

POWELL'S VALLEY WATER DISTRICT
CASE NO. 2023-00387 RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

1. Provide copies of each of the following, and when appropriate, in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected. Employee names should be redacted from all documents.

a. The general ledger in Excel spreadsheet format for the years ended December 31, 2022, and 2023 for both water and sewer divisions.

Response: See the attached files titled:

1_a_Sewer ledger Analysis December 2022.pdf

1_a_Sewer ledger Analysis December 2023.pdf

1_a_Water ledger Analysis December 2022.pdf

1_a_Water ledger Analysis December 2023.pdf

Witness: Kendell Knox

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2022, and 2023 for both water and sewer divisions.

Response: See the attached files titled:

1_b_Sewer 2022 Trial Balance Report.pdf

1_b_Sewer 2023 Trial Balance Report.pdf

1_b_water 2022 Trial Balance Report.pdf

1_b_Water 2023 Trial Balance Report.pdf

Witness: Kendell Knox

c. Identify any sewer specific expenditures that are recorded in the same general ledger accounts as water expenditures. Also, identify any general ledger accounts that are sewer specific.

Response: See the response to 1 a, separate ledgers are maintained for water and sewer. PVWD staff is unaware of any sewer expenditures recorded in the Water general ledger.

Witness: Kendell Knox

d. Refer to Application Schedule of Adjusted Operations. Provide a cross reference that points each 2022 general ledger account to each revenue and expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match for both water and sewer divisions.

Response: PVWD staff is unaware of any general ledger accounts that do not match the schedule of adjusted operations.

Witness: Kendell Knox

2. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2023 and 2024.

Response: See the attached files titled:

2_PVWD Policy Master (5-31-2023).pdf

2_PVWD Policy Master (7-1-2023).pdf

2_PVWD Workers comp (7-1-2023).pdf

Witness: Kendell Knox

3. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar year 2022. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

Employee names should be redacted from all documents.

Response: 2 employees receive a health insurance reimbursement each month due to not receiving health insurance coverage from the district.

In the year 2022 two employees received dental coverage from Delta Dental.

All employees received the retirement benefit.

See the attached files:

3_Anthem Invoice.pdf

3_Delta Dental Invoice.pdf

Witness: Kendell Knox

4. Provide a copy of one invoice for 2024 for each employee benefit described above.

Response: See the attached files titled:

3_Anthem Invoice.pdf

3_Delta Dental Invoice.pdf

Witness: Kendell Knox

5. List each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates, if applicable. If health insurance is provided designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

Response: 4 employees receive health coverage from the district, 1 employee had dental insurance which is not active at this time. PVWD is not eligible for a group dental coverage plan.

For the health coverage the district pays the monthly payment, the employees do not pay anything toward it. Refer to the application attachment 11_2 Powells_Valley_WD_Rate_stucy.xlsx, Medical tab

See the attached files titled:

3_Anthem Invoice.pdf

Witness: Kendell Knox

6. Refer to Application Schedule of Adjusted Operations. Distribute the decrease of \$63,788 in pro forma labor costs in the following format.

	2022	Wage Inflation	Staf Increases / (Reductions)	Allocation to Sewer	Other (explain)	Pro Forma
Water	272,790			(21,385)		187,617
Sewer	0			21,385		21,385
	<u>272,790</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>209,002</u>

Response: Refer to the application attachment 11_2_Powell's Valley WD Rate Study.xlsx, wages tab, provides how the \$209,002 amount was determined and the how the \$21,385 is allocated to sewer. PVWD reported all salaries and wages in the water annual report. One employee retired in December of 2022 and her replacement was hired in 2021.

Witness: Sam Reid

7. Provide the following information related to billing software:

a. Brand or common name for software.

Response: Alliance control center

Witness: Kendell Knox

b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.

Response: United Systems, Inc. provides our software program and support. Their offices are located in Benton, Ky.

Witness: Kendell Knox

c. If locally installed, state the installation date.

Response: We started using United Systems software in 2007.

Witness: Kendell Knox

d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

Response: We pay United Systems a monthly fee for support services.

Witness: Kendell Knox

8. Provide minutes from Powell's Valley District's commissioner meetings, authorizing current salaries and wages for all current employees.

Response: See the attached files titled:

**8_November 2023 Meeting.pdf
8_9-14-2021 Phone minutes.pdf
8_April 2022 Meeting.pdf
8_October 2023 Meeting .pdf**

Witness: Kendell Knox

9. Refer to the Application, Schedule of Adjusted Operations, Adjustment

References. Provide all workpapers used to generate the proposed adjustments.

