COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF) DAVIESS COUNTY WATER DISTRICT) CASE NO. 2022-00142 FOR ADJUSTMENT OF RATES)

RESPONSE OF DAVIESS COUNTY WATER DISTRICT TO COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Daviess County Water District submits its Response to the Commission

Staff's Fourth Request for Information.

Dated: November 15, 2022

Respectfully submitted,

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

Gerald E. Wuetcher Stoll Keenon Ogden PLLC 300 West Vine Street, Suite 2100 Lexington, Kentucky 40507-1801 Telephone: (859) 231-3017 Fax: (859) 259-3597 gerald.wuetcher@skofirm.com

Counsel for Daviess County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on November 15, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding

Counsel for Daviess County Water District

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
DAVIESS COUNTY WATER DISTRICT)	CASE NO. 2022-00142
FOR ADJUSTMENT OF RATES)	

RESPONSE OF DAVIESS COUNTY WATER DISTRICT

TO COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

FILED: November 15, 2022

VERIFICATION

)

COMMONWEALTH OF KENTUCKY)) SS:

COUNTY OF DAVIESS

The undersigned, Keith Krampe, being duly sworn, deposes and states that he is the Office Manager of Daviess County Water District; he has personal knowledge of the matters set forth in the responses for which he is identified as the witness; and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this _____5 + day of November 2022.

alline W Bake

(SEAL) Notary Public

My Commission Expires: 7/26/24

Notary ID: KYNP 101 33

Sabrina W Baker NOTARY PUBLIC Commonwealth of Kentucky Comm. # KYNP10133 My Commission Expires 7/26/2024

Response to Commission Staff's Fourth Request for Information Case No. 2022-00142

Question No. 1

Responding Witness: Keith Krampe

Q-1. Refer to Daviess District's response Commission Staff's Second Request for Information, Item 1b, Question_001b_AuditedTrialBalance2021.xls.

- a. Provide a description of what revenue constitutes Account Number 00473-0000 Sewer Collection Fees.
- b. Confirm the Sewer Collection Fees is revenue generated for the performance of the billing and collection of wastewater charges only.
- A-1. a. Account number 00473-0000 reflects Daviess County Water District's fees for billing, collecting, reporting, and reimbursing sewer and sanitation fees and charges. Currently, Daviess County Water District charges \$1.25 per bill for wastewater services and \$0.50 per bill for sanitation services.
 - b. Sewer Collection Fees is revenue for the performance of the billing, collecting, reporting, and reimbursement of wastewater and sanitation charges.

Response to Commission Staff's Fourth Request for Information Case No. 2022-00142

Question No. 2

Responding Witness: Keith Krampe

Q-2. Confirm Daviess District does not provide wastewater service.

A-2. Daviess County Water District does not provide wastewater services.

Response to Commission Staff's Fourth Request for Information Case No. 2022-00142

Question No. 3

Responding Witness: Keith Krampe

Q-3. Confirm Daviess District did not incur any expenses during the test year to provide wastewater services.

A-3. Daviess County Water District did not incur any expenses during the test period to provide wastewater services.

Response to Commission Staff's Fourth Request for Information Case No. 2022-00142

Question No. 4

Responding Witness: Keith Krampe

- Q-4. Provide a copy of the agreement between Daviess District and the Regional Water Resource Agency (RWRA). Additionally provide the fee schedule for services performed in accordance with the agreement.
- A-4. See Attachments 4A and 4B.

AGREEMENT

This Agreement entered into this <u>July</u>, 2004 between the REGIONAL WATER RESOURCE AGENCY (hereinafte) referred to as "RWRA") a joint city-county sewer agency established pursuant to KRS 76.231 of 1722 Pleasant Valley Road, Owensboro, Daviess County, Kentucky 42303; and WEST DAVIESS COUNTY WATER DISTRICT (hereinafter referred to as "District") of 3400 Bittel Road, Owensboro, Daviess County, Kentucky 42301.

WHEREAS, RWRA is the regional provider of comprehensive wastewater services for Owensboro and Daviess County; and

WHEREAS, the District is the provider of water distribution services within the specific District of this Agreement; and

WHEREAS, the District agrees to serve as the billing agent for RWRA within said specific District; and

WHEREAS, the District agrees to provide RWRA with billing services for all wastewater charges, including collection, data maintenance, and delinquencies, at a current rate of \$0.50 per customer (billing rate may be modified upon agreement by both parties).

