

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC PROPOSED )**  
**ADJUSTMENT OF THE WHOLESALE ) CASE NO. 2017-00417**  
**WATER SERVICE RATES OF )**  
**LEBANON WATER WORKS )**

**RESPONSE OF**  
**LEBANON WATER WORKS COMPANY**  
**TO**  
**MARION COUNTY WATER DISTRICT'S**  
**POST-HEARING REQUEST FOR INFORMATION**  
**DATED JUNE 21, 2018**

**FILED: June 27, 2018**

**COMMONWEALTH OF KENTUCKY**

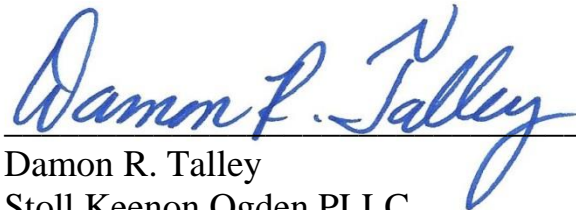
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC PROPOSED )  
ADJUSTMENT OF THE WHOLESALE ) CASE NO. 2017-00417  
WATER SERVICE RATES OF )  
LEBANON WATER WORKS )**

**RESPONSE OF LEBANON WATER WORKS COMPANY TO  
MARION COUNTY WATER DISTRICT'S  
POST-HEARING REQUEST FOR INFORMATION**

Comes the Lebanon Water Works Company, for its Response to the Marion County Water District's Post-Hearing Request for Information, and states as shown on the following pages.



Damon R. Talley  
Stoll Keenon Ogden PLLC  
P.O. Box 150  
Hodgenville, KY 42748-0150  
Telephone: (270) 358-3187  
Fax: (270) 358-9560  
damon.talley@skofirm.com

*Counsel for Lebanon Water Works  
Company*

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

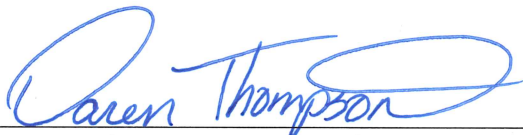
**In the Matter of:**

**ELECTRONIC PROPOSED )  
ADJUSTMENT OF THE WHOLESALE ) CASE NO. 2017-00417  
WATER SERVICE RATES OF )  
LEBANON WATER WORKS )**

**CERTIFICATION OF RESPONSE TO  
MARION COUNTY WATER DISTRICT'S  
POST-HEARING REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of Lebanon Water Works Company's Response to the Marion County Water District's Post-Hearing Request for Information. The response submitted on behalf of Lebanon Water Works Company is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: 6/27/18

  
\_\_\_\_\_  
Daren Thompson, Operations &  
Management Superintendent  
Lebanon Water Works Company

**LEBANON WATER WORKS COMPANY**

**CASE NO. 2017-00417**

**Response to Marion District's Post-Hearing Request for Information**

**Question No. 1**

**Responding Witness: Daren Thompson**

Q-1. Please provide a depreciation schedule for the Company based upon the NARUC guidelines only for the Company's assets in service as of June 30, 2016. Where the NARUC guidelines include a range of useful service lives, please use the midpoint of the range.

A-1. See attached **Exhibit 1-1**. In response to the Commission Staff's Third Request for Information, Question No. 9(b), the Company provided the Company's depreciation expense for Fiscal Year 2017 using NARUC depreciation lives as requested by Commission Staff.

In the column titled "2016 Depreciation," **Exhibit 1-1** provides the Company's depreciation for Fiscal Year 2016 using the Company's useful lives. For the assets placed into service in Fiscal Year 2016, the Company prorated the depreciation to reflect the amount of time the asset was in service. The column titled "NARUC Annual Dep." represents a full year of depreciation for all items in service as of June 30, 2016.

# **EXHIBIT 1-1**

The attachment is being provided in a separate file in Excel format.

**LEBANON WATER WORKS COMPANY**

**CASE NO. 2017-00417**

**Response to Marion District's Post-Hearing Request for Information**

**Question No. 2**

**Responding Witnesses: Daren Thompson, Lisa Mattingly, and Holly Nicholas**

Q-2. Please provide copies of all Service Agreements or other contracts in place for any operation, maintenance or construction expenses that support the \$70,440 adjustment set forth in Marion District's Hearing Exhibit 2.

A-2. The following items make up the \$70,440 adjustment set forth in Exhibit 1 to the Nicholas Rebuttal Testimony, which was provided at the Hearing as Marion District's Hearing Exhibit 2:

1. Clearwell Cleaning: **\$16,075**. The Proposal, Quote, and Invoice are attached as **Exhibit 2-1**.
2. Filter Cleaning: **\$19,465**. The Quote and Agreement are attached as **Exhibit 2-2**. The \$19,465 amount includes the cost of cleaning the filters (\$11,222) and a monthly maintenance fee (\$687).
3. Electrical Inspections & Testing: **\$10,000**. Paid Invoices are attached as **Exhibit 2-3** and total \$34,622 for the 2017 annual inspection and additional repairs that were made. The Company's adjusted Revenue Requirements only includes \$10,000.

4. Megger Testing: **\$1,500**. A paid Invoice for annual testing is attached as **Exhibit 2-4**. The Company plans to have annual inspections in the future.
5. Sludge Hauling: **\$23,400**. Paid Invoices are attached as **Exhibit 2-5**.

These five projects listed above make up the \$70,440 adjustment set forth in **Exhibit 1** to the Nicholas Rebuttal Testimony.

The Company is also providing the agreements and available invoices to support the GIS Base Mapping Project and GIS Asset Management Solution projects described on pages 24-25 of the Direct Testimony of Daren Thompson. These two projects were **not** included in the \$70,440 adjustment. These two projects were shown as an adjustment to the Miscellaneous expense category in **Exhibit 1** to the Nicholas Rebuttal Testimony.

The GIS Base Mapping Project has an annual cost of **\$16,667** for three years. The Invoice and Inter Agency Agreement associated with this project are attached as **Exhibit 2-6**. The GIS Asset Management Solution has an annual license fee of **\$4,000** that will be paid to ESRI. The Quote and Invoice are attached as **Exhibit 2-7**. The annual license fee consists of an expense of \$3,667 and a membership fee of \$333.



# **EXHIBIT 2-1**



WATER

160 Vanderbilt Court  
Bowling Green, KY 42103  
Office (270)781-0670  
Fax (270)712-0015

July 3, 2017

Mr. Daren Thompson, Operations & Management Superintendent  
Lebanon Water Works Company  
120 S. Proctor Knott Ave.  
Lebanon, KY 40033

**REFERENCE:** Proposal for Clear-wells & Pump Suction Sumps  
**PWSID # KY 0780241**

Daren,

Thank you for allowing S<sup>4</sup> Water Sales and Service the opportunity to provide a proposal to chemically clean and disinfect the two (2) concrete clear-well structure and pump suction areas at the Calvary Water Treatment Facility. The clearwells are located outside and are concrete storage tanks that are baffled and have sumps located in each individual section. This project will be started in off hour production time (Friday Evening) and will be completed within a 4-6 hour time frame. We are confident that our experienced staff will excel with this project in a timely and professional manner. A timeline and complete Scope of Work will be provided along with KY DOW approval once project and purchase order has been approved.

