

CASE No. 2020-00277
CITY OF AUGUSTA
RESPONSES TO COMMISSION STAFF'S 2ND REQUEST FOR INFORMATION

1. **Identify the name and title or position of the person or persons who are responsible for directing the activities of counsel in this case, for monitoring time spent by legal counsel, and approving or recommending payment of attorney fees.**

RESPONSE: Pursuant to KRS 83A.070 and 83A.130, the City Council has the authority to establish an annual budget and compensation to be paid to all officers of the City. KRS 91A.030 authorizes the mayor to administer the annual budget. Based on their statutory responsibilities, the Mayor and City Council ultimately hold the responsibility for directing the activities of its City Attorney and regulatory counsel. In addition to the Mayor and City Council providing high-level oversight, the City Attorney Cynthia Thompson and WTP Operations Manager Doug Padgett communicate with, direct, and monitor activities of the regulatory counsel (Sturgill, Turner, Barker, and Moloney, PLLC), who has been retained specifically for this proposed case.

WITNESS: Doug Padgett

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2 a. **State whether the rates proposed by Augusta include any expenses for the preparation of this case, and if so, identify those expenses and provide detailed invoices for those expenses.**

b. **Identify all expenses incurred in preparing this case, regardless of whether the expenses were used to calculate Augusta's proposed rates, and provide detailed invoices for those expenses.**

RESPONSE:

a. No expenses for the preparation of this case were included in the rates proposed by Augusta. Because Bracken County Water District did not object to the proposed increase, Augusta did not believe that significant rate case expenses would be incurred.

b. As of February 23, 2021, Augusta has incurred legal expenses of \$12,258 related to the proposed increase to Bracken County Water District. Please see attached time entries.

WITNESS: Doug Padgett

Legal Expenses

<u>Client</u>	<u>Trans Date</u>	<u>Check Number</u>	<u>B C</u>	<u>Stmt # Rate</u>	<u>Hours to Bill</u>	<u>Amount</u>	<u>Ref #</u>	
Statement Date mm/dd/yyyy								
64548.0003	02/01/2021	MTO		255.00	1.10	280.50	Review BCWD reply and PSC order; draft email to Augusta; review records on BCWD City of Augusta PSC Case 2020-00277	17
64548.0003	02/08/2021	MTO		255.00	0.30	76.50	Communicate (with client) with D. Padgett, G. England, and C. Thompson regarding strategy for rate increase to Bracken Co. WD City of Augusta PSC Case 2020-00277	18
64548.0003	02/10/2021	MTO		255.00	0.80	204.00	Review information provided by D. Padgett regarding DOW sanitary sewer; initial review of Staff's third set of DRs. City of Augusta PSC Case 2020-00277	19
64548.0003	02/11/2021	JWG		255.00	0.40	102.00	Review WD's DRs, PSC DRs, PSC order setting procedural schedule and first set of DRs in 2015 case. City of Augusta PSC Case 2020-00277	20
64548.0003	02/11/2021	MTO		255.00	0.60	153.00	Review first request for information from BCWD; communicate with J. Gardner regarding same. City of Augusta PSC Case 2020-00277	21
64548.0003	02/11/2021	MTO		255.00	0.90	229.50	Draft abbreviated motion to strike Dirstrict's RFls. City of Augusta PSC Case 2020-00277	22
64548.0003	02/11/2021	JWG		255.00	0.60	153.00	Review Review first request for information and communicate with T.Osterloh regarding same. City of Augusta PSC Case 2020-00277	30
64548.0003	02/11/2021	MTO		255.00	1.00	255.00	Appear for/attend conference call with D. Padgett, C. Thompson, and G. England regarding data requests from Staff and BCWD City of Augusta PSC Case 2020-00277	32
64548.0003	02/12/2021	MTO		255.00	0.70	178.50	Draft/revise - proposed responses to PSC Staff's 2nd set of DRs City of Augusta PSC Case 2020-00277	23
64548.0003	02/12/2021	MTO		255.00	0.20	51.00	Communicate (other external) with J. Wuetcher regarding data requests and motion to strike City of Augusta PSC Case 2020-00277	24
64548.0003	02/12/2021	MTO		255.00	0.20	51.00	Communicate (with client) with D. Padgett regarding WD's proposal on motion to strike City of Augusta PSC Case 2020-00277	25
64548.0003	02/12/2021	MTO		255.00	0.30	76.50	Communicate (with client) phone call with C. Thompson regarding WD's proposal on motion to strike. City of Augusta PSC Case 2020-00277	26
64548.0003	02/12/2021	MTO		255.00	0.10	25.50	Communicate (other external) - follow up phone call with J. Wuetcher City of Augusta PSC Case 2020-00277	27
64548.0003	02/12/2021	MTO		255.00	0.30	76.50	Draft/revise - draft email to D. Padgett, C. Thompson, and G. England regarding WD's proposal regarding data requests and motion to strike City of Augusta PSC Case 2020-00277	28
64548.0003	02/12/2021	MTO		255.00	0.60	153.00	Draft/revise outline of certain responses to WD's initial set of DRs City of Augusta PSC Case 2020-00277	29
64548.0003	02/13/2021	JWG		255.00	0.20	51.00	Review revised set of first request for information. City of Augusta PSC Case 2020-00277	31
64548.0003	02/15/2021	MTO		255.00	0.50	127.50	Communicate (with client) - review BCWD's Response to our Motion to Strike; outline inconsistencies in	33

