

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

In the Matter of:

ELECTRONIC JOINT APPLICATION)	
OF GRAYSON COUNTY WATER)	
DISTRICT AND THE CITY OF)	
CANEYVILLE FOR AN ORDER)	
APPROVING THE TRANSFER OF)	
OWNERSHIP OF THE CITY OF)	
CANEYVILLE'S WATER SYSTEM)	CASE NO. 2021-00387
AND APPROVING GRAYSON)	
COUNTY WATER DISTRICT'S)	
ASSUMPTION OF CERTAIN DEBT)	
OBLIGATIONS OF THE CITY OF)	
CANEYVILLE PURSUANT TO THE)	
PROVISIONS OF KRS 278.020, KRS)	
278.300, AND 807 KAR 5:001)	

RESPONSE OF

GRAYSON COUNTY WATER DISTRICT

TO

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

DATED March 8, 2022

FILED: March 24, 2022

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

In the Matter of:

ELECTRONIC JOINT APPLICATION)	
OF GRAYSON COUNTY WATER)	
DISTRICT AND THE CITY OF)	
CANEYVILLE FOR AN ORDER)	
APPROVING THE TRANSFER OF)	
OWNERSHIP OF THE CITY OF)	
CANEYVILLE'S WATER SYSTEM)	CASE NO. 2021-00387
AND APPROVING GRAYSON)	
COUNTY WATER DISTRICT'S)	
ASSUMPTION OF CERTAIN DEBT)	
OBLIGATIONS OF THE CITY OF)	
CANEYVILLE PURSUANT TO THE)	
PROVISIONS OF KRS 278.020, KRS)	
278.300, AND 807 KAR 5:001)	

**RESPONSE OF GRAYSON COUNTY WATER DISTRICT TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Comes Grayson County Water District (“Grayson District”) for its Response to Commission Staff’s First 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 Grayson County Water District

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

In the Matter of:

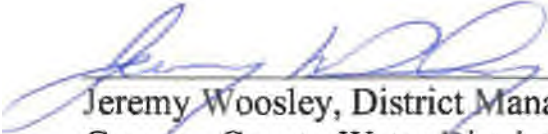
**ELECTRONIC JOINT APPLICATION)
OF GRAYSON COUNTY WATER)
DISTRICT AND THE CITY OF)
CANEYVILLE FOR AN ORDER)
APPROVING THE TRANSFER OF)
OWNERSHIP OF THE CITY OF)
CANEYVILLE'S WATER SYSTEM)
AND APPROVING GRAYSON)
COUNTY WATER DISTRICT'S)
ASSUMPTION OF CERTAIN DEBT)
OBLIGATIONS OF THE CITY OF)
CANEYVILLE PURSUANT TO THE)
PROVISIONS OF KRS 278.020, KRS)
278.300, AND 807 KAR 5:001)**

CASE NO. 2021-00387

**CERTIFICATION OF RESPONSE OF GRAYSON COUNTY
WATER DISTRICT TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of Grayson District's Response to Commission Staff's First Request for Information. The Response submitted on behalf of Grayson District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: 3-24-22


Jeremy Woosley, District Manager
Grayson County Water District

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on March 24, 2022; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



Damon R. Talley

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 1

Responding Witness: Connie Gootee, City Clerk, City of Caneyville

Q-1. Refer to Application, page 6.

- a. Provide documentation to substantiate or explain the statement that the merger will result in economies of scale for the city of Caneyville.**
- b. Provide minutes from the Caneyville City Commission meeting when the proposed merger was confirmed by the City Commission.**
- c. Explain why the city of Caneyville decided to allow another utility to assume control of Caneyville's water system.**

A-1.