**MATERIALS PROVIDED**

4- 55 gallon drums of Blue Earth Labs CSR Plus/Catalyst, NSF/ KY DOW Approved  
2- 55 gallon drums of pH Neutralizer  
2-15 gallon drums liquid 12.5% bleach for contact disinfection

1-Trailer Mounted Pump, with suction and discharge piping  
1-Vacuum Truck, Operator and Supervisor, Technician  
2-Light Stands with generator  
2- Chemical Low Pressure Spray Equipment  
Confined Space Safety Equipment  
Air Monitoring and Air Recirculation Equipment  
All confined space and after hour labor for the clearwell cleaning & disinfection projects

All tools and supplies necessary for the cleaning and disinfection application of (2) clearwell and sump structures

### **SCOPE OF WORK**

S4 Water will provide all confined space labor, standard labor, supervision, equipment, chemistry and supplies to complete the NSF and DOW approved chemical cleaning and disinfection of the two (2) concrete structures at the water treatment facility. Cleaning material and wash-down neutralized water to be placed in wastewater treatment facility for treatment and disposal under KPDES permit. This work will be started in off peak hours of demand to insure sufficient water supply to the Lebanon Water Company and structures will be cleaned simultaneous to allow for faster turnaround. Sludge and debris will be removed via vacuum truck and disposed of on WTP property. Estimated time schedule is 4-6 hours for completion of the project.

S4 Water will disinfect all structures according to AWWA Standards and Lebanon Water Company will provide Bac-t samples for confirmation and validation per DOW approval.

S4 Water will assist WTP staff with placing clearwell and sumps back into service. Per DOW approval, two (2) consecutive BacT samples will be taken, no less than 30 minutes apart. If both BacT samples come back negative the system can maintain operation. If either sample comes back positive, the system will go on a Mandatory Boiled Water Advisory until two (2) negative consecutive BacT analysis can be obtained.

S4 Water will provide a complete "After Action Report" with before and after photos and submittals from the project and certification of completion to KY DOW.

### **Turnkey Quotation Amount for Chemical Cleaning & Disinfection of Clearwells and High Service Pump Suction Areas**

**\$ 16, 075.00**

If you have any questions regarding this proposal or its attachments please feel free to contact me at the mobile number listed below. Thank you for your continued confidence in our ability to service your water treatment needs.

Sincerely,

*Bob Cashion, CWT*

Bob Cashion  
270-790-2726  
rkcashion@s4water.net  
S<sup>4</sup> Water Sales and Service, LLC  
www.s4water.net

# Quotation



**S4 Water Sales and Service, LLC**  
 160 Vanderbilt Court  
 Bowling Green, KY 42103  
 Phone: 270-781-0670  
 Fax: 270-712-0015

Date	Quote #
3 July 17	07032017-01RC



Name / Address
Lebanon Water Company 120 South Proctor Knott Ave. Lebanon, KY 40033 Attn: Daren Thompson, Operations & Management Manager

Ship To
Lebanon Water Company Calvary Water Treatment Facility 3625 Hwy 208 Lebanon, KY 40033 Attn: Tommy Bland, Chief Operator

Reference: Clearwell and Sump Pump Chemical Cleaning Quotation

Rep
RC

Item	Description	Qty	U/M	Cost	Total
CLR - Cleaning	<p>Clearwells &amp; Pump Suction Sumps</p> <p>Wash out, squeegee and vacuum floors and sump areas and chemically with NSF approved cleaning application. Disinfection according to AWWA and KY- DOW approved standards.</p> <p>Provide Confined Space Protocol and certified labor to complete cleaning in off hours.</p>	(4)	Turn-Key	\$16,075.00	\$16,075.00

PAYMENT TERMS AND CONDITIONS: ALL INVOICES ARE DUE NET 30, UNLESS OTHER TERMS ARE DISCUSSED IN WRITING AT TIME OF PURCHASE. SERVICE CHARGES WILL BE ASSESSED AT AN ANNUAL RATE OF 18% ON ALL BALANCES PAST THE INVOICES DUE DATE.

PLEASE SIGN AND DATE BELOW. FAX QUOTATION BACK TO 270-712-0015 OR EMAIL TO [CBECK@S4WATER.NET](mailto:CBECK@S4WATER.NET). PLEASE ATTACH COPY OF PURCHASE ORDER.

ACCEPTED BY: _____ DATE: _____	<b>Total</b>	<b>\$16,075.00</b>
--------------------------------	--------------	--------------------



**S4 Water Sales and Service, LLC**  
 160 Vanderbilt Court  
 Bowling Green, KY 42103  
 Phone: 270-781-0670  
 Fax: 270-712-0015

# Invoice



Date	Invoice #
9/13/2017	132151

<b>Bill To</b>
Lebanon Water Works Company 120 South Protocol Knott Avenue Lebanon, KY 40033 ATTN: Daren Thompson, Operations & Management

<b>Ship To</b>
Calvary Water Treatment Facility 3625 HWY 208 Lebanon, KY 40033 ATTN: Tommy Bland, Chief Operator

P.O. Number	Terms	Ship Date	Due Date	BOL #
	Net 30	9/13/2017	10/13/2017	

Item Code	Description	Quantity	U/M	Price Each	Amount
S4 Tank Cleanings	<u>Chemical Cleaning &amp; disinfection of two (2) clearwells and high service pump suction areas. Project completed.</u>	1	ea	16,075.00	16,075.00
<i>#506-2 WTP Rep/Maint.</i>					

S4 Water is a small company that takes pride in serving companies like yours. In order to help us continue the quality service you deserve, please pay this invoice within the due date. If you have any questions, please contact us at (270-781-0670) or email Cheryl Beck at cbeck@s4water.net.

<b>**Please note the address change above.**</b>	<b>Total</b>	\$16,075.00
--	--------------	-------------

# **EXHIBIT 2-2**

# Quotation



**S4 Water Sales and Service, LLC**  
 160 Vanderbilt Court  
 Bowling Green, KY 42103  
 Phone: 270-781-0670  
 Fax: 270-712-0015



Date	Quote #
10 Oct 2017	10102017-01RC

Name / Address
Lebanon Water Company 120 South Proctor Knott Ave. Lebanon, KY 40033 Attn: Daren Thompson, Operations & Management Manager

Ship To
Lebanon Water Company Calvary Water Treatment Facility 3625 Hwy 208 Lebanon, KY 40033 Attn: Tommy Bland, Chief Operator

Reference: CSR Plus/ Catalyst for Filter Wall, Trough Chemical Cleaning

Rep
RC

Item	Description	Qty	U/M	Cost	Total
FIL - Cleaning	<p>CSR Plus/ with Catalyst                      (2) 55 Gallon Drums/ Catalyst                      Includes freight and handling charges per application.</p> <p>Wash down, spray walls, trough areas and chemically clean with NSF approved cleaning application on eight (8) filter units. Completed quarterly for best results.</p> <p>Training and assistance provided to your staff.</p>	TK	3 applications per year	\$ 3,740.85	\$11,222.55

PAYMENT TERMS AND CONDITIONS: ALL INVOICES ARE DUE NET 30, UNLESS OTHER TERMS ARE DISCUSSED IN WRITING AT TIME OF PURCHASE. SERVICE CHARGES WILL BE ASSESSED AT AN ANNUAL RATE OF 18% ON ALL BALANCES PAST THE INVOICES DUE DATE.