<u>Client</u>	<u>Trans Date</u>	<u>Check Number</u>	<u>B C</u>	<u>Stmt # Rate</u>	<u>Hours to Bill</u>	<u>Amount</u>	<u>Ref #</u>
Statement Date mm/dd/yyyy							
						that Response. City of Augusta PSC Case 2020-00277	
64548.0003	02/16/2021	JWG		255.00	0.40	102.00 Review water district response and call with T.Osterloh regarding our reply.	34
						City of Augusta PSC Case 2020-00277	
64548.0003	02/16/2021	MTO		255.00	0.20	51.00 Communicate (with client) with D. Padgett, C. Thompson, and G. England regarding Reply in support of motion to strike	35
						City of Augusta PSC Case 2020-00277	
64548.0003	02/16/2021	MTO		255.00	1.80	459.00 Communicate (with client) - conference call with D. Padgett, G. England, and C. Thompson to discuss responses to data requests	36
						City of Augusta PSC Case 2020-00277	
64548.0003	02/16/2021	MTO		255.00	1.10	280.50 Draft/revise - draft Reply in support of Motion to Strike	37
						City of Augusta PSC Case 2020-00277	
64548.0003	02/16/2021	JWG		255.00	0.30	76.50 Review and revise reply to response to motion to strike.	38
						City of Augusta PSC Case 2020-00277	
64548.0003	02/18/2021	MTO		255.00	0.80	204.00 Review information provided by D. Padgett regarding data responses	39
						City of Augusta PSC Case 2020-00277	
64548.0003	02/19/2021	MTO		255.00	0.20	51.00 Review order denying motion to strike.	40
						City of Augusta PSC Case 2020-00277	
64548.0003	02/22/2021	MTO		255.00	0.90	229.50 Review - continued review of materials from D. Padgett and drafting/revising answers to PSC DR2	41
						City of Augusta PSC Case 2020-00277	
64548.0003	02/23/2021	MTO		255.00	2.40	612.00 Review draft responses and documents; draft revisions; communicate with D. Padgett regarding same.	42
						City of Augusta PSC Case 2020-00277	
				Billable	16.90	4,309.50	
Subtotal for Tcode 1							
64548.0003	02/17/2021	20188		139707		2,677.50 Thank you for your payment.	3
						City of Augusta PSC Case 2020-00277	
				Billable Payments	0.00	0.00	
Subtotal for Tcode 201							
				Billable Payments	16.90	4,309.50	
Total for Statement Date mm/dd/yyyy							
				Billable Payments	16.90	4,309.50	
Statement Date 10/05/2020							
64548.0003	08/26/2020	MTO		255.00	0.80	204.00 Communicate (with client) - conference call with Mayor Taylor, Doug P. Gretchen G., and Cynthia T. regarding new PSC case	ARCH
						City of Augusta PSC Case 2020-00277	
64548.0003	09/01/2020	MTO		255.00	0.20	51.00 Communicate (with client) with C. Thompson regarding ethics opinion and rate case	ARCH
						City of Augusta PSC Case 2020-00277	
64548.0003	09/01/2020	MTO		255.00	0.30	76.50 Draft/revise - notice of appearance for Augusta	ARCH
						City of Augusta PSC Case 2020-00277	
64548.0003	09/02/2020	MTO		255.00	0.50	127.50 Communicate (other external) with J. Wuetcher regarding documents received by City Council from	ARCH