- a. Combining the City's water system with Grayson District's water system will enable the **combined** water system to be operated in a more cost-effective manner because of the economies of scale that will result. Historically, the City has had to pay the cost of two (2) certified Water Distribution System Operators. By combining the systems, this large operating expense will be eliminated because Grayson

District has numerous certified Water Distribution System Operators on staff (see Exhibit 20 to Joint Application). Historically, the City has hired outside contractors to do major leak repairs and other large maintenance repair projects. By combining the systems, this contract labor expense will be eliminated since Grayson District has the staff and equipment to perform these tasks “in house.” Historically, the City has hired an outside contractor to install some of its new meters. By combining the systems, this contract labor expense will be eliminated because Grayson District will be able to install all the new meters. Furthermore, additional economies of scale and operating efficiencies will result because Grayson District’s water system surrounds the City’s water system (See Exhibit 3 of the Joint Application). Grayson District’s meter readers, water quality technicians, and distribution system employees already travel through the City’s water system on a daily basis to provide service to Grayson District’s existing customers. **(See the response to Question 1c shown below for additional documentation.)**

- b. The Minutes of the City Commission meeting held on September 13, 2021 are provided. The City Ordinance approving the Asset Purchase Agreement and authorizing the Mayor to execute the Asset Purchase

Agreement was enacted at this September 13, 2021 City Commission meeting. The Ordinance is attached to the Joint Application as Exhibit 8.

- c. The decision to request Grayson District to acquire the City's water system was a very easy one. The City was "between a rock and a hard place." Historically, the City has kept two certified operators on staff, both of whom were certified in water distribution, wastewater treatment, and wastewater collection. About five (5) years ago both certified operators retired within a three-month period. Since then, the City has struggled to "keep" certified operators. It seems that almost as soon as the certified operators are hired and become familiar with the City's water system, the certified operators leave for "greener pastures" or for other reasons. The City faces the same problem as many other small cities face – its customer base is too small to pay the salaries and benefits required to attract and retain certified operators. The City would need to substantially raise its utility rates to enable it to pay the salary and benefits which certified operators can command.

Finally, in early 2021 when the City once again was confronted with having no certified operators on staff, it decided to turn to Grayson District for assistance. The City has purchased water on a wholesale

basis from Grayson District for many years. During this time, the City and Grayson District have developed an excellent relationship. Fortunately, when the City “turned to” Grayson District for help, Grayson District said “yes.” Combining the two water systems will ensure that the City’s water customers will continue to receive adequate and reliable service at affordable rates.

CANEYVILLE CITY COMMISSION MEETING

SEPTEMBER 13, 2021

Mayor James P. Embry called the meeting to order following prayer and the Pledge of Allegiance at 6:00pm. Members present were Scott Majors, Debbie Embry and Mike Geary. Also present were Marilyn Templeman representing the friends of Caneyville, Kevin Shaw and Jeremy Woosley representing the GCWD. Tara Ward, Chris Brooks Brian Pharris and James M Embry representing the Caneyville Fire Dept. Brandy Pharris representing the Caneyville Community Club, Matt Lasley representing The Grayson County News Gazette, Brenda Brown and Connie Gootee.

Commissioner Embry made a motion to dispense with the reading of the previous minutes and accept them as presented. Commissioner Majors seconded. All voted yea. Motion carried. Jeremy Woosley presented the commission with the water reports for the month of August. Marilyn Templeman reported as of now the Halloween Safe Spot was still in the works. Ms. Templeman also reported October 11, 2021 Elvie Shane would be available to sign autographs and take pictures. Commission discussed checking in to a sign put up right off the parkway. Ms. Templeman stated she is providing a vinyl sign for the day of the signing. Brandy Pharris reported the Community Club would postpone the fair until June 22, 2022 due to ride company and employees being off sick as well as the covid numbers being up.

Commissioner Majors made a motion to approve Ordinance 9-13-21, Authorizing the transfer of its water system following the 2nd reading given by Commissioner Embry. Commissioner Geary seconded. All voted yea. Motion carried.

Commissioner Majors gave the 1st reading of Bond Ordinance 9-14-21.

Commissioner Embry made a motion to approve Flood Plain Resolution 9-13-21A. Commissioner Majors seconded. All voted yea. Motion carried

Commissioner Geary made a motion to approve Interim Financing Resolution 9-13-21B. Commissioner Majors seconded. All voted yea. Motion carried.

Commissioner Embry made a motion to approve Interlocal Agreement Resolution 9-13-21C
Commissioner Majors seconded. All voted yea. Motion carried.