NOW, THEREFORE, in consideration of the covenants contained herein, both parties agree to the following:

- RWRA agrees to provide all necessary information related to specific charges for each customer to the District, in a timely manner;
- 2. RWRA agrees to compensate the District at a current rate of 50 cents per billing per customer;
- 3. RWRA agrees to compensate the District for any direct costs created by RWRA for the provision of service by the District, including unrecoverable costs specifically related to the disconnection of water service solely because of nonpayment of wastewater charges, and any legal costs directly related to said disconnection;
- 4. The District agrees to provide RWRA with said billing services for all wastewater charges as stated herein;
- The District agrees to bill customers for wastewater services, as directed by RWRA, whether or not the connection has been made to the RWRA system, pursuant to Daviess County Ordinance No. 610.2 (94) – R.1 (96);

- 6. The District agrees to discontinue water services to any customer who is delinquent in payment beyond sixty (60) days, for any portion of the wastewater billing, including System Development, Capacity, and Assessment
- The Contract herein shall be reviewed by the parties on an annual basis, beginning June 1, 2004; and the provisions of the contract shall remain in effect until modifications, if any, are approved by both parties.
- 8. With the exception of those provisions required by statute, any provision(s) herein may be amended or eliminated by either party, upon a sixty (60) day (minimum) written notification to the affected party.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement.

REGIONAL WATER RESOURCE AGENCY By: Executive Director Vitness

WEST DAVIESS CO. WATER DISTRICT

By: Title:

SOUTHEAST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd. Owensboro, KY 42301 Phone: (270) 685-5594 Fax: (270) 683-6324

April 24, 2017

TO: Joe Schepers Regional Water Resource Agency

RE: Sewer Collection Rate Increase

Mr. Schepers,

Due to an increase in costs of the labor and resources by Southeast Daviess County Water District staff to bill, collect, report, and reimburse the sewer collection charges for Regional Water Resource Agency, the Water District request an increase in the rates charged to Regional Water Resource Agency to \$ 1.00 per bill per month effective July 2017. Additionally, the Water District requests an increase of \$ 0.05 each year starting in July 2018 and continuing each year until July 2022 at which time the billing rate will be \$ 1.25 per bill. If approved, the collection fee schedule will be:

July 2017	\$ 1.00 per bill
July 2018	\$ 1.05 per bill
July 2019	\$ 1.10 per bill
July 2020	\$ 1.15 per bill
July 2021	\$ 1.20 per bill
July 2022	\$ 1.25 per bill

In reviewing the collection history, the Water District has had the current 75 cents per bill per month since August 2010. The Water District maintains, collects, reimburses, and reports for Regional Water Resource Agency a total of eight different categories of collection such as Basic Service Charge, Sewer Usage Charge, Capacity Fee, System Development Fee, Assessment Fee, Environmental Fee, Volumetric Environmental Fee, and Sales Tax. The Water District is proud to report that 98.75% of all sewer charges and fees billed in RWRA's Fiscal Year 2015-2016 were collected.

If you have any questions regarding this, or if you need to discuss this further, please contact our office.

William B. Hrepdon Sincerely,

William G. Higdon Manager

Response to Commission Staff's Fourth Request for Information Case No. 2022-00142

Question No. 5

Responding Witness: Keith Krampe

Q-5. Refer to Daviess District's response Commission Staff's Third Request for Information, Item 3.

- a. Confirm if Daviess District's disposal of failed meters is a recurring event expected to recur annually or an unusual occurrence.
- b. Confirm if Daviess District's disposal of pickup trucks is a recurring event expected to recur annually or an unusual occurrence.
- A-5. a. The disposal of failed meters is a recurring event. A meter fails electronically if its reads cannot be gathered by the AMI system for reading and billing purposes or it is no longer able to monitor customer usage and alert the District and the customer of unusual usage.
 - b. Daviess County Water District disposal of pickup trucks in 2021 was an unusual occurrence. Daviess District replaced three (3) 2013 pickup trucks and a 2006 pickup truck. The mileage on each truck ranged between 200,000 to 250,000 miles. Each truck was also experiencing various mechanical failures.