Client	Trans Date	Tmkr	Check Number	B C	Stmt # Rate	Hours to Bill	Amount	Ref #
Statement Date 10/05/2020								
							Water District Wrongful death and rate case; draft email to C. Thompson regarding same City of Augusta PSC Case 2020-00277	
64548.0003	09/08/2020	MTO			255.00	1.00	255.00	ARCH
							Communicate (with client) with Doug Padgett regarding his calculations; review those calculations; review contract for additional provisions that could impact case. City of Augusta PSC Case 2020-00277	
64548.0003	09/14/2020	MTO			255.00	2.00	510.00	ARCH
							Review possible calculations for wholesale rate; communicate with D. Padgett regarding same; draft narrative response City of Augusta PSC Case 2020-00277	
64548.0003	09/15/2020	MTO			255.00	0.40	102.00	ARCH
							Draft/revise - finalize responses to request for information; draft cover letter; communicate with D. Padgett and J. Wuetcher regarding same. City of Augusta PSC Case 2020-00277	
					Billable	5.20	1,326.00	
Subtotal for Tcode 1								
Total for Statement Date 10/05/2020					Billable	5.20	1,326.00	
Statement Date 11/04/2020								
64548.0003	10/01/2020	MTO			255.00	1.50	382.50	ARCH
							Review data requests from PSC; draft outline for responses; phone call with D. Padgett regarding same. City of Augusta PSC Case 2020-00277	
64548.0003	10/14/2020	MTO			255.00	1.50	382.50	ARCH
							Draft/revise responses to PSC's 2nd request for information; phone call with D. Padgett to discuss responses; review materials send by D. Padgett. City of Augusta PSC Case 2020-00277	
					Billable	3.00	765.00	
Subtotal for Tcode 1								
64548.0003	10/14/2020		19947		131782		1,326.00	ARCH
							Thank you for your payment. City of Augusta PSC Case 2020-00277	
					Billable Payments	0.00	0.00	
Subtotal for Tcode 201							1,326.00	
Total for Statement Date 11/04/2020					Billable Payments	3.00	765.00	
Statement Date 12/01/2020								
64548.0003	11/13/2020	MTO		2	255.00	0.30	76.50	ARCH
							Communicate (with client) with Cynthia and Gretchen regarding certain issues tha have come up. City of Augusta PSC Case 2020-00277	
					Billable	0.00	0.00	
					Non-billable	0.30	76.50	
					Total	0.30	76.50	
64548.0003	11/24/2020		20029		135021		765.00	ARCH
							Thank you for your payment. City of Augusta PSC Case 2020-00277	
					Billable Payments	0.00	0.00	
Subtotal for Tcode 201							765.00	

<u>Client</u>	<u>Trans Date</u>	<u>Check Tmkr Number</u>	<u>B C</u>	<u>Stmt # Rate</u>	<u>Hours to Bill</u>	<u>Amount</u>	<u>Ref #</u>	
Statement Date 12/01/2020								
Total for Statement Date 12/01/2020				Billable	0.00	0.00		
				Non-billable	0.30	76.50		
				Total	0.30	76.50		
				Payments		765.00		
Statement Date 02/01/2021								
64548.0003	01/20/2021	MTO		255.00	0.50	127.50	Review motion and related documents; draft email to C. Thompson and D. Padgett regarding same. City of Augusta PSC Case 2020-00277	ARCH
64548.0003	01/21/2021	MTO		255.00	0.60	153.00	Communicate (with client) with D. Padgett, C. Thompson, and G. England regarding Bracken District's motion. City of Augusta PSC Case 2020-00277	ARCH
64548.0003	01/25/2021	MTO		255.00	2.30	586.50	Draft/revise outline for arguments in Response to Bracken County WD, including research of PSC and court decisions. City of Augusta PSC Case 2020-00277	ARCH
64548.0003	01/26/2021	MTO		255.00	5.80	1,479.00	Draft/revise Response to Bracken District's motion. City of Augusta PSC Case 2020-00277	ARCH
64548.0003	01/27/2021	JWG		255.00	0.50	127.50	Draft/revise response to motion for new procedural schedule. City of Augusta PSC Case 2020-00277	ARCH
64548.0003	01/27/2021	MTO		255.00	0.80	204.00	Communicate (with client) with D. Padgett, C. Thompson, and G. England; review and revise Response for filing. City of Augusta PSC Case 2020-00277	ARCH
Subtotal for Tcode 1				Billable	10.50	2,677.50		
Total for Statement Date 02/01/2021				Billable	10.50	2,677.50		
GRAND TOTALS								
				Billable	35.60	9,078.00		
				Non-billable	0.30	76.50		
				Total	35.90	9,154.50		
				Payments		4,768.50		