Commissioner Majors made a motion to approve Loan Resolution USDA 9-13-21D. Commissioner Embry seconded. All voted yea. Motion carried.

Commissioner Geary made a motion to adopt USDA Assurance agreement. Commissioner Majors seconded. All voted yea. Motion carried.

Commissioner Embry made a motion to adopt Equal Opportunity Agreement. Commissioner Geary seconded. All voted yea. Motion carried.

1st reading of Property Tax Ordinance 9-14-21A was given.

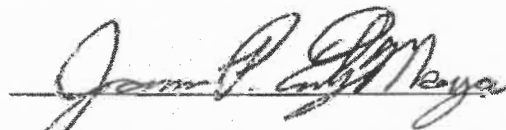
Brian Pharris representing the Caneyville Volunteer Fire Dept reported all rosters with in the dept had been updated for state and local emergency management as well as Grayson County dispatch. Mr. Pharris advised the commission would be receiving copies of minutes from their meetings as well as a break down of runs made. Mr. Pharris reported he had found a 350watt generator that would ride on the back of #5 to help with running fans in the event of a house fire. Commissioner Embry made a motion to purchase a 350-watt generator not to exceed \$ 1000.00. Commissioner Majors seconded. All voted yea. Motion carried. Commission approved the Fire Dept. to use unit #1 if necessary for runs out of the city limits as a backup. The unit has been sitting not in use to long due to not having runs with in the city. Commission directed Pharris to get a light bar replaced on unit # 1 at an approximate cost of \$ 300.00.

Commissioner Majors made a motion to transfer \$ 6356.19 from the depreciation fund to the water sewer fund to cover the costs of replacing a new pump. Commissioner Embry seconded. All voted yea. Motion carried.

Commissioner Majors made a motion to go in to executive session to discuss personnel. Commissioner Geary seconded. All voted yea. Motion carried. Commissioner Geary made a motion to return to regular session. Commissioner Embry seconded. All voted yea. Motion carried. No action was taken in executive session.

Commissioner Majors made a motion to move the regular meeting to October 4, 2021 at 6:00 pm due to the regular date being a holiday. Commissioner Embry seconded. All voted yea. Motion carried.

Commissioner Embry made a motion to adjourn. Commissioner Geary seconded. All voted yea. Motion carried.



James P Embry, Mayor

Respectfully submitted by:



Connie Gootee, City Clerk

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 2

Responding Witness: Jeremy Woosley

Q-2. Refer to the Application, Exhibit 10, page 4. Provide an explanation as to the steps or plans Grayson District will implement to reduce the city of Caneyville's excess water loss.

A-2. The City believes that a very large percentage of its water loss is occurring in the very oldest part of its water system. This portion contains asbestos-cement (A/C) pipe. The City's FY20 Water System Rehab Project (the "Current Rehab Project"), which is still in progress, will replace all of this A/C pipe and the service lines attached to the A/C pipe. Both the City and Grayson District believe that the Current Rehab Project will eliminate almost all of the water loss in this part of the City's system.

Once Grayson District acquires the City's system, it plans to replace the remainder of the City's water meters (i.e. those not replaced as part of the Current Rehab Project). Grayson District has consistently achieved and maintained very low water loss percentages (less than 15% for many years).

Also, once Grayson District acquires the City system, Grayson District plans to operate and maintain the City system in the same manner as it operates the remainder of its system. Grayson District believes that this will also lead to lower water loss.

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 3

Responding Witness: Connie Gootee

Q-3. For the years 2020, 2021, and 2022 to the present day, list any notices of violation from the Kentucky Division of Water for the city of Caneyville's water system.

A-3. None. In all likelihood, the City would have received notices of violation from the DOW in 2021 and 2022 had Grayson District not provided a Certified Water Distribution System Operator for the City in early 2021 and commenced operating the City's Water System pursuant to the Operating Agreement (see Exhibit 5 to the Joint Application) on April 12, 2021.