*11,222.55 ÷ 12 = 935.21 per month*

PLEASE SIGN AND DATE BELOW. FAX QUOTATION BACK TO 270-712-0015 OR EMAIL TO [CBECK@S4WATER.NET](mailto:CBECK@S4WATER.NET). PLEASE ATTACH COPY OF PURCHASE ORDER.

ACCEPTED BY: <i>Daren Thompson</i> DATE: <i>10/27/17</i>	<b>Total</b>	<b>\$11,222.55</b>
--	--------------	--------------------



WATER PROFESSIONALS AT YOUR SERVICE!

160 Vanderbilt Court  
Bowling Green, KY 42103  
Phone- 270-781-0760  
Fax- 270-712-0015  
www.s4water.net

Filter Assessment & Maintenance Agreement

**Lebanon Water Works Company**

**October 9, 2017**

### Filtration Assessment and Yearly Filter Maintenance Agreement

1. Complete filter assessment including physical measurement of media with interface investigation. This included AWWA approved methods for filtration assessment including, floc retention, backwash expansion rate, backwash flow rate, and backwash turbidity profile to determine wash water effectiveness. Allowance Included. (Every Three (3) Years)
2. Inspection of surface wash nozzles and rubber cap diffusers, replacement as needed. (Parts & Labor,) Allowance included. (Yearly)
3. Trough and gusset inspection for weir overflow levels and flow patterns.
4. Media sampling for complete analysis of organic and inorganic constituents along with current encapsulation rates and effectiveness of backwash. This report also includes a sieve and uniformity coefficient analysis determining effective size and uniform coefficient of sand and anthracite media. Allowance Included. Every Three (3) Years).
5. Media Cleaning, after sampling and determination of constituent buildup on the media yearly. A cleaning schedule will be implemented to clean four (4) filter units every three (3) years. (All 8 filters in 6 Year Cycle)
6. Cleans walls and troughs to remove organic and inorganic staining and biofilm. With NSF approved CSR Plus/ Catalyst. ( S4 Water will provide all chemistry & equipment) Allowance Included. (Yearly)



Cont'd.

7. Skim Fines and mudballs, top off filter media volumes to bring back to original specifications. (Based on cost of media, freight, installation charges,) Allowance Included. (8 filters per year)
8. Provide recommendations, executive summary reporting on findings.
9. Scheduling will be completed prior to October 31, 2018 and each consecutive year for the next six years. Ending October 31, 2024.

The above recommendations will be completed on (8) 120 square foot dual media filtration units to be completed in (2) two, (8) eight hour days, four (4) filters per day during normal working hours.

**Quotation**- Each year for (6) six years, S4 Water will provide the above referenced recommendations for the sum of \$ 8,242.67 per year.

- The contract pricing of \$ 8,242.67 is due 30 days after Invoice date.
- Quarterly pricing based on 24 Quarters. \$2,060.67
- Monthly pricing based on 72 months. \$ 686.89/ month
- Lebanon Waterworks has the right to extend this agreement on a three (3) year basis, after the first initial 6 years.

Bob Cashion, CWT

October 9, 2017

Bob Cashion, CWT  
Business Development Manager  
S4 Water Sales & Service

Maintenance Agreement is approved and accepted as written on this 27 day of October 2017. By Lebanon Waterworks, Water Treatment Facility, Calvary, KY by Daren Thompson.

	<u>Year/3 Years</u>	<u>6 Years</u>
Pricing Calculations:		
8- 120 Square Foot Filter Units		
160 Cubic Feet / Year-- \$ 14.50 per Cubic Feet	\$2320	\$13920
Freight \$ 400.00/ year-	\$400	\$2400
8- 5 gallon Pails CSR Plus-Cat/ Year-	\$210	\$1260
Freight \$125/ Year	\$125	\$750
200-Leopold Nitrile Caps /year-	\$1200	\$7200
Freight \$19.50	\$ 19	\$114
48- 50 pound bags MM/ 4 filters/3 years	\$7295	\$14592
4- 15 gallon drums Catalyst/ 4 Filters/3 years-	\$1720	\$3440
Freight- \$ 640	\$640	\$1280
Sub-Total Cost	\$13,929	\$ 44,956
Labor	\$1500	\$ 4,500
<b>Total</b>	<b>\$15,429</b>	<b>\$ 49,456</b> $\div 72 = 686.89$
 		<i>per month</i>
Monthly @72 months	<b>\$686.89</b>	
Quarterly @ 24 Quarters	<b>\$2,060.67</b>	
Yearly @ 6 Years	<b>\$ 8,242.67</b>	

# **EXHIBIT 2-3**

Ref. No.:

CE Power  
4040 Rev Drive  
Cincinnati OH 45232  
USA



Phone: 513.563.6150  
Fax: 513.563.6120

INVOICE

Invoice: 814274

Page: 1 of 1  
Date: 9/27/2017

Sold To:

Lebanon Water Works  
120 S. Proctor Knott Ave  
Lebanon KY 40033-1299  
USA

Ship To:

Lebanon Water Works  
120 S. Proctor Knott Ave  
Lebanon KY 40033-1299  
USA

PO Number: 9272017

Terms: Net 30

F.O.B.: Destination

Sales Rep: Bill Jubina

Ordered: 7/20/2017

Ship Via: On-Site Services

Packing Slip: 4006

Cust No: 865

Ship Date: 9/27/2017

Legal Number: 814274

Line	Part Number/Description	Revision	Quantity	Unit Price	Ext Price
1	814299		1.00 EA	16,956.50 /1	16,956.50
	Troubleshoot and Repair TVSS Alarm Issue				
				PO Number: 9272017	

Job No.: 814299

Payment Schedule		
Due Date		Amount
1	10/27/2017	16,956.50
	<b>Total</b>	16,956.50

Total: 16,956.50

TREATMENT REPAIRS  
& MAINTENANCE

9/27  
17 Oct 2017

506-2

↙ TROUBLESHOOT TVSS  
 ↘ NEW High Service Pm & TVSS Replacement  
 ↘ OLD HIGH SERVICE Breaker Pm

JOB # 814299									
PO# No PO Required									
Troubleshoot and Repair TVSS Alarm									
				7/18/2017	8/30/2017	9/14/2017			
				Tuesday	Wednesday	Thursday			
		T&M Rate							
Mike Puente	ST	\$	153.00			8		8	\$ 1,224.00
Sr Technician/Switchgear Specialist	OT	\$	192.00			4		4	\$ 768.00
	DT	\$	248.00					0	\$ -
	Per Diem	\$	250.00					0	\$ -
Fred Duke	ST	\$	153.00		8			8	\$ 1,224.00
Sr Technician/Switchgear Specialist	OT	\$	192.00		1			1	\$ 192.00
	DT	\$	248.00					0	\$ -
	Per Diem	\$	250.00					0	\$ -
Stewart Lynch	ST	\$	153.00		8			8	\$ 1,224.00
Sr Technician/Switchgear Specialist	OT	\$	192.00		1			1	\$ 192.00
	DT	\$	248.00					0	\$ -
	Per Diem	\$	250.00					0	\$ -
Scott Porter	ST	\$	153.00	4.5				4.5	\$ 688.50
Sr Technician/Switchgear Specialist	OT	\$	192.00					0	\$ -
	DT	\$	248.00					0	\$ -
	Per Diem	\$	250.00					0	\$ -
Zenas Carney	ST	\$	153.00		8			8	\$ 1,224.00
Sr Technician/Switchgear Specialist	OT	\$	192.00		1			1	\$ 192.00
	DT	\$	248.00					0	\$ -
	Per Diem	\$	250.00					0	\$ -
Stephen Hardy	ST	\$	137.00			8		8	\$ 1,096.00
Technician	OT	\$	183.00			4		4	\$ 732.00

