

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In re: the matter of:

ELECTRONIC APPLICATION OF CUMBERLAND)	CASE NUMBER
FALLS HIGHWAY WATER DISTRICT FOR A)	2022-00437
DEVIATION)	

CUMBERLAND FALLS HIGHWAY WATER DEPARTMENT'S RESPONSE
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Comes now the Cumberland Falls Highway Water Department, by and through counsel, and for its Response to Commission Staff's First Request for Information, states and provides as follows:

REQUEST 1. Provide the Cumberland Falls Highway District's Board of Commissioners' (Board) meeting minutes from November 2022, December 2022, and January 2023.

RESPONSE: Please see attached. No meeting was held in December; thus there are no meeting minutes for December, 2022. Please also note that the January minutes are in draft form and are subject to approval by the Board. Cumberland Falls Highway Water Department's manager, Michael Baird, can attest to this information.

REQUEST 2: Provide the Fiscal Court minutes for the appointment of each current member of the Cumberland Falls Highway District's Board.

RESPONSE: Please see attached. Teddy Dean Prewitt was appointed on September 18, 2018; Johnny Collette was appointed on January 21, 2020; Everett Angel was appointed on June 16, 2020; Ronald Canada was appointed on May 18, 2021; Brandon Creekmore was appointed on December 21, 2021. Cumberland Falls Highway Water Department's manager, Michael Baird, can attest to this information.

REQUEST 3. Provide the name of the current utility manager, his/her hire date, and list any prior service with the utility, including but not limited to service on the Board, as well as relevant dates.

RESPONSE: Michael "Mike" Baird, manager; became manager on June 15, 2020; his prior service with the utility includes board membership from August 18, 2015 until

June 15, 2020. Cumberland Falls Highway Water Department's manager, Michael Baird, can attest to this information.

- REQUEST 4: List the following and for each response provide the party, the relationship and the total benefit exchanged for both monetary and in-kind value:
- a. Brandon Creekmore: Any financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors within the last 24 months.
 - b. Johnny Collett: Any financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors within the last 24 months.
 - c. Ronald Canada: Any financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors within the last 24 months.
 - d. Teddy Prewitt: Any financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors within the last 24 months.
 - e. Mike Baird: Any financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors within the last 24 months.
 - f. Everett Angel: Any financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors within the last 24 months.

- RESPONSE:
- a. Brandon Creekmore has no financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors. Brandon Creekmore can attest to this information.
 - b. Johnny Collette currently has no financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors. However, Johnny Collette sold the undeveloped resort property to Diamond Acres LLC in or around October of 2019, and has assisted Jeffrey Sparks and Diamond Acres, LLC with the development of that property. He has received no monetary consideration for the work and assistance provided to Diamond Acres LLC and/or Jeffrey Sparks. However, he did acquire four (4) lots, of his choice, in the Diamond Acres LLC resort. A right of first refusal was executed contemporaneous with each deed. The four aforementioned lots were deeded to Mr. Collette by Diamond Acres, LLC on June 21, 2021 and recorded on July 7, 2022. Copies of said deeds are attached hereto along with the accompanying rights of first refusal. The deeds contain information regarding the consideration. Johnny Collette can attest to this information.

- c. Ronald Canada has no financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors. Ronald Canada can attest to this information.
- d. Teddy Prewitt (a/k/a Dean Prewitt) has no financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors. Teddy Prewitt (a/k/a Dean Prewitt) can attest to this information.
- e. Mike Baird has no financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors. However, in or around the summer of 2022, Charlie Delph put a new roof on Mike Baird's home; the cost of this was around \$18,000.00 to \$20,000.00. Mike Baird can attest to this information.
- f. Everett Angel has no financial relationship with Diamond Acres LLC or its subcontractors or Marmic Meadows LLC or its subcontractors. Everett Angel can attest to this information.

REQUEST 5: State whether any board member of Cumberland Falls Highway District benefitted financially from the construction project described in the application. Financial benefit includes any gain from investment or employment. If so, explain.

RESPONSE: None of the board members of Cumberland Falls Highway District benefitted financially from the construction project described in the application. The board members, as named hereinabove, can attest to this information.