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 4

Responding Witness: Connie Gootee

Q-4. For the years 2020, 2021, and 2022 to the present day, list any agreed orders with the Kentucky Division of Water that the city of Caneyville's water system is working under.

A-4. None.

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 5

**Responding Witness: Kyle Cannon,
Assistant Manager, Grayson District**

Q-5. Confirm that allowing the city of Caneyville's customers to be charged the same rate as Grayson District's current customers will provide Grayson District enough revenue to cover the assumed debt service payments.

A-5. Prior to approving and entering into the Asset Purchase Agreement with the City, Grayson District performed a cash flow analysis to determine the feasibility of acquiring the City's Water System, including the City's debt that Grayson District would be assuming. That cash flow analysis has been updated to incorporate the new water rates approved for Grayson District by the Commission on December 14, 2021 in Case No. 2021-00191.

As shown on the attached Cash Flow Analysis, the acquisition of the City's Water System will result in an estimated annual net positive cash flow of approximately **\$83,000**.

The Cash Flow Analysis factors in Grayson District's assumption of the City's two (2) current RD Loans and the two (2) new RD Loans that were

incurred by the City to finance the Current Rehab Project (See Exhibit 9 to the Joint Application). It also includes a deduction for the 20% Debt Service Coverage (the “DSC”) ratio that Grayson District will need to maintain.

Because the City is a current wholesale customer of Grayson District, a deduction was made for the annual revenue that will be lost since the City will no longer be a wholesale customer.

Grayson County Water District Caneyville Acquisition Cash Flow Analysis

Average GCWD User: Gallons Used 3,197 Monthly Bill \$ 36.58

CANEVILLE BILLABLE CUSTOMERS	774
ESTIMATED ANNUAL REVENUE	\$ 339,755
CURRENT ANNUAL WHOLESALE REVENUE	\$ (140,596)
EXISTING ANNUAL PAYMENTS TO BE ASSUMED	\$ (37,212)
EXISTING DEBT SERVICE COVERAGE 20%	\$ (7,442)
ESTIMATED NEW ANNUAL DEBT PAYMENT	\$ (35,000)
ESTIMATED DEBT SERVICE COVERAGE (20%) ON NEW DEBT	<u>\$ (7,000)</u>
NET REVENUE BEFORE MAINTENANCE OR LABOR COST	\$ 112,505
ADDITIONAL WATER TREATMENT EXPENSE	\$ -
ADDITIONAL G&A EXPENSE	\$ -
ADDITIONAL PAYROLL EXPENSE	\$ -
ADDITIONAL PURCHASE WATER	\$ -
ADDITIONAL MAINTENANCE AND OTHER EXPENSES	\$ (29,528)
NET REVENUE FROM CANEVILLE ACQUISITION	<u><u>\$ 82,977</u></u>

There is no additional WTP expense because GCWD currently supplies the Caneyville Water system with 100% of their water.

The purchase of Caneyville would not result in any additional G&A expense.

The District has no intention or reason to hire additional employees to manage or operate the Caneyville Water System.

GCWD already supplies 100% of Caneyville's water so no water would be purchased.

Remaining maintenance and other expenses that may increase due to the addition of Caneyville's water system break down to \$38.15/customer annually. That expense has been multiplied by the number of Caneyville meters that will be assumed to estimate the additional maintenance and other expense.

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 6

Responding Witness: Jeremy Woosley and Connie Gootee

Q-6. Refer to Application, pages 17–18, which states that Grayson District has been managing, operating, repairing, and maintaining the city of Caneyville's water system since April 12, 2021, using Grayson District's existing employees. Provide any documentation of approval for this activity, including but not limited to meeting minutes from Grayson District's board meetings and the city of Caneyville Commission meetings.

A-6. Grayson District has been operating the City's Water System since April 12, 2021 pursuant to the Operating Agreement, which is attached to the Joint Application as Exhibit 5.

Grayson District adopted a Resolution approving the Operating Agreement at a Special Meeting held on April 7, 2021. A copy of the Minutes of this Special Meeting and the Resolution is attached to this Response.

