

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
CRITTENDEN-LIVINGSTON COUNTY WATER	)	2024-00278
DISTRICT	)	

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RESPONSE OF CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION DATED APRIL 8, 2025

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

In the Matter of:

ELECTRONIC APPLICATION OF CRITTENDEN-	)	CASE NO.
LIVINGSTON COUNTY WATER DISTRICT FOR	)	2024-00278
A RATE ADJUSTMENT PURSUANT 807 KAR 5:076	)	


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**VERIFICATION OF ABBIE ADAMSON**

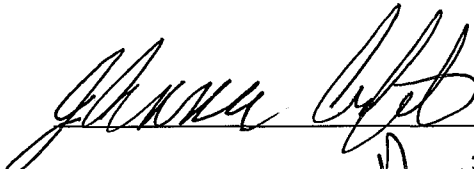
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COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF \_\_\_\_\_)

Abbie Adamson, Superintendent of Crittenden-Livingston County Water District, states that she 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 therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

  
Abbie Adamson

The foregoing Verification was signed, acknowledged and sworn to before me this 1 day of May, 2025, by Abbie Adamson.

 Kynp 87193  
Commission expiration: April 3rd 2028



**Crittenden-Livingston County Water District  
Case No. 2024-00278  
Commission Staff's Second Request for Information**

**Witnesses:** Abbie Adamson # 2-23 and 25-29  
Robert K. Miller # 1 and 24

1. Refer to Crittenden-Livingston District's response to Commission Staff's First Request for Information (Staff's First Request), Item 1c, "Cross Reference" Excel document, Employee Pension and Benefits section of the spreadsheet. Explain why retirement expenses were reported as a negative \$16,269 in cell I29.

**Response:** The 2023 Trial Balance reported that General Ledger account 604.00 - Retirement Expense had a credit balance of \$16,267.68 at year-end. The 2023 General Ledger showed total debits of \$137,466.17 and total credits of \$153,733.85 for a net credit balance of \$16,267.68. There were two large credits recorded at year-end:

<b>GASB 68 Adjustments</b>	<b>1900.00</b>	<b>· Deferred Outflow-Pension</b>	<b>\$79,893.00</b>
<b>GASB 75 Adjustment</b>	<b>1902.00</b>	<b>· Deferred Outflow - OPEB</b>	<b>\$58,263.00</b>

**These large credits are non-cash expenses attributable to the decreased CERS Contribution Rate.**

2. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1a, General Ledger 2023, Account 621.02, Repair & Maintenance – Water PI. Refer also to the chart listed below.

Date	Number	Vendor	Description	Amount
01/11/2023	31044	Ferguson Waterworks		\$ 12,813.54
01/27/2023	7403334	GlobalTech Power	covered by insurance	10,000.00
03/29/2023	232611-1	All Service Contracting Corp.	Filter Rehab project	22,446.00
04/18/2023	21395	Pittsburg Tank & Tower Maint. Co.		29,427.30
04/20/2023	42680	Southern Electric Motor Sales & Service,		16,237.11
06/05/2023	531053	Sidener Environmental Services		4,826.79
06/08/2023	31384	All Service Contracting Corp.	Filter Rehab	125,562.00
08/23/2023	08232301	HTI, Inc.		9,412.00
10/12/2023	401287104	Xylem		4,267.56
12/29/2023	143295	Mainstream Commercial Divers, Inc.		4,127.10
		Total		<u>\$ 239,119.40</u>

3. For each item listed in the chart above, provide copies of each invoice relevant to the items listed in the chart below.

**Response: See file 3\_Invoices**

4. For each item listed in the chart above, describe the purchase attributed to Account 621.02 and state whether each item should have been capitalized.

**Response: Ferguson Waterworks Invoice # 31044- (25) Nipples for Pressure Reducing Valves, (50) Setters, (36) pressure reducing valves, should have been capitalized.**

**Global Tech Power Invoice # 7403334- repairs to generator at water plant due to lightning strike, cost covered by insurance, should not have been capitalized.**

**All Services Contracting Corp. Invoice # 232611-1- filter rehab project, removed media from filter, should not have been capitalized.**

**Pittsburgh Tank & Tower Maintenance Invoice # 21395- Filter rehab project at water plant, 10% of all repairs, should not have been capitalized.**

**Southern Electric Motor Sales Invoice 3 42680- replace variable frequency drive at water plant, labor and material, should not have been capitalized.**

**Sidener invoice # 531053- rebuild all chlorine feed equipment, should not have been capitalized.**

**All Service Contracting invoice # 23-2611KY2- filter rehab project, replace media in filter, should not have been capitalized**

**HTI invoice # 08232301- SCADA computer and software upgrades at water plant, should not have been capitalized.**

**Xylem invoice # 401287104- backwash lagoon cleanout, should not have been capitalized.**

**Mainstream Commercial Divers- divers to install plug in wet well, should not have been capitalized.**

5. For each item listed in the chart above, if Crittenden-Livingston District believes its classification of an Account 621.02 purchase as an expense is proper, explain the reasoning.