Remit to: CE Power  
 4040 Rev Drive  
 Cincinnati OH 45232  
 USA



Phone: 513.563.6150  
 Fax: 513.563.6120

**INVOICE**

Invoice: 814605

Page: 1 of 1  
 Date: 10/30/2017

**Sold To:**

Lebanon Water Works  
 120 S. Proctor Knott Ave  
 Lebanon KY 40033-1299  
 USA

**Ship To:**

Lebanon Water Works  
 120 S. Proctor Knott Ave  
 Lebanon KY 40033-1299  
 USA

PO Number: 9272017  
 Sales Rep: Bill Jubina  
 Packing Slip: 4310

Terms: Net 30  
 Ordered: 7/20/2017  
 Cust No: 865

F.O.B.: Destination  
 Ship Via: On-Site Services  
 Ship Date: 10/30/2017

Legal Number: 814605

Line	Part Number/Description	Revision	Quantity	Unit Price	Ext Price
1	814299		1.00 EA	8,849.00 /1	8,849.00
Troubleshoot and Repair TVSS Alarm PLC Drive Time and material 9/15/17 through 10/30/17					<i>PO Number: 9272017</i>

Job No.: 814299

Due Date	Amount
1 11/29/2017	8,849.00
<i>Total</i>	8,849.00

Total: 8,849.00

*WTP - # 506-2 repl/maint.  
 New High Serv.  
 Pump Station  
 (All power surge)*

*pd. 2-13-18  
 #45980*

Remit to: CE Power  
4040 Rev Drive  
Cincinnati OH 45232  
USA



Phone: 513.563.6150  
Fax: 513.563.6120

INVOICE

Invoice: 815335

Page: 1 of 1  
Date: 12/29/2017

**Sold To:**

Lebanon Water Works  
120 S. Proctor Knott Ave  
Lebanon KY 40033-1299  
USA

**Ship To:**

Lebanon Water Works  
120 S. Proctor Knott Ave  
Lebanon KY 40033-1299  
USA

PO Number: 9272017  
Sales Rep: Bill Jubina  
Packing Slip: 5011

Terms: Net 30  
Ordered: 7/20/2017  
Cust No: 865

F.O.B.: Destination  
Ship Via: On-Site Services  
Ship Date: 12/29/2017

Legal Number: 815335

Line	Part Number/Description	Revision	Quantity	Unit Price	Ext Price
1	814299		1.00 EA	8,817.00 /1	8,817.00
	Motor Repairs	Time and material for December 2017		<i>PO Number: 9272017</i>	

Job No.: 814299

<i>Payment Schedule</i>		
<i>Due Date</i>		<i>Amount</i>
1	1/28/2018	8,817.00
	<i>Total</i>	8,817.00

Total: 8,817.00

pd. 12-29-17

# 45746

#596-2  
WTP-  
Rep/Maint.

# **EXHIBIT 2-4**





# LEBANON POWER & APPARATUS CO.,INC. Invoice

108 Village Way, Lebanon, KY 40033 (270)692-6091

## COVINGTON ELECTRIC

423 Power Street, Bowling Green, KY 42101 (270)842-7147

<b>Invoice No.:</b>	0107688
<b>Invoice Date:</b>	09/26/17
<b>Page:</b>	1

<b>Sold To:</b>	Customer Number: 000142 <b>LEBANON WATER WORKS</b> 120 S. PROCTOR KNOTT AVE LEBANON, KY 40033	<b>Ship To:</b>	Ship To Number: 000001 <b>LEBANON WATER WORKS</b> LEBANON, KY 40033
-----------------	--	-----------------	---

Order	Order Date	Sales Code	Ship Date	Ship Via	Terms
3012940		LBO	09/26/17		NET 30 DAYS

Customer PO	PO Release	Misc Number
DAREN THOMPSON		

Order	Ship	B/O	Item #	Description	Unit Price	Extension
				Nameplate Data: TEST MOTORS ON-SITE SERVICE  LABOR		1,500.00
				<i># 506-2</i> <i>WTP- Rep Maint.</i> <i>95T</i> <i>17 Oct 2017</i>		
				<i>Motor Megging</i>		

Please remit payments to:  
Lebanon Power and Apparatus  
423 Power Street  
Bowling Green, KY 42101

<b>Sub Total</b>	1,500.00
<b>Discount</b>	.00
<b>Tax</b>	.00
<b>Freight</b>	.00
<b>Total</b>	1,500.00

Customer

# **EXHIBIT 2-5**

SMITH GRAIN

7878 N. Loretto Road  
Loretto, KY 40037  
Owner: Scott Smith  
270-692-8760

# Invoice

Date	Invoice #
1/8/2018	732

<b>Bill To</b>
Lebanon Water Company 120 S. Proctor Knott Avenue Lebanon, KY. 40033

P.O. No.	Terms	Project

Item	Quantity	Description	Rate	Amount
water removal	1	1 load of water removed on 11-20-17	225.00	225.00
water removal	1	1 load of water removed on 11-22-17	225.00	225.00
water removal	1	1 load of water removed on 11-28-17	225.00	225.00
water removal	1	1 load of water removed on 11-30-17	225.00	225.00
water removal	1	1 load of water removed on 12-1-17	225.00	225.00
water removal	1	1 load of water removed on 12-5-17	225.00	225.00
water removal	1	1 load of water removed on 12-7-17	225.00	225.00
water removal	1	1 load of water removed on 12-12-17	225.00	225.00
water removal	1	1 load of water removed on 12-14-17	225.00	225.00
water removal	1	1 load of water removed on 12-19-17	225.00	225.00
water removal	1	1 load of water removed on 12-21-17	225.00	225.00
water removal	1	1 load of water removed on 12-26-17	225.00	225.00
water removal	1	1 load of water removed on 12-28-17	225.00	225.00

*13 loads*

*506-2 506-7*

*WTP Repl Maint.*

*Clarifier*

*[Signature]*

<b>Phone #</b>	<b>Total</b>
270-692-8760	\$2,925.00

SMITH GRAIN

7878 N. Loretto Road  
Loretto, KY 40037  
Owner: Scott Smith  
270-692-8760

# Invoice

Date	Invoice #
1/31/2018	741

Bill To
Lebanon Water Company 120 S. Proctor Knott Avenue Lebanon, KY. 40033

P.O. No.	Terms	Project

Item	Quantity	Description	Rate	Amount
water removal	1	1 load of water removed on 1-2-18	225.00	225.00
water removal	1	1 load of water removed on 1-4-18	225.00	225.00
water removal	1	1 load of water removed on 1-9-18	225.00	225.00
water removal	5	5 loads of water removed on 1-10-18	225.00	1,125.00
water removal	1	1 load of water removed on 1-15-18	225.00	225.00
water removal	1	1 load of water removed on 1-18-18	225.00	225.00
water removal	1	1 load of water removed on 1-23-18	225.00	225.00
water removal	1	1 load of water removed on 1-25-18	225.00	225.00
water removal	1	1 load of water removed on 1-30-18	225.00	225.00