The City approved the Operating Agreement at the same meeting in which it approved the Statement of Intent, as evidenced by the Minutes of

its Special Meeting held on April 5, 2021. A copy of the Minutes of this meeting is attached to this Response.

SPECIAL CALLED MEETING
OF THE
BOARD OF DIRECTORS
OF THE
GRAYSON COUNTY WATER DISTRICT

TIME: Wednesday, April 7th, 2021 4:00 p.m.

PLACE: Grayson County Water District Office

PRESENT: DIRECTORS
John Tomes
Kenneth Sharp
Michael Kipper

OTHER
Kevin Shaw

I. CALL TO ORDER


Chairman John Tomes called the meeting to order.

II. CANEYVILLE OPERATIONS AGREEMENT

A motion was made by Michael Kipper and seconded by Kenny Sharp to adopt the resolution of the Grayson County Water District approving the proposed operations agreement with the City of Caneyville relating to the Caneyville Water System and to authorize John Tomes to sign the agreement on behalf of the District. Motion passed unanimously.

III. ADJOURNMENT

A motion was made by Kenny Sharp and seconded by Michael Kipper to adjourn the special called meeting. Motion passed unanimously.



Michael Kipper, Secretary

RESOLUTION 2021-04-01

RESOLUTION OF THE GRAYSON COUNTY WATER DISTRICT APPROVING THE OPERATING AGREEMENT BETWEEN THE CITY OF CANEYVILLE AND GRAYSON COUNTY WATER DISTRICT RELATING TO THE CANEYVILLE WATER SYSTEM; AND AUTHORIZING THE CHAIRMAN TO EXECUTE THE OPERATING AGREEMENT

WHEREAS, Grayson County Water District (the “District”) is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, the District currently owns and operates both water treatment and water distribution facilities (the “District’s System”);

WHEREAS, the City of Caneyville, Kentucky (“Caneyville”) is a municipal corporation and a city of the home rule class of the Commonwealth of Kentucky;

WHEREAS, Caneyville currently owns and operates water distribution facilities (the “Caneyville Water System”) as well as wastewater collection and treatment facilities;

WHEREAS, the Caneyville Water System is interconnected with the District’s System;

WHEREAS, Caneyville is a wholesale water customer of the District and currently purchases all its water from the District;

WHEREAS, the District and Caneyville have executed a Statement of Intent dated April 5, 2021 in which the District expresses its intent to acquire the Caneyville Water System and Caneyville expresses its intent to transfer and convey its Water System to the District;

WHEREAS, paragraph 6 contained in the Statement of Intent states that the District and Caneyville contemplate entering into a written Operating Agreement in which the District will begin managing, operating, repairing, and maintaining the Caneyville Water System while the detailed terms of the Asset Purchase Agreement are being negotiated and while the relevant approvals are being sought;

WHEREAS, representatives from the District and representatives from Caneyville have negotiated the terms of the Operating Agreement; and

WHEREAS, the District desires to approve the Operating Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE GRAYSON COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The Operating Agreement, in substantially the form submitted to the District with such minor modifications as the Chairman may subsequently approve, as evidenced by his signature thereon, is hereby approved, and the Chairman is authorized and directed to execute the Operating Agreement for and on behalf of the District.

Section 3. This Resolution shall take effect upon its adoption.

Adopted by the Board of Commissioners of Grayson County Water District at a special meeting held on April 7, 2021, signed by the Chairman, and attested by the Secretary.



John Tomes, Chairman

ATTEST:

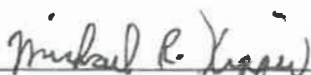


Michael Kipper, Secretary

CERTIFICATION

The undersigned Secretary of Grayson County Water District (the "District") does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District's Board of Commissioners at a meeting properly held on April 7, 2021, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and is now in full force and effect.

WITNESS my hand this 7th day of April 2021.



Michael Kipper, Secretary

CANEYVILLE CITY COMMISSION MEETING

SPECIAL CALLED MEETING

APRIL 5, 2021

Mayor James P Embry called the meeting to order following prayer given by Debbie Embry and the Pledge of Allegiance at 6:00 pm. Member's present were Mike Geary, Debbie Embry and Scott Majors. Also present were Kevin Shaw representing the Grayson County Water District, Brian Pharris, Ashley Ashby representing Caneyville Recreation, Tara Ward, Logan Salmon, Ronald Brooks and Connie Gootee.