**Response: Crittenden-Livingston District believes each item listed in the chart above's classification of an account 621.02 purchase as an expense is proper because these were seen as repairs and maintenance procedures that are**

**expected to be repeated in the future. They were not upgrades that enhance or improve the existing assets. They were expenses to restore the assets to their existing function.**

6. For each item listed in the chart above, if a purchase should have been capitalized, provide the appropriate NARUC useful life for depreciation purposes.

**Response: No items should have been capitalized.**

7. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1a, General Ledger 2023, Account 621.03, Repairs & Maint – Pumps & Tanks. Refer also to the chart listed below.

Date	Number	Amount	Vendor	Description	
03/02/2023	2323		Complete Restoration LLC		\$ 17,972.50
03/14/2023	2323-1		Complete Restoration LLC		17,972.50
04/20/2023	42679		Southern Electric Motor Sales & Service,		7,454.23
05/18/2023	42733		Southern Electric Motor Sales & Service, Filter Rehab- needs to be capitalized		2,060.00
10/17/2023	1102		Independent Tank and Tower, Inc.		11,000.00
11/03/2023	43061		Southern Electric Motor Sales & Service,		13,607.38
11/30/2023	41000		Guthrie Sales & Service		3,616.63
12/28/2023	2301		Midco Diving & Marine Services, Inc		9,317.35
			Total		<u>\$ 83,000.59</u>

8. For each item in the chart above, provide copies of each invoice relevant to the items listed in the chart below.

**Response: See file 8\_Invoices**

9. For each item in the chart above, describe the purchase and state whether each item should have been capitalized.

**Response: Complete Restoration invoice # 2323- 50% painting exterior of West Vaco water tank, should not have been capitalized.**

**Complete Restoration invoice # 2323-1- final payment for painting exterior of West Vaco Water Tank, should not have been capitalized.**

**Southern Electric Motor Sales & Service Invoice # 42679- complete pump rebuild with new motor for Moore Hill pump station, should not have been capitalized.**

**Southern Electric Motor Sales & Service Invoice # 42733- filter rehab project, labor and material for filter pipe installation, should not have been capitalized.**

**Independent Tank & Tower invoice # 1102- painted tank head at water plant, should not have been capitalized.**

**Southern Electric Motor Sales & Service invoice # 43061- rebuilt river pump, should not have been capitalized.**

**Guthrie Sales & Service Invoice # 41000- replace piping in wet well, should not have been capitalized.**

**Midco Diving & Marine Services Invoice # 2301- divers mounted blank on end of 8" pipe in river, should not have been capitalized.**

10. For each item in the chart above, if Crittenden-Livingston District believes its classification as an expense is proper, explain the reasoning.

**Response: Crittenden-Livingston Water District believes each item listed in the chart above's classification as an expense is proper because these were seen as repairs and maintenance procedures that are expected to be repeated in the future. They were not upgrades that enhance or improve the existing assets. They were expenses to restore the assets to their existing function.**

11. For each item in the chart above, if an item should have been capitalized, provide the appropriate NARUC useful life for depreciation.

**Response: No items should have been capitalized.**

12. Provide a copy of Crittenden-Livingston District's 2023 audit. If the 2023 audit is not available, provide an update from Kemper CPA regarding completion of the audit, including a date certain when it will be complete, and the cause for the delay that was referenced in the board meeting minutes from January 27, 2025.

**Response: See file 12\_Audit\_2023**

13. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1a, 2023 General Ledger, Account 675.34, Legal & Professional Fees. Refer also to the chart listed in this item below.

Date	Number	Vendor	Amount
02/23/2023	1155591	Kemper CPA Group LLP	\$ 4,678.30
03/30/2023	1176104	Kemper CPA Group LLP	1,000.00
05/25/2023	1199385	Kemper CPA Group LLP	3,400.00

06/29/2023	1202398	Kemper CPA Group LLP	5,800.00
10/26/2023	1220487	Kemper CPA Group LLP	4,000.00
12/01/2023	11300295	Kemper CPA Group LLP	<u>4,500.00</u>
		Total	<u><u>\$ 23,378.30</u></u>

- a. Provide an invoice for each transaction listed in the chart.