13  
Loads

0 \* \*

13 \* x

225 \* =

2,925.00 \*

# 506-7  
WTP - Sludge Hauling

Phone #
270-692-8760

**Total**

**\$2,925.00**

SMITH GRAIN

7878 N. Loretto Road  
Loretto, KY 40037  
Owner: Scott Smith  
270-692-8760

# Invoice

Date	Invoice #
2/28/2018	758

<b>Bill To</b>
Lebanon Water Company 120 S. Proctor Knott Avenue Lebanon, KY. 40033

P.O. No.	Terms	Project

Item	Quantity	Description	Rate	Amount
water removal	1	1 load of water removed on 2-1-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-6-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-8-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-13-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-15-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-20-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-22-18 ✓	225.00	225.00
water removal	1	1 load of water removed on 2-27-18 ✓	225.00	225.00
	8			
		<i>WTP</i>		
		<i># 506-7</i>		
		<i>WTP-Sludge Handling</i>		

<b>Phone #</b>	<b>Total</b>	\$1,800.00
270-692-8760		

SMITH GRAIN

7878 N. Loretto Road  
Loretto, KY 40037  
Owner: Scott Smith  
270-692-8760


# Invoice

Date	Invoice #
3/30/2018	772

<b>Bill To</b>
Lebanon Water Company 120 S. Proctor Knott Avenue Lebanon, KY. 40033

P.O. No.	Terms	Project

Item	Quantity	Description	Rate	Amount
water removal	1	1 load of water removed on 3-1-18	225.00	225.00
water removal	1	1 load of water removed on 3-6-18	225.00	225.00
water removal	1	1 load of water removed on 3-8-18	225.00	225.00
water removal	1	1 load of water removed on 3-13-18	225.00	225.00
water removal	1	1 load of water removed on 3-15-18	225.00	225.00
water removal	1	1 load of water removed on 3-20-18	225.00	225.00
water removal	1	1 load of water removed on 3-22-18	225.00	225.00
water removal	1	1 load of water removed on 3-27-18	225.00	225.00
water removal	1	1 load of water removed on 3-29-18	225.00	225.00

  
#506-7  
WTP Sludge Handling

<b>Phone #</b>
270-692-8760

**Total** \$2,025.00

SMITH GRAIN

7878 N. Loretto Road  
Loretto, KY 40037  
Owner: Scott Smith  
270-692-8760

# Invoice

Date	Invoice #
5/2/2018	785

Bill To
Lebanon Water Company 120 S. Proctor Knott Avenue Lebanon, KY. 40033

P.O. No.	Terms	Project

Item	Quantity	Description	Rate	Amount
Waste water removal	1	4/3/18	225.00	225.00
Waste water removal	1	4/5/18	225.00	225.00
Waste water removal	1	4/10/18	225.00	225.00
Waste water removal	1	4/12/18	225.00	225.00
Waste water removal	1	4/17/18	225.00	225.00
Waste water removal	1	4/19/18	225.00	225.00
Waste water removal	1	4/24/18	225.00	225.00
Waste water removal	1	4/26/18	225.00	225.00
	0 * *			
	8 * x			
	225 * =			
	1,800.00 *			

*[Handwritten signature]*

#506-7

WTP - Sludge Handling

Phone #
270-692-8760

**Total** \$1,800.00

SMITH GRAIN

7878 N. Loretto Road  
 Loretto, KY 40037  
 Owner: Scott Smith  
 270-692-8760

# Invoice

Date	Invoice #
6/4/2018	802

Bill To
Lebanon Water Company 120 S. Proctor Knott Avenue Lebanon, KY. 40033

P.O. No.	Terms	Project

Item	Quantity	Description	Rate	Amount
water removal	10	10 loads of water removed in may ✓ <div style="text-align: right; margin-top: 10px;">                     0 *                      10 * x                      225 =                      2,250.00 *                 </div> #5067	225.00	2,250.00

<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Phone #</td> </tr> <tr> <td>270-692-8760</td> </tr> </table>	Phone #	270-692-8760	<b>Total</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">\$2,250.00</span>
Phone #			
270-692-8760			



# Smith Grain

Maintenance Log

File Edit View Insert Format Data Tools Add-ons Help Last edit was made 2 days ago by Jimmy Spalding

100% \$ % .0 .00 123 Arial 10 B I U A

62						4-26-18		5000	CC/Smith farms
63						4-30-18	8'		JG
64						5-1-18		6000	CC/Smith farms
65						5-3-18		6000	JG/Smith farms
66						5-4-18	6'		JG
67						5-8-18		6000	JS/Smith Farms
68						5-10-18	6'	6000	JG/Smith Farms
69						5-15-18		5000	JG/Smith Farms
70						5-17-18		5000	JS/Smith Farms
71						5-24-18		6000	JS/Smith Farms
72						5-29-18		6000	JS/CC/Smith farms
73						5-30-18	5'		
74						5-31-18		6000	js/Smith farms
75						6-5-18		6000	CC/JS/Smith farms
76						6-7-2018		6000	CC/JS/Smith farms
77						6-8-18			JS/JG
78									
79									
80									

10 Loads

FLOCK BASINS Decant Tank/Claifier Decant pumps & equip. shock tank CL-17 EyeWash Station Greasing Motors/E

Sum: 6-29-44

\$ 2,250<sup>00</sup>

# 10 loads per Scott Smith

stmt. should be rec'd. 6-11-18 or 6-12-18

# **EXHIBIT 2-6**



# TERRY "Catfish" RAKES

Invoice #1382

**MARION COUNTY PROPERTY VALUATION**

June 26, 2017

**ADMINISTRATOR**

223 NORTH SPALDING AVENUE SUITE 202

LEBANON, KY 40033

PHONE: 270-692-3401

FAX: 270-699-2918

CUSTOMER	CONTACT	JOB
LEBANON WATER WORKS	DAREN THOMPSON	PICTOMETRY IMAGERY

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
	<p>PICTOMETRY PURCHASE AGREEMENT (CAN BE MADE IN 3 ANNUAL PAYMENTS OF \$16,667)</p> <p><i>pd. \$16,667 9-12-17 depr. cl # 609 Repair Mains #510-0</i></p> <p>Please send payment to the above address with this invoice. Thank you.</p>		50,000
<b>TOTAL</b>			<b>\$50,000.00</b>

**Deputies:**

Sherrri Hawkins

Pigeon Deep

Andy Coyle

Bryan Wheatley

**THANK YOU FOR YOUR BUSINESS!**

## INTERAGENCY AGREEMENT

THIS INTERAGENCY AGREEMENT ("Agreement"), effective February 13, 2017, (the "Effective Date") is entered into by and between the Marion County Property Valuation Administrator, an agency of the Commonwealth of Kentucky, of Suite 202, 223 N. Spalding Avenue, Lebanon, Kentucky 40033 ("PVA"), the Lebanon Water Works Company, Inc., an incorporated entity, of 120 S. Proctor Knott Avenue, Lebanon, KY 40033 ("LWW"); and the City of Lebanon, Kentucky, a municipal corporation, of 118 S. Proctor Knott Avenue, Post Office Box 840, Lebanon, Kentucky 40033 (ACITY@).