Commissioner Embry made a motion to dispense with the reading of the previous minutes and accept as presented. Commissioner Geary seconded. All voted Yea. Motion carried.

Sealed bids for the 1996 Ford F-350 firetruck deemed previously as surplus property were opened by Mayor Embry. The bids were as follows:

1. Charles Bratcher \$2000.00
2. Mark Stone \$1000.00
3. Leon Green \$3500.00
4. Cameron Childress \$1800.00
5. Kirt Scott \$1550.00
6. Marion Mudd \$1050.00

Commissioner Embry made a motion to award the bid to Leon Green. Commissioner Majors seconded. All voted yea. Motion carried.

There were no bids received on the 2002 Chevy Tahoe.

Ashly Ashby reported the ball program was gearing up. The numbers were a little lower than last year most likely due to the season being cancelled last year due to covid-19. The park was being set up to follow the covid-19 guidelines this year. Ms. Ashby reported the 2nd ballfield was needing new dirt. Donations were coming in to help with the cost as the type being used was costly and had to be trucked in. Commissioner Majors made a motion to help pay for the dirt in the amount not to exceed \$5000.00. Commissioner Embry seconded. All voted yea. Motion carried.

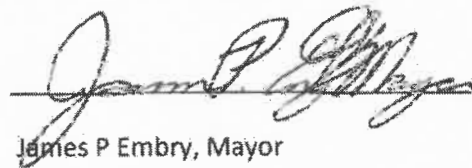
Commissioner Majors made a motion to approve Resolution 4-5-21A,(aka 01-2021) Statement of Intent to transfer the City of Caneyville Water System to the Grayson County Water District. Commissioner Embry seconded. All voted yea. Motion carried

Commissioner Embry made a motion to approve Resolution 4-5-21B,(aka 01-2021B) Operating agreement between City of Caneyville Water system and Grayson County Water District allowing the Grayson County Water District to operate the Water system beginning April 12, 2021 until the final agreement between the systems are agreed on and completed. Commissioner Majors seconded. All voted yea. Motion carried.

Commissioner Geary made a motion to adopt Ordinance 03-09-2020B repealing prior nuisance code ordinances and establishing a new and updated nuisance code . Commissioner Majors seconded. All voted yea. Motion carried.

Brian Pharris representing the Caneyville Volunteer Fire Department reported the tools were in and new gear would be delivered June 25, 2021.

Commissioner Majors made a motion to adjourn. Commissioner Embry seconded. All voted yea. Motion carried.



James P Embry, Mayor

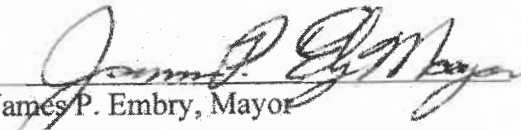
Respectfully submitted by:



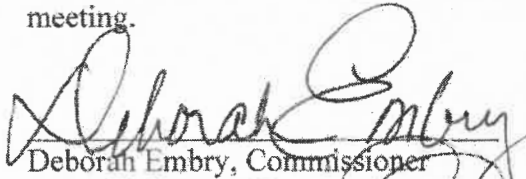
Connie Gootee, City Clerk

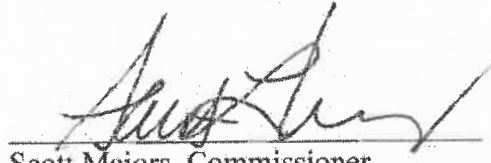
SPECIAL MEETING NOTICE

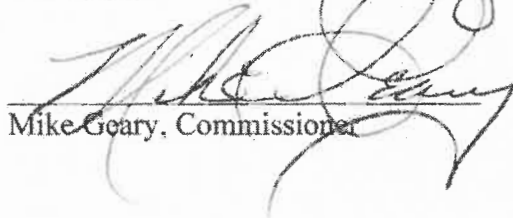
There will be a special called meeting of the Caneyville City Commission on April 5, 2021, at 6:00 pm. The meeting will be held at the Caneyville Purple Flash Center due to Covid-19 restrictions. The purpose of this meeting is:
Rescheduled regular meeting due to conflict of schedule.