Response: Refer to the application attachment titled:

11_2_Powell's Valley WD Rate Study.xlsx

Witness: Kendell Knox

10. Provide the minutes from Powell's Valley District's board of commissioners'

(Board) meetings for the calendar years 2022 and 2023.

Response: See the attached files titled:

10_January 10 2022 meeting.pdf

10_February 14 2022 meeting.pdf

10_March 14 2022 meeting.pdf

10_April 11 2022 meeting.pdf

10_may 9 2022 meeting.pdf

10_June 13 2022.pdf

10_July 11 2022 meeting.pdf

10_August 8 2022 meeting.pdf

10_September12 2022 meeting.pdf

10_October 10 2022 meeting.pdf

10_November 14 2022 meeting.pdf

10_December 12 2022 meeting.pdf

10_January 2023 meeting.pdf

10_February 2023 meeting.pdf

10_March 2023 meeting.pdf

10_April 2023 meeting.pdf

10_May 2023 meeting.pdf

10_June 2023 meeting.pdf

10_July 2023 meeting.pdf

10_August 2023 meeting.pdf

10_September 2023 meeting.pdf

10_October 2023 meeting.pdf

10_November 2023 meeting.pdf

10_December 2023 meeting.pdf

Witness: Kendell Knox

11. Provide a document listing the name of each member of the Board for each of the calendar years 2022 and 2023 and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.), their term (beginning and ending), and current authorized annual compensation.

Response: PVWD Commissioners have not changed since 2001.

See the attached files titled:

11_Commissioner's Terms with issue for 2023.pdf

Witness: Kendell Knox

12. Provide documentation from the Fiscal Court that authorizes each Board member's appointment and compensation.

Response: PVWD staff will supplement the response when the requested information becomes available.

Witness: Kendell Knox

13. Provide training records for each Board member for 2022 and 2023.

Response: PVWD Board members did not attend training in 2022 and 2023.

Witness: Kendell Knox

14. Provide the method and justification used for any cost allocation between the water and sewer divisions.

Response: Based on the Manger's experience and knowledge of the system, field employees wages and benefit expenses are allocated 80 percent to water and 20 percent to sewer.

Refer to the application attachment, 11_2_Powell's Valley WD Rate Study.xlsx

Witness: Kendell Knox

15. Provide the following with respect to new tap installations for both water and sewer.

a. Number of installations during the test year.

Response: 63 water and 18 sewer.

Witness: Kendell Knox

b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.
Response: An adjustment to salaries and wages was made for labor cost associated with tapping fees in the SAO for water and sewer.

Refer to the application attachment titled:

11_2_Powell's Valley WD Rate Study.xlsx, Adj tab

Witness: Sam Reid

c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

Response: An adjustment to materials was made for material cost associated with tapping fees in the SAO for water and sewer.

Refer to the application attachment titled:

11_2_Powell's Valley WD Rate Study.xlsx, Adj tab

Witness: Sam Reid

16. Refer to Powell's Valley District's current water Tariff, PSC Ky. No. 1, Original Sheet No. 12, Billing, Meter Readings and Related Information, Frequency of meter reading.

a. Provide the date that Powell's Valley District's billing cycle begins (meter read date).

Response: 15th of the month

Witness: Kendell Knox

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

Response: The District reads it's meters between the 7th the 14th of the month. Bills are usually mailed a couple days before the end of the month. Payment is due by the 10th. Penalties applied on the 10th and cut off is 10 or more days after late notice has been sent. Yes, as requested in the application cover letter the fifteenth of the month would be the best effective date for rates authorized by the Commission.

Witness: Kendell Knox

17. Refer to Powell's Valley District's current sewer Tariff, PSC Ky, No. 1, Original Sheet No. 3, Rules and Regulations, Billing and Collection.

a. Provide the date that Powell's Valley District billing cycle begins (meter read date).

Response: 15th of the month

Witness: Kendell Knox

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

Response: The District reads its meters between the 7th the 14th of the month. Bills are usually mailed a couple days before the end of the month. Payment is due by the 10th. Penalties applied on the 10th and cut off is 10 or more days after late notice has been sent. Yes, as requested in the application cover letter the fifteenth of the month would be the best effective date for rates authorized by the Commission.