REQUEST 6: Explain the vote approving the reimbursement for Diamond Acres, LLC as 3-1, if, as noted, the Chairman Mr. Collette abstained. Please list the Board members who voted on this reimbursement.

RESPONSE: Everett Angel, Teddy "Dean" Prewitt, and Ron Canada voted for the reimbursement to Diamond Acres LLC; Brandon Creekmore voted against the reimbursement to Diamond Acres LLC. The board members can attest to this information.

REQUEST 7: According to Commission records, there are four Board members. Confirm this is correct. If this is not correct, please provide an accurate list of the current Board members if not having done so in response to Item 2.

RESPONSE: This is incorrect. There are five board members, Everett Angel, Teddy "Dean" Prewitt, Ron Canada, Brandon Creekmore, and Johnny Collette, the chairperson. See Response to Request No. 2 for more specific information/confirmation. The board members can attest to this information as can Mike Baird.

REQUEST 8: Refer to Exhibit C, Part 1 and Part 2, receipts from Jordan York or York's Excavating.

- a. Provide all current business information for Jordan York as well as York's Excavating including but not limited address, phone and whether or not the company is bonded and insured.
- b. List all business relationships the utility or its Board members as individuals have had with York's Excavating or Jordan York in the past 24 months and provide all contracts related to those activities.
- c. For each receipt from York's Excavating, provide a detailed breakdown of "water line install" as contained on each receipt from York's Excavating, including but not limited to the work performed, as well as a lot description for each receipt.
- d. State whether Jordan York is related to a current or previous Board member or the utility manager and if so, to whom he is related and in what capacity.

RESPONSE: a. Per the information provided by Mr. Sparks, the business information for Justin York¹ and York's Excavating is as follows:

Address for York's Excavating: 1000 Chestnut Road, Corbin, Kentucky 40701;

Phone Number: 606-765-0560;

York Excavating is insured.

b. The utility and its board members have had no relation with Justin York or York's Excavating in the past 24 months.

c. A breakdown of the "water line install" as contained on the receipt is as follows:

Receipt #19 - Lots 1-17

Receipt #22 - Lots 1-17

Receipt #25 - Lots 25-35,46-49

Receipt #34 - Lots 1-17

Receipt #37 - Lots 36-40

Receipt #40 - Lots 41-45, 18-20

Receipt #59 - Lots 25-35,46-49

Receipt #62 - Lots 25-35,46-49

Receipt #65 - Lots 25-35,46-49

Receipt #68 - Lots 25-35,46-49

Receipt #71 - Lots 21-24

Receipt #74 - Lots 21-24

¹The contractor's name is Justin York, not Jordan York. As the paperwork on file contains no reference to Jordan York, it is assumed that this is a typo and thus all references to Jordan York will be treated as being references to Justin York.

- d. Justin York is not related to a current or previous board member or the utility manager.

The information contained in subsections (b) and (d) can be attested to by the board members and Mike Baird, manager. The remainder of information in response to this request was provided by Jeffrey Sparks, and can be attested to by him.

REQUEST 9: Refer to Exhibit C, Part 1, receipts for Rains Hauling, Randy Rains:

- a. Provide all current business information for Randy Rains as well as Rains Hauling including but not limited address, phone and whether or not the company is bonded and insured.
- b. Please list all business relationships the utility or its Board members have had with Rains Hauling or Randy Rains in the past twenty-four months and provide all contracts related to those activities.
- c. For each receipt from Rains Hauling, provide a detailed breakdown of “water line” as contained on PDF page 11 and PDF page 12 from Rains Hauling, including but not limited to the work performed, as well as a lot description for each receipt.

- RESPONSE:
- a. Per the documentation provided by Mr. Sparks, the business information for Randy Rains and Rains Hauling is as follows:
Address for Rains Hauling: 63 Flatwoods Road, Williamsburg, Kentucky 40769;
Phone Number: 606-521-6750
The company is insured.
 - b. The utility and its board members have had no relation with Randy Rains and Rains Hauling in the past 24 months.
 - c. A breakdown of the “water line” on PDF pages 11 and 12 from Rains Hauling including but not limited to the work performed as well as a lot description for each receipt is as follows:
Receipt #7 - Main 4 inch water line servicing Lots 1-49
Receipt #8 - Main 4 inch water line servicing Lots 1-49

The information contained in subsections (b) and (d) can be attested to by the board members and Mike Baird, manager. The remainder of information in response to this request was provided by Jeffrey Sparks, and can be attested to by him.