Rate Increase Time Entries for City Attorney Cynthia Thompson

8/5/2020	Review Letter & E-mail from Jerry Wuetcher, p/c to City Clerk	0.5
8/6/2020	Meet with City Clerk & Operations Manager	2.5
8/11/2020	Review e-mail from City Clerk, p/c to same	0.25
8/21/2020	Review e-mail from Sue Cassidy & respond	0.25
8/21/2020	Review second e-mail from Sue Cassidy & respond	0.1
8/25/2020	Receive e-mail from Todd Osterloh, print	0.05
8/26/2020	Meeting at City Office w/Mayor, Operations Manager, City Clerk, e-mail Todd Osterloh	2
8/26/2020	Return to City Office for second meeting	2
8/31/2020	Receive multiple e-mails regarding case, e-mail Todd Osterloh	0.5
9/1/2020	E-mail Sue Cassidy, cc Todd Osterloh, receive e-mail from Todd Osterloh respond	0.5
9/1/2020	E-mail Todd Osterloh again	0.05
10/14/2020	Meet with City Clerk & Mayor at City Office	2.5
11/12/2020	Meet with City Clerk & Operations Manager, p/c to Todd Osterloh e-mail Todd Osterloh, e-mail City Clerk	2
11/13/2020	Receive e-mail from Todd Osterloh, respond	0.25
11/13/2020	Meet with City Clerk at City Office, p/c to Todd Osterloh	1.25
1/20/2021	Review pleadings in PSC case	2
2/1/2021	Review & print pleadings in PSC case	1
2/5/2021	Meet with City Clerk, p/c to Operations Manager, p/c to Todd Osterloh	1
2/8/2021	Review e-mail from Todd Osterloh, meet at City Office with City Clerk Operations Manager, Mayor, p/c to Todd Osterloh	1.5
2/10/2021	Review multiple e-mails, including from City Clerk, re: PSC filings, from Operations Manager, Todd Osterloh, review PSC Order p/c to City Clerk	1
2/11/2021	Review PSC filings, p/c to City Clerk	1.25
2/11/2021	Meet with City Clerk & Operations Manager at City Office, p/c to Todd Osterloh	1.5
2/12/2021	Review PSC filings & print, organize binder, e-mail from Todd Osterloh	1.5
2/16/2021	Meet with City Clerk & Operations Manager at City Office, p/c to Todd Osterloh, review data request responses	2.5
2/19/2021	Print PSC filings from case file, organize in binder at City Office	1.5
2/22/2021	Continue printing filings at City Office	1.75
2/23/2021	Review e-mail from Todd Osterloh from 2/22/21, respond, review multiple e-mails from Todd Osterloh and Operations Manager	0.5

Total: 31.7

31.70 x \$100.00 hour = \$3170.00

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3. **Refer to Bracken County Water District's (Bracken District) Reply to Augusta's Response to Motion for Ruling, Exhibit A, page 7, Cost of Water Produced, Purchased and Sold.**
- a. **Provide all information relied upon to calculate the rate for Producers stated as \$1.84 per 1,000 gallons in Excel spreadsheet format with all formulas intact and unprotected and all rows and columns fully accessible.**
- b. **Provide all information relied upon to calculate the rate for Sellers stated as \$2.35 per 1,000 gallons in Excel spreadsheet format with all formulas intact and unprotected and all rows and columns fully accessible.**

RESPONSE:

a. The identification of \$1.84 per 1,000 gallons on the Drinking Water Sanitary Survey was not calculated to reflect what Augusta's wholesale rate was. The figure is based on a rough calculation of the total Water Treatment Plant Operating Expenses less the depreciation expense and property and liability insurance expense and dividing by the number of gallons sold. Augusta is attaching an Excel file of that calculation. The gallons sold identified in this calculation was estimated and based off of the revenue received from the two wholesale customers and divided by the wholesale rate. For the purposes of the rates to Bracken County Water District, it would be appropriate to include the property insurance expense and a portion of the depreciation expense. In addition, this calculation does not include debt service.

b. The rate of \$2.35 per 1,000 gallons was the product of negotiations between Augusta and Bracken County Water District, which was approved by the Commission in Case No. 2015-00039. There is no corresponding Excel file.

WITNESS: Doug Padgett

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4. Refer to Bracken District's Reply to Augusta's Response to Motion for Ruling, Exhibit A, page 7, Water Loss.