WHEREAS, it is the public policy of the CITY, LWW and the PVA to provide services to customers or constituents, as the case may be for each entity, as efficiently as reasonably possible;

WHEREAS, the PVA has proposed to contract for services and to advance payment for the services described in that contract with Pictometry International Corp. for the digital imagery mapping of the area of the City of Lebanon and Commonwealth of Kentucky, a copy of which contractual agreement, as amended, is attached hereto at **Exhibit 1** ("the CONTRACT"); the portion of the services contracted for under the CONTRACT labeled "First Project" therein will include but not be limited to those services for mapping and generating digital imagery as well as the provision of access to said imaging via digital and electronic media using hardware and software to be provided under the CONTRACT to each of the parties to this Interagency Agreement for a period of three (3) years;

WHEREAS, by agreement among the agencies commemorated herein, PVA, the CITY and LWW have agreed to share in the cost originally advanced by the PVA for a period of three (3) years

under the CONTRACT with Pictometry International Corp so that each may have access to and use of the digital imagery generated and software provided under the CONTRACT, such cost-sharing, sharing of resources and access constituting the project undertaken by this Interagency Agreement (“the PROJECT”); the PROJECT, as used in this Interagency Agreement, specifically includes only those items of work contracted for under the term “First Project” in the CONTRACT and does NOT include any portion of the CONTRACT services labeled as “Second Project” in the CONTRACT;

WHEREAS, the governing body of the LWW voted on Monday, February 13, 2017, to approve the PROJECT as proposed;

WHEREAS, the City Council voted on behalf of the CITY to approve the PROJECT as proposed on Monday, February 13, 2017;

WHEREAS, the PVA has entered into the separate CONTRACT identified hereinabove with Pictometry International Corp. to perform the CONTRACT work according to the proposal submitted;

And,

WHEREAS, the PVA has now demanded certain additional assurances in order to participate in the project as proposed;

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt, mutuality and sufficiency of all of which is hereby acknowledged by the parties hereto, the CITY, its wholly owned subsidiary LWW, and an agency of the Commonwealth of Kentucky, namely the Marion County Property Valuation Administrator (PVA) agree as follows:

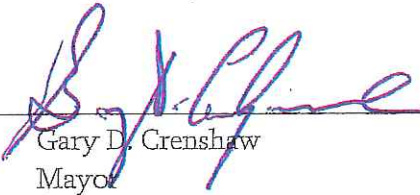
1. PVA will execute and commence performance under the CONTRACT with third party vendor

- Pictometry International Corp. to create the PROJECT imagery commencing immediately;
2. Annually (once per fiscal year) , PVA will invoice LWW and the City separately for the contribution of one-third (1/3) each of the cost of the PROJECT paid in advance for that **fiscal/calendar** year by the PVA; however, the cost to each of LWW and the CITY shall not exceed a maximum of \$50,000 each year during the PROJECT.
  3. The CITY and LWW will each remit the percentage invoiced, or the maximum annual allowance of \$50,000, whichever is less, to the PVA within thirty (30) days of receipt thereof, made payable to Marion County Property Valuation Administrator.
  4. Pursuant to the CONTRACT, Pictometry International Corp will perform licensing for each entity for the use of hardware and software needed to access the digital and electronic imagery generated under the CONTRACT. No separate subscription or other fees will be required of LWW and the CITY to participate in access to the imagery generated under the CONTRACT. The CITY and LWW will receive access to the same overhead and oblique photography of the City of Lebanon and Marion County with 4-inch accuracy, as does the PVA under the original CONTRACT..
  5. This Agreement shall remain in full and effect until June 27, 2019.

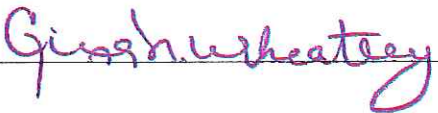
5. Should additional agencies or entities desire to join in this PROJECT, the aggregate cost of \$150,000 for the entire project would be paid on a percentage basis prorated among all participants.
6. This Agreement shall remain in full and effect until June 27, 2019.

This Interagency Agreement shall be effective as of the date first hereinabove written, subject to required approval by the Department of Local Government of the Office of the Attorney General.

CITY OF LEBANON, KENTUCKY

By:   
Gary D. Crenshaw  
Mayor

Date: 9-11-17

Attest: 


MARION COUNTY PROPERTY VALUATION ADMINISTRATOR

By:   
Terry "Catfish" Rakes

Date: 9/11/17

Attest:  RP

LEBANON WATER WORKS COMPANY, INC.

By:   
Richard Moraja  
Chairperson

Date: 9-11-17

Attest: 

# **EXHIBIT 2-7**





**Quotation # 20518491**

Date: November 9, 2017

Customer # 535394 Contract #

Lebanon Water Works  
120 S Proctor Knott Ave  
Lebanon, KY 40033-1249

ATTENTION: Daren Thompson  
PHONE: (270) 692-2491  
FAX:

Environmental Systems Research Institute, Inc.  
380 New York St  
Redlands, CA 92373-8100  
Phone: 909-793-2853 Fax: 909-307-3049  
DUNS Number: 06-313-4175 CAGE Code: OAMS3

*To expedite your order, please attach a copy of this quotation to your purchase order.  
Quote is valid from: 11/09/2017 To: 02/07/2018*

Name (Please Print)

DAREN Thompson / SUPERINTENDENT

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

**For questions contact:** Robert Rodriguez      **Email:** [rodriguez@esri.com](mailto:rodriguez@esri.com)      **Phone:** 610-644-3374 x5903

The items on this quotation are subject to the terms of this quotation and of your signed agreement with Esri, if applicable. If no such agreement covers any item, then Esri's standard terms and conditions found at <http://www.esri.com/legal/software-license> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance of this quotation is limited to the terms of this quotation. State and local government entities in California or Maryland buying under the State Contract are also subject to the terms and conditions found at <http://www.esri.com/legal/supplemental-terms-and-conditions>. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings.

***If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076***

# Esri Quotation Terms and Conditions



All quotations are valid for ninety (90) days unless otherwise stated on the quotation form. These prices and terms are valid only for items purchased for use and delivery within the United States.

This quotation information is proprietary and may not be copied or released other than for the express purpose of the current system selection and purchase. This information may not be given to outside parties or used for any other purpose without written consent from Environmental Systems Research Institute, Inc. (Esri).

*To expedite your order, please reference the quotation number on your purchase order.*

## **ORDER PROCESS**

The order process is initiated when Esri receives an original purchase order or some form of advance payment. Several additional documents (e.g., Master License Agreement, credit application, Tax Exemption Certificate) may be required to complete the order process. Generally, the need for these documents varies by the type of software, data, online services, subscriptions, professional services, or other products ordered, which is determined upon receipt of the purchase order (or advance payment). If delivery must be expedited, please contact your account representative for assistance.

**IMPORTANT!** Collectively, these documents contain the authorizations and information necessary to ship proper versions of the software or data on the correct media or to initiate online services, subscriptions, or professional services. To avoid unnecessary delays in shipping or delivery, please return all documents promptly to Esri Customer Service or as otherwise directed.

Please show the following remittance address on your purchase order:

Esri, PO Box 741076, Los Angeles, CA 90074-1076

## **ESRI LICENSE AGREEMENTS**

All Esri software, data, online services, and subscriptions offered in this quotation are commercial off-the-shelf items developed at private expense and subject to Esri commercial license terms. You may have a signed license agreement on file that covers this order. If so, please reference the license agreement number on your purchase order. Unless a signed license agreement is on file with Esri, Esri software, data, online services, and subscriptions are subject to the Esri License Agreement included with the deliverable item as an online or click-through agreement. A copy is enclosed. Certain software or data requires a Master License Agreement signed by both parties. Professional services agreements may also include license terms. Acceptance of the quote is limited to Esri's commercial license terms. Additional or differing terms or conditions proposed by you or included in your acknowledgment are objected to by Esri and have no effect.