REQUEST 10: Refer to the Board minutes from June 2020 submitted in Case No. 2022-00365. Acting manager Mike Baird (with Judge Executive and an attorney present) moved to name Johnny Collette Chair. Provide the name of each person voting on the motion to make Mr. Collette Chairman of the Board.

RESPONSE: Mike Baird was acting Chairman when the meeting commenced. Mike Baird moved to name Johnny Collette as Chairman. Teddy Dean Prewitt, Marshall Lovitt, and R.L.McCullah voted on the motion to make Mr. Collette Chairman of the Board. Attached hereto are minutes from that meeting, for reference. Mike Baird can attest to this information.

REQUEST 11: Refer to Board minutes from June 2020 submitted in Case No. 2022-00365. The Chairman, Mr. Collette, then nominates Mr. Mike Baird to become utility manager. Provide the name of each person participating in that vote.

RESPONSE: Teddy Dean Prewitt, Johnny Collette, and R.L.McCullah voted to hire Mr. Baird as utility manager. Mike Baird can attest to this information.

REQUEST 12: Confirm that the position of utility manager was not advertised or selected from a pool of candidates. If not, please explain.

RESPONSE: There was no advertisement for this position. As had happened in the past with regards to the position of hiring a manager, the Board voted to hire Mr. Baird as utility manager.

Mr. Baird had worked at Cumberland Valley Rural Electric Cooperative Corporation for approximately 22 or 23 years. He had served as a board member for Cumberland Falls Highway Water District for approximately five years. The Board had received notice prior to the June, 2020 meeting that Jeff Wilder, the manager before Mr. Baird, wanted to resign or retire. Johnny Collette and Mike Baird can attest to this information.

REQUEST 13: Refer to the Board minutes from September 2020 submitted in Case No. 2022-00365. Confirm that a customer was granted a second leak adjustment at this meeting.

RESPONSE: Confirmed. Michael Baird can attest to this information.

REQUEST 14: Refer to the Cumberland Falls Highway District's tariff currently on file with the Commission, cite to the leak adjustment policy allowing a second or subsequent leak adjustment for an individual customer.

RESPONSE: Not applicable. Please see attached tariff captioned "Office Policy for Leak Adjustments" addressing a residential customer's qualification for a leak adjustment. Michael Baird can attest to this information.

REQUEST 15: Since January 2020, provide the number of customers who have been granted a leak adjustment to their bill.

- a. Of those customers, provide the number of adjustments that were a second or subsequent adjustment.
- b. Provide the corresponding approval from the Board for each adjustment that was a second or subsequent leak adjustment.

RESPONSE: Since January 2020, there have been 42 customers who have been granted a leak adjustment to their bill.

- a. Of those customers, a total of two adjustments were a second or subsequent adjustment.
- b. The Board approved one adjustment that was a second or subsequent leak adjustment, as referenced in Response to Request No. 14.

Michael Baird can attest to this information.

REQUEST 16: Since January 2020, provide the number of leak adjustment requests that have been denied. Of those requests, provide a corresponding reason for each denial.

RESPONSE: The Water Company does not keep records of denials; however, there have been many denied requests. Michael Baird can attest to this information.

RESPECTFULLY SUBMITTED,

/s/ Amanda Hill

HON. AMANDA HILL

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ATTACHMENTS

- (A) Meeting minutes from November 2022 and January 2023 in Response to Request No. 1.
- (B) Fiscal Court minutes for the appointment of each current member of the Cumberland Falls Highway District's Board in Response to Request No. 2.
- (C) Deeds and Right of First Refusal, provided in Response to Request No. 4.
- (D) Board meetings from June 15, 2020 in Response to Request No. 10.
- (E) Please see attached tariff in Response to Request No. 14.