RESPONSE: For clarification purposes, the Augusta water treatment plant has two customers: City of Augusta and Bracken County Water District. The City of Augusta's distribution system is separate from the treatment plant. If the City's distribution system experiences significant water loss, the City pays the water treatment plant for the total amount of water that was purchased, including the water loss. Therefore, Bracken County Water District is not negatively impacted by the distribution system's water loss.

a. This exhibit states you track water loss on a monthly basis; provide the manner that you track water loss.

RESPONSE: Please see the attached Water Use Report created by Kentucky Rural Water Association. This is the form utilized to track water loss within the City's distribution system.

b. This exhibit states that you have a plan to address water loss; provide the plan.

RESPONSE: Please see the attached City of Augusta Water Loss Plan.

c. Provide the status of the Master Meter Calibration and Meter Replacement programs as stated as part of the Water Loss Reduction Plan.

RESPONSE: The Master Meter Calibration is performed annually per the 2016 water purchase agreement. The City's distribution department is working on the meter replacement program.

WITNESS: Doug Padgett

Water Use Report

Board and Management Monthly Water Use Report

Water Utility: Augusta PWSID: KY0120013
 For the Month of: January Year:
 Billing Period: _____ to _____

1 PRODUCTION COST PER THOUSAND (insert cost)
 2 PURCHASE COST PER THOUSAND (insert cost)

	WATER PRODUCED or PURCHASED	GALLONS
3	Water Produced	
4	Water Purchased	
5	TOTAL PRODUCED AND PURCHASED	0
6	TOTAL COST	

	WATER SOLD	
7	Residential	
8	Commercial	
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale (other water systems, special contracts, etc.)	
12	Public Authorities (fire departments, public pools, parks, etc.)	
13	Other Sales (explain) _____	
14	TOTAL WATER SOLD	0
15	TOTAL WATER NOT SOLD	0

	BREAKDOWN OF WATER USAGE	
16	Water Treatment Plant	
17	Wastewater Treatment Plant	
18	System Flushing (routine and complaint flushing)	
19	DBP Flushing (forced tank overflows and hydrant flushing)	
20	Fire Department (documented for firefighting and training)	
21	Other Usage (explain) _____	
22	TOTAL USAGE	0

	BREAKDOWN OF WATER LOST	
23	Tank Overflows (other than for DBP maintenance)	
24	Main Line Breaks (long term leakage during current month)	
25	Service Line Breaks (repaired during current month)	
26	Line Leaks (calculated line leakage, meter inaccuracies, etc.)	
27	Excavation Damage Loss (short term leakage)	
28	Theft (documented)	
29	TOTAL DOCUMENTED WATER LOST	0
30	COST OF DOCUMENTED WATER LOST	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
31	"Unknown Loss"	0
32	% "Unknown Loss"	
33	#NAME? Number of Days in Period	#NAME?
34	"Unknown Loss" per Day (Gallons per Day)	#NAME?
35	"Unknown Loss" per Minute (GPM)	#NAME?
36	"Unknown Loss" Cost for Month	

37 **WATER LOSS PERCENTAGE FOR PSC RATEMAKING PURPOSES**

City of Augusta

Water Loss Plan

City of Augusta Water Loss Plan

The following steps can be utilized to prevent or reduce water loss and should be incorporated into a water loss prevention plan:

1. Water Treatment Plant Operators continually monitor total gallons of water supplied to both the City of Augusta and Bracken County Water District. Operators immediately contact the appropriate system if there appears to be abnormal water usage that could be a leak.
2. Master meters at the Water Treatment Plant are read daily. This will minimize water loss due to a large leak that can go undetected for a week or month.
3. Master meters at the Water Treatment Plant will be tested annually.
4. Utilize computer billing software to compare individual meter usage each month to determine if a customer has a leak on their side of the meter.
5. Utilize pressure recordings to detect fluctuating pressures and abnormally low or high pressures in distribution system lines.
6. Test and change-out all meters according to Kentucky Public Service Commission (PSC) regulations. PSC regulations require residential meters to be tested and changed-out in 10-year intervals. Four-inch and larger meters are to be tested annually.
7. Identify sections of pipe in the distribution system with the most frequent line breaks. Budgeting for infrastructure replacement is imperative in any water utility.
8. Provide the necessary resources for manpower and equipment to properly maintain the distribution system appurtenances such as gate valves, pressure reducing valves, and hydrants.