

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO THE)	
OPERATION AND MANAGEMENT OF WESTERN)	CASE NO.
LEWS-RECTORVILLE WATER AND GAS DISTRICT)	2019-00028
PURSUANT TO KRS 74 AND KRS 278)	

RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Comes the Western Lewis-Rectorville Water and Gas District, by counsel, and states the following as a response to the Public Service Commission's third request for information:

1. There are no contracts in existence executed by Chad Clark and Western Lewis-Rectorville Water and Gas District between January 13, 2015 and the date of the Commission Staff's request that pertain to Mr. Clark's employment with Western Lewis-Rectorville Water and Gas District. The terms of the agreement between Mr. Clark and the Western Lewis-Rectorville Water and Gas District were made a part of the Board of Commissioners' meeting minutes of January 13, 2015 and attached hereto as Exhibit A. The Board will make a formal written contract with Mr. Clark and provide the Commission with said contract once it is complete. Answered by Chad Clark and Benjamin L. Harrison, Attorney for Western Lewis-Rectorville Water and Gas District
2. The only board meeting minutes that pertain to Mr. Clark's employment with Western Lewis-Rectorville Water and Gas District is the one described above and attached as Exhibit A. Answered by Chad Clark
- 3.

- a. Mr. Clark prepared his own time records filed as Attachment 2 to the response to Staff's Second Request, Item 2. Mr. Clark wrote on his timesheet "\$1,000.00" as his salary on the timesheets from 9/6/2018 to the 12/27/2018 timesheet and was paid that same amount. For the timesheets for January 2019 to present, Mr. Clark wrote on his timesheet "\$1150.00" as the board had approved salary increases for all staff members in the 2019 budget and he received that amount. Answered by Chad Clark
- b. As reflected in the board minutes of January 13, 2015 and attached as Exhibit A, Mr. Clark was hired as a part-time employee of the district at \$1150.00 per week and included the use of Mr. Clark's own excavator equipment. In May 2015, Mr. Clark voluntarily reduced his salary to \$1110.00 per week as a way to allow the district to continue to employ a staff member at their current wage. The board did not take any action approving this voluntary reduction. In November 2015, Mr. Clark again voluntarily reduced his salary to \$1000.00 per week because the district recently purchased a new excavator and no longer needed Mr. Clark to use his own excavator. The board did not take any action approving this voluntary reduction. On December 8, 2015, the board approved across the board \$1.00 per hour pay raises for employees for 2016 (see meeting minutes of December 8, 2015 Exhibit B). As a result, Mr. Clark's salary increased to \$1040.00 per week. Beginning in February 2018, Mr. Clark again voluntarily reduced his salary to \$1000.00 per week. The board did not take any action approving this voluntary reduction. In December 2018, the board again approved across the board employee salary increases for 2019. Although not specifically noted in the

meeting minutes, the board approved Mr. Clark's salary for 2019 as the original salary when he was hired, \$1150.00 per week. The timesheets submitted as Attachment 2 to the response to Staff's Second Request, Item 2, reflect Mr. Clark's \$1000.00 per week salary from February 2018 to the last pay period in December 2018 and reflect Mr. Clark's salary of \$1150.00 from January 1, 2019 to present. See table below outlining the weekly salary of Mr. Clark from the given time periods. These amounts are what were actually paid to Mr. Clark during the time frames indicated. Answered by Chad Clark.

DATE	WEEKLY SALARY
January 2015 to April 2015	\$1150.00
May 2015 to October 2015	\$1110.00
November 2015 to December 2015	\$1000.00
January 2016 to January 2018	\$1040.00
February 2018 to December 2018	\$1000.00
January 2019 to present	\$1150.00

- c. Western Lewis-Rectorville Water and Gas District did not intentionally provide salary amounts for Chad Clark that are inconsistent and contradictory. In the response to the January 23, 2019 Order, Western-Lewis Rectorville provided a response in error. This response shall serve as a correction and supplement to the January 23, 2019 Order response. Chad Clark was hired as a salaried general manager on January 13, 2015 at a salary of \$1150.00 per week.

In the Commission Staff's Second Request for Information Request #4a, Western Lewis-Rectorville correctly confirmed that Mr. Clark's salary was \$1040.00 per week in 2017. This information is correct.

In Response #4b to Commission Staff's Second Request for Information, Western Lewis-Rectorville provided a response in error. This response shall serve as a correction and supplement to Request #4b. Mr. Clark's salary for calendar year 2018 was \$1000.00 per week and not the \$1100.00 per week as initially answered. Therefore, Mr. Clark's annual salary for 2018 was \$52,000.00. His hourly rate for 2018 calculates to \$31.25 per hour based on an average of 32 hours per week. Answered by Chad Clark.

- d. Western Lewis-Rectorville did not intentionally provide salary amounts that conflict with time records. The response above should clarify any conflicts that may have arisen due to an error in the response to the January 23, 2019 Order and Response #4b to Commission Staff's Second Request for Information dated February 28, 2019. Answered by Chad Clark.

4. Mr. Clark's time records beginning with his first time record in 2018 through August 2018 are attached hereto as Exhibit C. Answered by Chad Clark.

5.

- a. Mr. Clark is paid a monthly salary of \$1750.00 by Buffalo Trail Water Association. Mr. Clark averages eight hours of work per month as a contract operator of the Buffalo Trail Water Association. Attached is Exhibit D, the meeting minutes of the Buffalo Trail Water Association where its board approved Chad Clark's salary as \$1750.00 as their contract operator. Mr. Clark does not

keep time records for his work at Buffalo Trail Water Association - the Association does not require Mr. Clark is maintain time records. Answered by Chad Clark.

b. Mr. Clark is paid a monthly salary of \$2100.00 by Western Mason Sanitation District. Mr. Clark averages ten hours of work per month as the contract operator for Western Mason Sanitation District. Western Mason Sanitation District's meeting minutes do not indicate when it approved this contract amount. Attached is Exhibit E, the meeting minutes of Western Mason Sanitation District where the District approved a \$500.00 monthly salary increase for Mr. Clark because of the addition of Pinewood Subdivision to the District's system. Mr. Clark does not keep time records for his work at Western Mason Sanitation District – the District does not require Mr. Clark to maintain time records. Answered by Chad Clark.

6. The Excel Spreadsheet titled Allocations of Profit and Loss is attached as Exhibit F. Answered by Lyn Rhonemus, CPA.

7. According to Lyn Rhonemus, the Certified Public Account for Western Lewis-Rectorville Water and Gas District, the allocated costs that were attributable to a discrete division were attributed to shared costs “was done in error on the original application. In the first paragraph of our response dated February 5, 2019 to Case No. 2019-00028, we agreed that the purchased power and chemical costs should have been allocated to only the water division. Additionally, we made the necessary changes to reflect this within our calculations to the response.” Answered by Lyn Rhonemus, CPA.

The information provided is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.



BENJAMIN L. HARRISON
COUNSEL FOR WLR
STANLEY & BERTRAM, PSC
PO Box 40
Vanceburg, KY 41179
606-796-3024; 606-796-2113 – FAX
bharrison50@gmail.com

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of April, 2019, a copy of the foregoing Motion has been mailed, USPS postage prepaid, and filed electronically, to the following:

Public Service Commission
PO Box 615
Frankfort, KY 40602
And by E-Filing System



BENJAMIN L. HARRISON

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OFFICE OF THE SECRETARY

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