**Response: See file 13a\_Invoices**

- b. If the invoice does not reference the audit year that the fee is for, state the audit year for each amount.

**Response: Audit years are referenced on all invoices.**

- c. Provide the cost for preparation of Crittenden-Livingston District's 2024 audit.

**Response: 2024 audit has not yet been performed therefore exact cost is known at this time, but is expected to be approximately \$13,000.**

14. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1a, 2023 General Ledger, Account 620.82 Computer Maintenance. Refer also to the chart listed in this item below.

Date	Number	Vendor	Description	Amount
03/01/2023	634084	Itron	November 2022 Invoice- Itron Support	\$ 4,771.02
03/01/2023	606286	Itron	November 2021 Invoice- Itron Support	<u>4,459.21</u>
		Total		<u><u>\$ 9,230.23</u></u>

15. Provide the invoice for each amount relevant to the items listed in the chart above.

**Response: See file 15\_Invoices**

16. For each item in the chart above, state whether the amount is expected to be a recurring expense.

**Response: The amounts in both invoices are expected to be annually recurring expenses.**

17. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1a, 2023 General Ledger, Account 675.000, Miscellaneous Expense. For each item listed in the chart below, provide the requested information. Refer also to the chart



listed in this item below.

Date	Vendor	Description	Amount
01/05/2023	Mellow Mushroom	Employee Christmas Party	\$ 538.45
01/05/2023	Mellow Mushroom	Gift Cards for Employees working and unable to attend Christmas Party	60.00
02/27/2023	Deer Lakes Golf Course		120.00
06/29/2023	Deer Lakes Golf Course		120.00
08/11/2023	Kentucky Publishing, Inc.		577.00
10/31/2023	Deer Lakes Golf Course		120.00
12/15/2023	Wal-Mart	employee safety awards	1,034.40
12/15/2023	Wal-Mart	employee safety awards	1,034.40
12/19/2023	Wal-Mart	employee safety award	620.64
12/22/2023	Feed Mill Restaurant	Employee Christmas Party	629.41

- a. Explain the business purpose of each expenditure.

**Response: Mellow Mushroom \$538.45- food at employee Christmas party for 2022.**

**Mellow Mushroom \$60.00- gift cards for food for employees not able to attend 2022 Christmas party due to being scheduled to work.**

**Deer Lakes Golf Course- all three amounts were for the rental of the clubhouse for board meetings.**

**Kentucky Publishing- advertisement for bids for the design of our water plant expansion project.**

**Wal-Mart- all three Wal-Mart invoices are for gift cards given to all employees as safety awards for no accidents in the year 2023.**

**Feed Mill Restaurant- food at 2023 employee Christmas party.**

- b. For each employee safety award, provide an explanation for the methodology for selecting the award recipient.

**Response: Safety awards were given to all employees on the basis that no accidents were reported for the year.**

18. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1c, Cross Reference, Account 675.30, Advertising/Promotional, in the amount of \$92. Provide a description of the advertisement(s) that resulted in the expenses incurred (i.e., bid advertisement, open position, etc.).

**Response: The \$92 was two invoices from Kentucky Publishing (\$37.00 and**

**\$55.00) advertising for bids for a line extension project.**

19. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 1a, 2023 General Ledger, Account 675.05, PSC Assessment. State and explain the nature of the 2021-2022 Assessment fees, including if they were due to missed payments.

**Response: This was an error in the memo description. The PSC Assessment expense is recognized each year as a prepaid expense and recognized on a monthly basis throughout the year. The memo description did not get updated.**

20. Explain the adjustment in the amount \$1,686.80 made on December 31, 2023, to "adjust prepaid expenses to actual".

**Response: This refers to the same situation as Question 19. At the end of each year an analysis is done to determine how much remains of PSC Assessments and an adjustment is made to adjust this balance to the actual amount and recognize the expense in the correct period.**

21. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 4c, Employee Summary Excel document, and 4f. Provide the planned number of staff at each position after all vacancies have been filled.

**Response:**

- Superintendent- 1**
- Office Manager- 1**
- Customer Service Representative- 1**
- Distribution Manager-1**
- Water Plant Manager- 1**
- Equipment Operator/Laborer- 1**
- Distribution Operator-5**
- Water Plant Operator- 5**

22. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 11.

