

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING ) CASE NO.  
OF NORTH MERCER WATER DISTRICT ) 2023-00185

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VERIFICATION OF MISCHELL LEE

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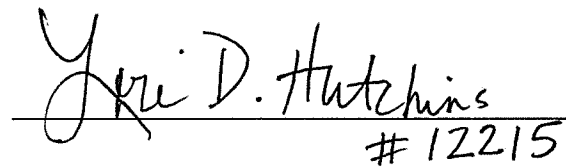
COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF MERCER )

Mischell Lee, Manager of North Mercer Water District, states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Mischell Lee

The foregoing Verification was signed, acknowledged and sworn to before this 13<sup>th</sup> day of March, 2024. By Mischell Lee.



# 12215

Commission expiration: 8-3-24

NORTH MERCER WATER DISTRICT  
CASE NO. 2023-001855 RESPONSE TO  
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

1. Provide the unredacted version of attachment 8\_NMWD\_Commissioners\_WAGE.pdf provided in North Mercer District's response to Commission Staff's First Request for Information (Staff's First Request), Item 8.

**Response: See attached file titled, 1\_8\_NMWD\_Commissioners\_Wage.pdf**

**Witness: Mischell Lee**

2. North Mercer District's response to Staff's First Request, Item 10 is nonresponsive in part. Provide training records for each Board of Commissioner's (Board) member for 2022, or if unable to provide the requested records, provide an explanation why the records are unavailable.

**Response: There was a vacancy in 2022 the position was not filled until 2023. See the attached files, 2\_training records 2022.pdf**

**Witness: Mischell Lee**

3. Refer to North Mercer District's response to Staff's First Request, Item 8, 8\_NMWD\_Commissioners\_WAGE.pdf. Provide documentation from the Fiscal Court that authorizes any benefits provided to Board members outside of annual wages.

a. If there are any benefits provided to Board members outside of annual wages, list the benefits and monetary value for the test year for each Board member.

**Response: Commissioners can elect to receive life and dental insurance. 3 receive life 2 dental. See the attached file titled, 3\_a and 3\_b Invoices.pdf**

**Witness: Mischell Lee**

b. Provide copies of benefits invoices with Commissioners' names unredacted for 2022 and 2023.

**Response: See the attached file titled, 3\_a and 3\_b Invoices.pdf**

**Witness: Mischell Lee**

4. Refer to North Mercer District's response to Staff's First Request, Item 4, 4\_NMWD\_INVOICES\_OF\_BENEFITS.pdf. Provide current premiums for Full-time Employees, excluding Commissioners, for Healthcare, Dental, Vision, Life, and Disability.

**Response: See the attached file titled, 4\_invoices for benefits 2024.pdf**

**Witness: Mischell Lee**

5. Refer to North Mercer District's response to Staff's First Request, Item 15.  
a. Provide the Cost Justification Sheet for the Meter Reread Charge listed in North Mercer District's Tariff on file.

**Response: See the attached file titled, 5\_a\_reread cost justification.pdf**

**Witness: Mischell Lee**

b. Explain the lack of providing the Cost Justification Sheet for this charge.

**Response: inadvertently overlooked**

**Witness: Mischell Lee**

6. Refer to Application, Schedule of Adjusted Operations (SAO) and North Mercer District's response to Staff's First Request, Item 1a,

1\_a\_2022\_NMWD\_Ledger\_Analysis.pdf. Most of the general ledger accounts for the test year do not tie to the SAO in the application. Provide a cross reference that points each 2022 general ledger account to each revenue and each expense line in the SAO and reconcile each amount that does not match.

**Response: The ledger is broken down into several accounts as required. For an example payroll would be the following accounts combined: Maintenance of Mains (601.5), Accounting (601.7), Administration (601.8), Maintenance of Lines (601.6), Maintenance Supervisor (601.61), Read Meters (601.7), and Commissioners Expense (679). These are all LABOR costs.**

**Witness: Mischell Lee**

7. Refer to North Mercer District's response to Staff's First Request, Item 5, 5\_employee\_information.xlsx and North Mercer District's response to Staff's First Request, Item 11a, 1\_d\_2022 TY North Mercer Rate Study.xlsx. Item 5, 5\_employee\_information.xlsx, states that North Mercer District has 13 employees as of January 8, 2024, and Item 11a, 1\_d\_2022 TY North Mercer Rate Study.xlsx, states that North Mercer District has 12 employees.

a. State which is correct and explain the discrepancy.

**Response: Both are correct. North Mercer Water District hired a new employee on Jan.8, 2024. The new wage is \$20.50 per hour. 36 hours per week. Employee is entitled to all benefits.**

**Witness: Mischell Lee**

b. If Item 5, 5\_employee\_information.xlsx, is the correct employee count provide new adjustments with calculations for the additional employee not included in Item 11a, the rate study. Provide in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response: See the attached file titled, 7\_b revised NMWD Rate Study.xlsx**

**Witness: Sam Reid**

8. Refer to North Mercer District's response to Staff's First Request, Item 12, 12\_NMWD\_COST\_OF\_WATER\_2023.xlsx. Provide the 2022 test year water purchases by supplier.

**Response: NMWD purchased 282,569,500 gallons of water from the city of Harrodsburg and 32,314,500 gallons of water from South Anderson water District in 2022. NMWD has a connection with the city of Danville and purchased some water from Danville in 2023. NMWD has diligently been working to reduce water loss. Water purchases have decreased due to the infrastructure project replacing aged lines. Water loss for 2023 should be approximately 10 percent for 2023.**

**Witness: Mischell Lee**

9. Refer to North Mercer District's response to Staff's First Request, Item 11a, 1\_d\_2022\_TY\_North\_Mercer\_Rate\_Study.xlsx, tab ExBA. Provide the calculation of the \$154,774 adjustment in the billing analysis.

**Response: The \$154,774 adjustment is from the Customer activity report summary. The customer activity report was provided to response 19 b of Staff's first request for information. See the attached file titled, 9\_adjustment calculation.pdf**

**Witness: Mischell Lee**