James P. Embry, Mayor

By signing below, I certify notification was given to me more than 24 hours before the meeting.


Deborah Embry, Commissioner


Scott Majors, Commissioner


Mike Geary, Commissioner

Janice Minton, Commissioner

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 7

Responding Witness: Jeremy Woosley

Q-7. Refer to Application, page 70. Explain and provide supporting documentation for assets used by the city of Caneyville that will not be transferred to Grayson District that could assist with the district providing safe, reliable water service, specifically two trucks and a backhoe.

A-7. None of the assets being retained by the City will be needed by Grayson District to provide safe, reliable water service to the customers who live in the area currently being served by the City. On the other hand, the City needs the two (2) trucks and the backhoe, which it is retaining, to operate its waste water treatment plant and its waste water collection system.

Grayson District will not be hiring any new workers as a result of the proposed acquisition. Each of its current distribution system employees already has an assigned truck. Grayson District already has a backhoe. Grayson District is confident that it has sufficient trucks and equipment to provide safe, reliable water service to its entire customer base following the acquisition of the City's Water System.

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 8

Responding Witness: Jeremy Woosley

Q-8. Provide documentation to support Grayson District's assertion that Grayson District can absorb the city of Caneyville's water service without hiring any new employees.

A-8. Grayson District is confident that it will not need to hire any new employees as a result of the proposed acquisition of the City's Water System. As the Commission knows, Grayson District has been operating the City's Water System for almost **one full year** (since April 12, 2021) pursuant to the terms of the Operating Agreement (see Exhibit 5 to the Joint Application). During this time it has not hired any new employees. Furthermore, it has not used any of the City's trucks or the City's backhoe (see response to Question 7 of this Response to Commission Staff's First Request for Information). Also, Grayson District has only incurred a small number of overtime hours as a result of operating the City's Water System (See response to Question 9 of this Response). Almost all of this overtime was incurred to fix water line breaks, which occurred during three (3) different weekends. Because Grayson

District's service area surrounds the City's water service area, much of the work to be performed within the City's service area can be performed while Grayson District's employees are traveling to or returning from other areas within Grayson District's water system.

GRAYSON COUNTY WATER DISTRICT

CASE NO. 2021-00387

Response to Commission Staff's First Request for Information

Question No. 9

Responding Witness: Kyle Cannon

Q-9. Provide all documentation of overtime for all Grayson District employees from April 12, 2021, to the present day.

A-9. Attached is chart which shows the total number of overtime hours incurred by Grayson District's employees during the time period starting on April 12, 2021 and ending on March 11, 2022, which is a period of 11 months. The chart also separates the overtime hours into three (3) categories: Distribution, Water Treatment Plant, and Metering. In addition, the chart lists the amount of overtime by each employee within a particular department. Furthermore, it also shows that of the **1,454** overtime hours incurred by Grayson District during the past 11 months only **48** hours or approximately **3%** were a result of operating the City's Water System.

As stated in the response to Question 8 of this Response, almost all of the 48 hours of overtime that were incurred for operating the City's Water

System during the past 11 months occurred as a result of water line breaks that were discovered and repaired on three (3) different weekends.

Grayson County Water District
Overtime by Department
April 12, 2021 to March 11, 2022

Distribution	Overtime
Distribution Supervisor	63.00
Service Tech	111.00
Operator	129.50
Laborer	230.50
Dist Total	<u>534.00</u>
Water Treatment Plant	
Chief Operator	83.50
Lead Operator	95.00
Operator	271.50
WTP Total	<u>450.00</u>
Metering	
Metering Supervisor	169.50
Water Quality Tech	267.00
Meter Reader	33.50
Metering Total	<u>470.00</u>
Total Overtime	<u>1454.00</u>
Caneyville Overtime	48