Witness: Kendell Knox

18. State the last time Powell's Valley District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Powell's Valley District considered filing a COSS with the current rate application and the reasoning for not filing one.

Response: PVWD is not proposing a revision to its current rate design and has not experienced any material revisions in its operations of the system, that would create the need for the preparation of a COSS.

Witness: Kendell Knox

b. Explain whether any material changes to Powell's Valley District's system would cause a new COSS to be prepared since the last time it completed one.

Response: PVWD is a rural water system, providing water predominately to residential customers. PVWD does not presently plan any material revisions in the operations of the system that would necessitate the preparation of a COSS.

Witness: Kendell Knox

c. If there have been no material changes to Powell's Valley District's system, explain when Powell's Valley District anticipates completing a new COSS.

Response: There have been no material changes in the system and PVWD has no plans to make material changes to the system therefore, PVWD does not anticipate hiring outside consultants to prepare a COSS.

Witness: Kendell Knox

d. Provide a copy of the most recent COSS that has been performed for Powell's Valley District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: PVWD current staff are unaware of a COSS being produced for PVWD.

Witness: Kendell Knox

19. Refer to the Application, Schedule of Adjusted Operations Water Division, provide an itemization of the Other Water Revenues, stated as \$45,226.

Response:

Income Description	Amount	Income Type
Penalties	40,766	Other Water Revenue
Service Charge	4,460	Other Water Revenue

Witness: Kendell Knox

20. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2022 and 2023 for both water and sewer.

**Response: See the attached files:
20_2023 Ledger Analysis Penalties.pdf
20_2022 Ledger Analysis Penalties.pdf**

Witness: Kendell Knox

21. Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year and the total amount recorded for each nonrecurring charge for the water division. If the revenue for any nonrecurring charge was zero, include that charge and indicate that no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded.

Response: See the attached file titled, 21_2022 Water Ledger Analysis nonrecurring charge.pdf.

Witness: Kendell Knox

a. Provide updated cost justification sheets to support each nonrecurring charge listed in Powell's Valley District's tariff.

Response: PVWD will provide the requested document in a supplemental response.

Witness: Kendell Knox

b. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Powell's Valley District's tariff.

Response: PVWD will provide the requested document in a supplemental response.

Witness: Kendell Knox

22. Provide a schedule listing the number of occurrences for each nonrecurring charge that was assessed during the test year and the total amount recorded for each nonrecurring charge for the sewer division. If the revenue for any nonrecurring charge was zero, include that charge and indicate that zero revenue was received.

**Response: See the attached files titled:
22_Sewer 2022 Ledger analysis penalties.pdf**

Witness: Kendell Knox

a. Provide an updated cost justification sheet for each nonrecurring charge listed in Powell's Valley District's sewer tariff.

Response: PVWD will provide the requested document in a supplemental response.

Witness: Kendell Knox

b. Provide an updated cost justification sheet for each Sewer Connection/Tap-on Fee listed in Powell's Valley District's tariff.

Response: PVWD will provide the requested document in a supplemental response.

Witness: Kendell Knox

23. Powell's Valley District has proposed to implement rates for both 1-inch and 2-inch meter sizes.

a. Explain and provide support for the calculation of the minimum bills for the proposed meter sizes above 5/8-inch meters.

Response: The proposed minimum bills for larger meters follows the current rate design. The minimum bill is determined by adding the amount for the additional gallonage, included in the larger size meters minimum, to the 5/8-inch minimum amount.

Witness: Sam Reid

b. Explain why Powell's Valley District is proposing to implement the rates for these larger size meters.

Response: PVWD is growing and believes that it is best to differentiate its customers with differing size meters minimums.

Witness: Kendell Knox

24. In its billing analysis, Powell's Valley District has proposed (\$15,950) in adjustments to its metered water sales for the test period. Provide support for this adjustment.

Response: See the attached files titled: 24_customer Activity Report .pdf

Witness: Kendell Knox

25. Refer to the Application, Attachment 5, Current Billing Analysis, Water Division. Powell's Valley District indicates an adjustment of (\$99,953) to test year metered water sales as a result of revenues produced by its billing analysis. This adjustment represents a difference of approximately 7.5 percent to adjusted test year revenues. Explain and provide support for such a large adjustment to the adjusted test year revenues from water sales.

Response: PVWD staff are reviewing the system billing information and will provide their findings in a supplemental response.

Witness: Kendell Knox