Some Esri software is copy protected with an authorization code, and some software, data, online services, or subscriptions require registration or a password. You will be given instructions on how to access the authorization code, register, or obtain a password through the Esri website or by other means.

## **MAINTENANCE**

After expiration of any complimentary period of maintenance that may apply to the licensed software, Esri will quote maintenance payable annually in advance. A reinstatement fee applies when maintenance has lapsed.

## **DATA DISCLAIMER**

Data may contain some nonconformities, defects, errors, or omissions. THE DATA IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND. Without limiting the generality of the preceding sentence, Esri and its licensors do not warrant that the data will meet Licensee's needs or expectations, that the use of the data will be uninterrupted, or that all nonconformities can or will be corrected. Esri and its licensors are not inviting reliance on this data, and Licensee should always verify actual data.

## **DELIVERY**

FOB Redlands, CA, USA

**Software:** Allow five (5) days from Esri's receipt of purchase order, signed Software License Agreement(s), and other documents, as required.

**Hardware:** Manufacturer's terms apply. Lead times depend on make/models purchased.

**Note:** Standard delivery method is ground or two (2)-day airmail for software and surface carrier for hardware. Actual delivery method may vary depending on weight. Other services are available for an additional fee (e.g., overnight delivery).

**PAYMENT TERMS**

Net thirty (30) days, on approved credit. Orders totaling less than eight hundred dollars (\$800) require prepayment by check or credit card unless your organization is a government agency, university, college, or Fortune 500 company.

**TAXES**

This quote includes applicable sales or use taxes for the prices quoted as required by law. The tax amount may change depending on the time lapse between this quote and your order to us. Esri will include applicable sales or use taxes on your invoice unless you provide proof with your order that your organization or use of the product is tax exempt.



380 New York Street  
 Redlands, CA-92373  
 Phone: (909) 793-2853

Invoice : 93412552 Document date : 01/30/2018  
 Order : 40025280 Delivery :  
 Customer : 535394  
 Customer PO : QUOTE 20518491  
 P.O. Date : 11/15/2017  
 End User : 535394 Lebanon Water Works  
 Project : C.17016.A.0942 U.C.C.

2-6-18  
Hold

Bill to:

Lebanon Water Works  
 120 S Proctor Knott Ave  
 Lebanon KY 40033-1249

**Invoice**

Page : 1  
 Ship to:

Lebanon Water Works  
 120 S Proctor Knott Ave  
 Lebanon KY 40033-1249

Terms of payment: Net Due 30 days, no discount

The line items included in this transaction are governed exclusively by the terms of the above-referenced contract, if any, or, where applicable, Esri's standard terms and conditions at [www.esri.com/legal/software-license](http://www.esri.com/legal/software-license).

Esri PRJ MGR: GLENN HILL / lma PRJ #C17016A0942  
 REF: SIGNED Esri QUOTE #20518491 DATED: 11/15/17

FOR Esri SERVICES AS PER THE REFERENCED SIGNED QUOTE, THE FOLLOWING IS REQUESTED FOR PAYMENT.

pd. \$10,400.00  
 3-26-18

WEB GIS LAUNCH KIT-BASIC SERVICE PACKAGE \$ 10,400.00

ANY QUESTIONS IN REGARDS TO THIS INVOICE, PLEASE CONTACT JULIE BESWICK, AT 909-793-2853, EXT 1-1131 OR [jbeswick@esri.com](mailto:jbeswick@esri.com)

Item Subtotal 10,400.00

Total: USD 10,400.00

Training

Normalize #1420 P/R Exp. 9,533.33  
 Analyze #520-2 866.67  
 Ofc Replmaint. 866.67  
 \$ 10,400.00

FEIN: 95-2775732  
 DUNS/CEC: 06-313-4175 CAGE: OAMS3

**Please detach lower portion and return with remittance**



Lebanon Water Works  
 120 S Proctor Knott Ave  
 Lebanon KY 40033-1249

Remit Payment to:  
 Environmental Systems Research Institute, Inc.

By Check:  
 P.O. Box 741076  
 Los Angeles  
 CA 90074-1076

Electronic Instructions:  
 Bank: Bank of America  
 Wire ABA: 026009593  
 ACH ABA: 121000358

Acct#: 1496150335

Invoice: 93412552 Document Date: 01/30/2018  
 Payer: 535394 Total: USD 10,400.00

(Mthly @ 866.67)



# Quotation # 20518491

Date: November 9, 2017

Environmental Systems Research Institute, Inc.  
380 New York St  
Redlands, CA 92373-8100  
Phone: 909-793-2853 Fax: 909-307-3049  
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 535394 Contract #  
Lebanon Water Works  
120 S Proctor Knott Ave  
Lebanon, KY 40033-1249

To expedite your order, please attach a copy of this quotation to your purchase order.  
Quote is valid from: 11/09/2017 To: 02/07/2018

ATTENTION: Daren Thompson  
PHONE: (270) 692-2491  
FAX:

Material	Qty	Description	Unit Price	Total
122496	1	ArcGIS Desktop Standard Single Use Upgrade from ArcGIS Desktop Basic Single Use	5,500.00	5,500.00
153148	8	ArcGIS <u>Online</u> Named User Level 2 Term License <u>expense</u>	500.00	4,000.00

5 yr. cap.  
~~5 yr.~~  
5 yr.

#187-1 Arc-GIS software \$ 5,500.00  
 #142-0 Prepaid Exp - Other \$ 3,666.67  
 #546-3 Membership Dues - Fees 333.33  
 \$ 9,500.00

pd. 9500.00  
12-5-17

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Robert Rodriguez Email: [rodriguez@esri.com](mailto:rodriguez@esri.com) Phone: 610-644-3374 x5903

The items on this quotation are subject to the terms of this quotation and of your signed agreement with Esri, if applicable. If no such agreement covers any item, then Esri's standard terms and conditions found at <http://www.esri.com/legal/software-license> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance of this quotation is limited to the terms of this quotation. State and local government entities in California or Maryland buying under the State Contract are also subject to the terms and conditions found at <http://www.esri.com/legal/supplemental-terms-and-conditions>. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings.

