.00	\$41,873.00	\$36,872.00	\$36,506.00	\$30,244.00	\$28,375.00

MONROE COUNTY WATER DISTRICT

**Response to Commission Staff's Second Post-Hearing Request for Information
November 3, 2017**

Case No. 2017-00070

Question No. 7

Witness: Melissa A. Melton

Q-7. Provide the name of the contractor that is paying 100 percent of insurance benefits.

A-7. Of the three construction firms located in Monroe County, Kentucky, which Ms. Melton discussed in her testimony, Cleary Construction provides single health insurance coverage at no cost regardless of whether a construction contract is subject to the Davis-Bacon Act wage-benefit requirements. In its recruitment efforts for laborers and construction equipment operators, Cleary Construction advertises that it provides health insurance coverage benefits. Attached as Exhibit A to this Response is a photograph of a Cleary Construction advertisement for employees that is posted on a roadside in Monroe County. This photograph, which was taken on October 27, 2017 by a Monroe County Water District employee, emphasizes not only high paying wages, but also the availability of health insurance and other fringe benefits.

CLEARRY
CONSTRUCTION INC.



CAREER OPPORTUNITIES AVAILABLE

OPERATORS—LABORERS—FOREMAN

SPECIALIZING IN UNDERGROUND UTILITIES & CIVIL CONSTRUCTION

HIGH PAYING WAGES

HEALTH INSURANCE, LIFE INSURANCE, PAID VACATION, & RETIREMENT PLAN

APPLY ONLINE AT

JOBS.CLEARRYCONST.COM

OR CALL

270-487-1784