- a. Provide the total tap fee revenue recorded during the test year.

**Response: Total tap fee revenue recorded during the test year was \$24,655.00.**

- b. State whether the \$24,655 in material costs that were capitalized was included in the materials and supplies expense during the test year.

**Response: The \$24,655 that was capitalized was not included in the materials and supplies expense during the test year.**

23. Refer to Crittenden-Livingston District and Webster County Water District's Interconnect Agreement, filed March 10, 2011.

- a. Explain why there is a discrepancy between the contracted rate and the wholesale rates in the respective tariffs.

**Response: The contracted rate is Webster County's wholesale rate at the time. Both districts have had increases to their wholesale rates since the contract was filed.**

- b. State whether there have been discussions of the rate changing since the contract was created.

**Response: When rate increases have been made by either district, the proper notice has been given per PSC guidelines.**

24. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 17, and Application, Schedule of Adjusted Operations, Forfeited Discounts. Explain the difference between the late fees of \$71,833.75 stated in response to Item 17 and the \$67,097 reported in the Schedule of Adjusted Operations.

**Response: The Schedule of Adjusted Operations amount of \$67,097 was based upon the amount reported on Page 49 of the 2023 Annual Report.**

**The response to Staff's First Request Item 17 amount of \$71,833.75 was incorrectly based upon the year-end credit balance of Account 481.02 Penalty Income. However, that credit balance should have been offset by debits of \$4,737.15 for late fees that were cancelled.**

**The correct amount that should have been reported as the response to Staff's First Request Item 17 should have been the net balance of Account 481.02 Penalty Income of \$67,096.60.**

25. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 9, 2024 Board Minutes, Page 8, New Business. The minutes appear to support the following: (1) That Crittenden-Livingston District's commissioners were informed that it could not issue securities of indebtedness without PSC authorization; (2) That it was recommended that Crittenden-Livingston District should self-report the violation

and that the agreement had been rescinded; and (3) The board voted to contact KACo to request that the agreement be rescinded. Explain whether Crittenden-Livingston District was able to successfully rescind the agreement and provide any written documentation confirming that the agreement was rescinded.

**Response: The district was not able to successfully rescind the agreement as the agreement had already been finalized at the time of request.**

26. State whether Crittenden-Livingston District has reported the matter discussed above to the PSC. If yes, provide documentation of the reporting. If not, explain why not.

**Response: See file 26\_Letter**

27. Refer to Crittenden-Livingston District's response to Staff's First Request, Items 10 b-c, regarding Commissioner Training Records. Crittenden-Livingston District stated it would provide the requested information on April 10, 2025. Provide the requested information, if not already provided, or state the expected filing date.

**Response: See file 10b\_Training\_Records**

28. Refer to Crittenden-Livingston District's response to Staff's First Request, Item 9, 2025 Board Minutes, including the February 17, 2025 board minutes' discussion of confusion with commissioner terms. Also refer to Crittenden-Livingston District's April 3, 2025 supplemental response to Staff's First Request, Item 10, Board Members Excel Document. Explain the confusion with the terms and provide an update including each commissioner's date of appointment, re-appointment and current term. If up to date information has been submitted, provide a citation.

**Response: The confusion was due to the previous superintendent not realizing that when a board member is appointed to finish out the term of a resigning board member, he/she must finish the previous board member's term before beginning a new full term. Therefore, some reappointments were not made at the correct times. This also caused several of the board members to have terms ending in the same year. In an effort to stagger the terms all board members resigned their positions and were reappointed to serve either a 2-, 3-, or 4-year term. An updated chart that reflects the new terms is also attached.**

**See file 28\_Board\_Member\_Terms  
28\_Board\_Member\_Compensation**

29. Refer to Crittenden-Livingston District's April 3, 2025 supplemental response to Staff's First Request, Item 20. Crittenden-Livingston District provided updated cost justification for its 2-Inch Meter Connection/Tap-On Charge. Explain whether Crittenden-Livingston District wants to establish a specific dollar amount for the 2-Inch Meter Connection/Tap-On Charge of \$5,025 or to keep all Meter Connection/Tap-On Charges larger than 1-Inch as Actual Cost, as currently shown in Crittenden-Livingston District's Tariff.

**Response: The district would like to keep all meter connection/tap-on charges larger than 1-inch as actual cost as currently shown in Crittenden-Livingston District's Tariff.**