If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076



**Quotation # 20518491**

Date: November 9, 2017

Customer # 535394 Contract #

Lebanon Water Works  
120 S Proctor Knott Ave  
Lebanon, KY 40033-1249

ATTENTION: Daren Thompson  
PHONE: (270) 692-2491  
FAX:

Environmental Systems Research Institute, Inc.  
380 New York St  
Redlands, CA 92373-8100  
Phone: 909-793-2853 Fax: 909-307-3049  
DUNS Number: 06-313-4175 CAGE Code: OAMS3

To expedite your order, please attach a copy of this quotation to your purchase order.  
Quote is valid from: 11/09/2017 To: 02/07/2018

Material	Qty	Description	Unit Price	Total
144576	1	The Web GIS Launch Kit – Basic services package provides up to 3 days of on-site support by 1 Esri consultant to configure and populate an ArcGIS Organization (ArcGIS Online or ArcGIS Enterprise) with maps and apps using the data and content available. The Esri consultant will start with a resource assessment to determine the available GIS content, capabilities and information product needs. Based on the results the consultant will work with you to prioritize the maps and apps that can be configured during the time available. During the process of configuring the maps and apps, the Esri consultant will show you how to configure your ArcGIS organizational settings, populate the account with content, and provide best practices on leveraging Web GIS. The Web GIS Launch Kit also includes knowledge transfer on: Authoring, registering and sharing content, creating web maps, management and administrative tools, using Web GIS in workflows, and securing content and governance If the above activities are completed prior to the end of the engagement remaining on-site time can focus on configuring Esri Foundational Apps or building additional Information Products. Topics outside the scope of the Web GIS Launch Kit include but are not limited to: ArcGIS Enterprise Software Installation, Migration of Databases and Applications, Application Development. Customers will be provided a Web GIS Launch Kit questionnaire prior to the on-site visit. The price includes airfare, hotel, car rental, per diem, and other direct costs. On-site support will be provided at a mutually agreed upon customer location during one trip within the United States on consecutive business days during a single work week. By purchasing this service, the customer agrees to Services Packages Terms and Conditions (G-363-D Addendum) which shall take precedence over any other terms and the customer's purchase order. If not attached, these Terms and Conditions can be viewed on the web at <a href="http://www.Esri.com/legal/service-agreements.html">http://www.Esri.com/legal/service-agreements.html</a> . This services package requires the customer to prepare for Esri's visit. The preparation requirements and foundational apps covered are outlined at <a href="http://www.Esri.com/legal/service-agreements.html">http://www.Esri.com/legal/service-agreements.html</a> and all services will be provided in accordance with the requirements and assumptions provided therein. Scheduling will be based on resource availability.	10,400.00	10,400.00

*Est.*

Item Total: 19,900.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

**For questions contact:** Robert Rodriguez      **Email:** [rodriguez@esri.com](mailto:rodriguez@esri.com)      **Phone:** 610-644-3374 x5903

The items on this quotation are subject to the terms of this quotation and of your signed agreement with Esri, if applicable. If no such agreement covers any item, then Esri's standard terms and conditions found at <http://www.esri.com/legal/software-license> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance of this quotation is limited to the terms of this quotation. State and local government entities in California or Maryland buying under the State Contract are also subject to the terms and conditions found at <http://www.esri.com/legal/supplemental-terms-and-conditions>. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings.

**If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076**

**LEBANON WATER WORKS COMPANY**

**CASE NO. 2017-00417**

**Response to Marion District's Post-Hearing Request for Information**

**Question No. 3**

**Responding Witness: Holly Nicholas**

- Q-3. Please provide the rate design, and all supporting work papers, that would make the proposed \$798,208 rate increase be equal in terms of both a percentage increase and the net impact on both the Company's In-City retail customers and Marion District.
- A-3. See attached **Exhibit 3-1**. The spreadsheet titled "Equal Percentage Rate" shows pro-forma rates for each class of the Company's customers that equal approximately the same percentage increase for each class of customers. The spreadsheet titled "Equal Revenue Rate" shows pro-forma rates for each class of the Company's customers that equal approximately the same revenue increase from each class of customers. Notably, however, this rate would contradict the Master Agreement in place between the Company and Marion District because it requires that Marion District's volumetric rate be significantly lower than the volumetric rate for the Company's retail customers.

# **EXHIBIT 3-1**



The attachment is being provided in a separate file in Excel format.

**LEBANON WATER WORKS COMPANY**

**CASE NO. 2017-00417**

**Response to Marion District's Post-Hearing Request for Information**

**Question No. 4**

**Responding Witness: Holly Nicholas**

Q-4. Please provide all alternative rate design scenarios prepared as part of the proposed rate increase, including all work papers, to support each of the different scenarios Holly Nicholas provided to the Company pertaining to the different meter charge and volumetric charges.

A-4. See attached **Exhibit 4-1**. This spreadsheet was prepared by Ms. Nicholas following the Hearing in this matter. It demonstrates that a very substantial increase in the meter charge will only slightly reduce the volumetric rate. For example, **Exhibit 4-1** demonstrates that if the meter charge is increased from \$6.75 to \$10.35, an increase of 53%, the volumetric rate will only be reduced by \$0.09 (from \$3.35 to \$3.26).

This result is not surprising considering that the Company only has approximately 2,600 meters. Over twelve months, this results in 31,200 meter billing units ( $2,600 \times 12 = 31,200$ ). For each \$1 increase in the meter charge, only \$31,200 is generated each year. This represents approximately 4% of the amount of revenue that needs to be generated by rates. A \$2 per meter increase in the meter charge will only generate \$62,400. A \$3 increase will only generate \$93,600.

Thus, if the meter charge is increased by 44% (\$3 increase), it will only generate 12% of the revenue needed to be generated through rates.

After a diligent search of her files, Ms. Nicholas has located the worksheet attached as **Exhibit 4-2**. She is unable to locate any additional computer files because the hard drive on her computer “crashed” since she performed the rate analysis for the Company.

# **EXHIBIT 4-1**

The attachment is being provided in a separate file in Excel format.

# **EXHIBIT 4-2**

3,462,510

98,548

3,161,188

3,641

3,31

3,472,578

99,247

3,110,557

3,652

3,32

\*

3,482,246

99,546

3,119,926

3,663

3,38

3,483,241

98,649

3,091,218

262,774

30,310

3,324,644

3,63

3,30

9,185

8,35

→

8,685

26,680

3,138,664 3,35  
100,280 3,69  
3,470,248

440,000 million

3,445,024

3,465,356

= 3,395,670

243,892

3,151,778

97,454

3,054,324

3,586

3,20

3,597

3,27

3,043,711.43

3,602

3,20

98,052

3,073,080

3,161,444

97,753

**LEBANON WATER WORKS COMPANY**

**CASE NO. 2017-00417**

**Response to Marion District's Post-Hearing Request for Information**

**Question No. 5**

**Responding Witness: Daren Thompson**

Q-5. Please provide the total amount of savings to the Company resulting from changes to its health insurance plan(s) and state in which Fiscal Year each such change occurred.

A-5. The Company's health insurance costs have decreased significantly. In Fiscal Year 2015, the Company's annual health insurance premium was \$219,324. In Fiscal Year 2016, the Company's annual health insurance premium was \$242,544. In Fiscal Year 2017, the Company reduced its health insurance expense to \$188,400.

In an effort to control costs, the Company has made significant changes to the health insurance plan that it offers its employees. First, the Company obtained proposals from different insurance companies. Second, it chose a more affordable plan, but the plan requires employees to pay a higher deductible amount. Third, the Company implemented a Flexible Spending Account through which employees can elect to withhold a portion of their pre-tax salary for qualifying medical expenses, and a Health Reimbursement Account ("HRA"). These changes enabled the Company to significantly reduce its health insurance costs.



The \$188,400 health insurance expense in Fiscal Year 2017 includes the budgeted cost of the HRA. Additionally, the Company decreased its health insurance costs by requiring employees with family health insurance coverage to cover a portion of the health insurance premiums. Beginning in Fiscal Year 2018, employees contributed 10% of family coverage premiums. Beginning in Fiscal Year 2019, employees will contribute 15% of family coverage premiums.

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Lebanon Water Works Company's June 27, 2018 electronic filing of this Response 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 June 27, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and one copy in paper medium of this Response will be delivered to the Commission on or before June 29, 2018.

  
Damon R. Talley