

DISTRIBUTION LIST

RE: HARRISON COUNTY WATER ASSOCIATION, USDA RD LOAN RUS

**Kentucky Public Service Commission
Electronically filed**

**HCWA
Attn: Mr. Mark Patrick, Manager
P.O. Box 215
Cynthiana, Kentucky 41031**

**Jesse Melcher Law Office, PLLC
Attn: Mr. Jesse P. Melcher, Esq.
P.O. Box 345nt Olivet, Kentucky 41064**

COMMONWEALTH OF KENTUCKY

**BEFORE THE PUBLIC SERVICE COMMISSION
PSC CASE NO. 2019-00184**

In the Matter of:

**HARRISON COUNTY WATER ASSOCIATIONS RESPONSE TO COMMISSION STAFF'S
INITIAL REQUEST FOR INFORMATION REGARDING THE ELECTRONIC APPLICATION OF
THE HARRISON COUNTY WATER ASSOCIATION, INC. FOR REQUEST OF UNUSED LOAN
AND GRANT MONIES FROM USDA**

The Harrison County Water Association, Inc., ("Applicant"), respectfully responds, through counsel, Mr. Jesse P. Melcher, Esq., Manager, Mark Patrick, and board chairman and president, J. Frank Marsh as follows:

1. That the Applicant's request for approval of unused monies of a USDA loan/grant that was authorized for construction of a tower known as the Kelat, Harrison County, Kentucky, water tower; wherein, said approval of the USDA loan/monies was dated September 20, 2017; See Order of PSC in 2017-330, which is fully incorporated herein.
2. That pursuant to a request by Commission's staff of an initial request for information regarding an application for use of unused monies from the USDA loan/grant, requested information from the Harrison County Water Association, which is provided herein, by request dated August 22, 2019.

3. That the Harrison County Water Association, Inc., by and through counsel, Mr. Jesse P. Melcher, Esq. in preparation of the request asked for remaining balances from the managing engineer, Mr. Andrew Easley, Strand and Associates, who initially projected remainder monies would be \$71,142.75, and then later projected that \$58,924.30 will be remaining in USDA grant monies. These were both estimates and incorrect. The correct remaining monies to date are \$84,826.50, as provided by Strand and Associates; however, \$25,000.00 is owed to Barry Tippey for demolition of the old Kelat Tower, leaving a unused loan/grant money balance of \$59,826.50. This statement is meant to correct the incorrect remaining money statements as provided in the Harrison County Water Association, Inc.'s initial application.

4. The request for reimbursement of the items stated in sub-numerical paragraphs (a-c) as stated herein, below, have all been paid for out of the Harrison County Water Association's Inc.'s general operating account, which are proceeds from regular billing payments from water customers.


a) To HCWA for purchase of Truck (2019 Chevy Colorado) from Dutch's	\$29,690.00
b) To HCWA for purchase of Truck (2018 Chevy 1500)	\$26,990.00
c) To HCWA for reimbursement for part of Billing software	\$14,462.75

5. If the Harrison County Water Association, Inc. is authorized by the Public Service Commission to use the unused loan/grant monies of \$59,826.60, then \$56,380.00 will be use to reimburse the Harrison County Water Association, Inc. in full for the previously purchased trucks as stated in 4 (a-b), and to partially reimburse \$3,446.50 towards the previously purchased billing software (4c). The balance of the billing software will be absorbed by the Harrison County Water Association, Inc. general operating expenses, as it has already been paid in full.

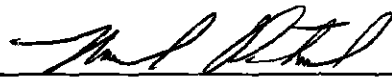
ALL ITEMS HAVE BEEN PREVIOUSLY PURCHASED AND PAID FOR IN FULL. THE REQUESTED USE OF MONIES ARE SIMPLY TO REIMBURSE THE HARRISON COUNTY WATER ASSOCIATION FOR PREVIOUSLY PURCHASED EXPENSES OUT OF ITS GENERAL OPERATING ACCOUNT, WHICH ARE PROCEEDS FORM REGULAR BILLING PAYMENTS FROM WATER CUSTOMERS.

6. The Harrison County Water Association, Inc., has not taken any loans, leases, billing or payback obligations, regarding the requested reimbursed purchases. In fact, the Harrison County Water Association, Inc. has not taken any loans, leases, or obligations to pay back for any reason on anything outside of the USDA loan/grant at issue herein, in 2017.
7. The statements herein, are based upon information personally known, and as provided by the overseeing engineering firm of Strand and Associates, and Mr. Charlie Brunner, CPA, accountant for Harrison County Water Association, Inc.

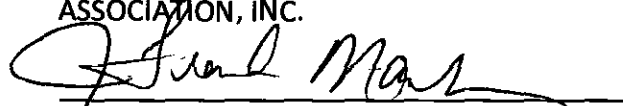
We, Jesse P. Melcher, attorney for the Harrison County Water Association, Inc., Mark Patrick, manger of Harrison County Water Association, Inc., and Mr. J. Frank Marsh, board chairman and president of the Harrison County Water Association, Inc., do hereby state that we have prepared and read over the foregoing response to staff's initial request of information as to the Harrison County Water Association, Inc.'s, request of unused monies, and that all statements and/or responses are true and accurate legal averments and representations, and are true and accurate to the best of our knowledge, information and belief formed after a reasonable inquiry.



MR. JESSE P. MELCHER,
ATTORNEY FOR THE HARRISON COUNTY WATER
ASSOCIATION, INC.

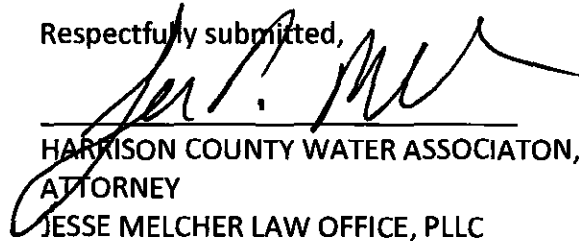


MR. MARK PATRICK,
MANAGER FOR THE HARRISON COUNTY WATER
ASSOCIATION, INC.



MR. J. FRANK MARSH,
BOARD CHAIRMAN AND PRESIDENT FOR THE HARRISON
COUNTY WATER ASSOCIATION, INC.

Respectfully submitted,



A handwritten signature in black ink, appearing to read 'J.P. Melcher', is written over a horizontal line. The signature is fluid and cursive.

HARRISON COUNTY WATER ASSOCIATION, INC.

ATTORNEY

JESSE MELCHER LAW OFFICE, PLLC

MR. JESSE P. MELCHER, ESQ.

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