

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION</b>	)	
<b>OF WARREN COUNTY</b>	)	
<b>WATER DISTRICT FOR A</b>	)	<b>Case No. 2024-00286</b>
<b>CERTIFICATE OF PUBLIC</b>	)	
<b>CONVENIENCE AND</b>	)	
<b>NECESSITY</b>	)	

**RESPONSE OF**  
**WARREN COUNTY WATER DISTRICT**  
**TO**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED NOVEMBER 6, 2024**

**Filed: November 18, 2024**

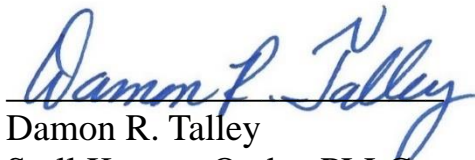
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**NECESSITY                         )**

**RESPONSE OF WARREN COUNTY WATER DISTRICT TO  
COMMISSION STAFF’S FIRST REQUEST FOR INFORMATION**

Warren County Water District (the “District”) submits its Response to Commission Staff’s First Request for Information.



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*Counsel for Warren 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 18, 2024 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding



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*Counsel for Warren County Water District*

**COMMONWEALTH OF KENTUCKY**  
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**In the Matter of:**

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<b>CONVENIENCE AND</b>	)	
<b>NECESSITY</b>	)	

**CERTIFICATION OF RESPONSE OF  
WARREN COUNTY WATER DISTRICT  
TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of Warren County Water District's Response to Commission Staff's First Request for Information as required by 807 KAR 5:001, Section 4(12)(d)(2)(b). The Response submitted on behalf of Warren County Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

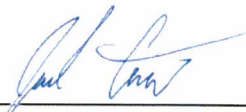
Date: November 18, 2024

  
\_\_\_\_\_  
Jacob Cuarta, General Manager  
Warren County Water District

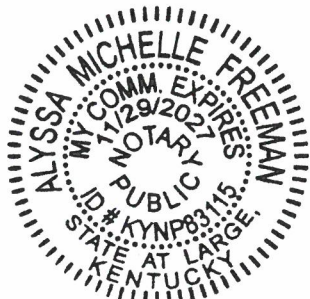
**SWORN CERTIFICATION AND VERIFICATION**

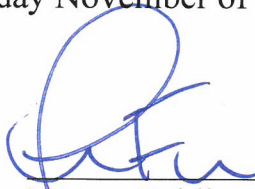
COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF WARREN )

The undersigned, Jacob Cuarta, being duly sworn, deposes and states that he, as General Manager of Warren County Water District, has personal knowledge of the matters set forth in the responses for which he is identified as the witness in Kentucky Public Service Commission Case No. 2024-00286, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

  
\_\_\_\_\_  
Jacob Cuarta, General Manager  
Warren County Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 18 day November of 2024.



  
\_\_\_\_\_  
Alyssa Freeman  
Notary Public

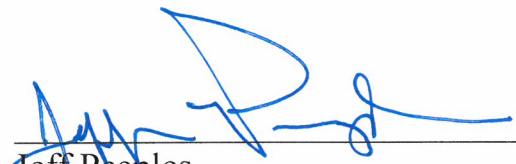
My Commission Expires: 11/29/2027

Notary ID: KYNP83115

**SWORN CERTIFICATION AND VERIFICATION**

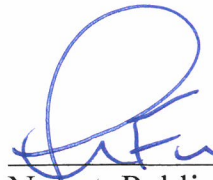
COMMONWEALTH OF KENTUCKY    )  
  ) SS:  
COUNTY OF WARREN                                    )

The undersigned, Jeff Peebles, being duly sworn, deposes and states that he, as Manager of Finance and Administration for Warren County Water District, has personal knowledge of the matters set forth in the responses for which he is identified as the witness in Kentucky Public Service Commission Case No. 2024-00286, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

  
\_\_\_\_\_  
Jeff Peebles  
Manager of Finance and Administration  
Warren County Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 18 day of 2024.



  
\_\_\_\_\_  
Alyssa Freeman  
Notary Public  
My Commission Expires: 11/29/2027  
Notary ID: KYNP83115

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-1**

**Responding Witness: Jacob Cuarta and Jeff Peeples**

**Q 1-1. Provide the following:**

**a. Date on which Warren District expects the project to be placed into service.**

**b. Anticipated journal entries for project completion including each fixed asset category that will be utilized.**

**c. Journal entries for the sale of the existing facility based on targeted sale date. Proceeds from sale and gain or loss may be left blank.**

**d. Expected annual depreciation amount. Include a breakdown of the costs by each component that reflects a different depreciation life and provide the National Association of Regulatory Utility Commissioners (NARUC) depreciable life for each component.**

**A 1-1.**

**a. Warren District anticipates that the new facilities will be placed into service mid-second quarter of 2026, on or about May 1, 2026.**

b. The anticipated journal entries appear below:

**Journal Entry For Project Completion**

<b>GL Account</b>	<b>Account Description</b>	<b>Debit</b>	<b>Credit</b>
101-3046-3	Office Building & Warehouse- Russellville Road	\$10,885,867	–
101-3047-3	Office Building & Warehouse <b>HVAC</b> -Russellville Road	\$ 2,586,011	–
101-3048-3	Office Building <b>Roof</b> - Russellville Road	\$ 288,760	–
101-3049-3	Office Building & Warehouse <b>Blacktop</b> -Russellville Road	\$ 670,032	–
TBD	Cash & Financing		\$14,430,670
<b>Total</b>		<b>\$14,430,670</b>	<b>\$14,430,670</b>

c. Attached to this Response as **Attachment 1-1c** are the journal entries for the sale of the existing facility. The journal entries are based upon balances as of September 30, 2024. Warren District has not established a targeted sale date but would ideally prefer to time closing on the sale of its current facility in close proximity in time with its move to the new facilities.

d. The expected depreciation amounts are presented in the table on the following page.



### Expected Annual Depreciation

Description	Asset Amount	Estimated Useful Life	Annual Depreciation
Office Building & Warehouse- Russellville Road	\$10,885,867	75 years	\$ 145,145
Office Building & Warehouse <b>HVAC</b> - Russellville Road	\$ 2,586,011	20 years	\$ 129,301
Office Building <b>Roof</b> - Russellville Road	\$ 288,760	20 Years	\$ 14,438
Office Building & Warehouse <b>Blacktop</b> - Russellville Road	\$ 670,032	20 years	\$ 33,502
<b>Total</b>	<b>\$14,430,670</b>		<b>\$ 322,385</b>

The estimated useful lives above were provided by Warren District's contractor responsible for designing and building the facilities, Scott, Murphy & Daniel, LLC, and reflect current industry standard service lives. Warren District considers these estimates to be highly reliable as they have been provided by industry experts familiar with the actual building materials and techniques being used in the construction of the facilities. The NARUC Average Service Life for General Plant, Structures and Improvements (NARUC Account No. 390) is 35-40 years.

# Attachment 1-1c

Journal Entries for Future Sale of Existing  
Facilities

**JOURNAL ENTRY FOR SALE OF EXISTING FACILITY  
SEPTEMBER 30, 2024**

GL Account	Account Description	Debit	Credit
101-3035-2	Land-Warehouse	\$ -	\$ 20,171
101-3036-2	Land-Office Building		657,975
101-3037-2	Land-503 31-W Bypass		257,272
101-3038-2	Land-505 Raymer Way		193,406
101-3044-3	Office Bldg-Hwy 31W	-	2,406,236
101-3045-2	Structures-Warehouse		190,303
101-3046-2	Improvements-Whse		87,122
101-3047-2	Block Bldg-505 Raymer		199,924
101-3048-2	Rental Bldg-503 Bypass		131,527
			-
108-3035-2	Accumulated Depreciation - Land-Warehouse	-	
108-3036-2	Accumulated Depreciation - Land-Office Building	-	
108-3037-2	Accumulated Depreciation - Land-503 31-W Bypass	-	
108-3038-2	Accumulated Depreciation - Land-505 Raymer Way	-	
108-3044-3	Accumulated Depreciation-Office Bldg-Hwy 31W	1,312,499	
108-3045-2	Accumulated Depreciation - Structures-Warehouse	180,098	
108-3046-2	Accumulated Depreciation - Improvements-Whse	87,122	
108-3047-2	Accumulated Depreciation - Block Bldg-505 Raymer	65,430	
108-3048-2	Accumulated Depreciation - Rental Bldg-503 Bypass	47,954	
TBD	Proceeds Required From Sale to Breakeven	2,450,833	
<b>TOTAL</b>		<b>\$ 4,143,936</b>	<b>\$ 4,143,936</b>

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-2**

**Responding Witness: Jeff Peoples**

**Q 1-2. Refer to the Application, Exhibit 9, Current and Estimated Annual Operational Costs. Provide the estimated amount of incremental operating expenses, including depreciation, charged to Butler Association and the same information for Simpson District.**

A 1-2. The estimated allocations to Butler County Water and Simpson District are based on the Joint Operations Rates & Allocations Memorandum dated January 11, 2024. The allocations are based upon each system's percentage of the total number of customers served by the joint operation of Warren District, Simpson District, and Butler County Water. The allocations are presented in the Table on the following page.

**Operating Expenses & Depreciation  
Allocation to Butler County Water and Simpson District**

**Allocation**

Description	<b>Estimated Expenses for Proposed Facilities</b>	<b>9.6% Butler Water</b>	<b>6.9% Simpson District</b>
Electricity	\$ 61,427	\$ 5,897	\$ 4,238
Water	5,497	528	379
Sewer	5,153	495	356
Gas	12,244	1,175	845
Phone/Internet	12,000	1,152	828
Custodial	25,000	2,400	1,725
Security	4,000	384	276
Mowing	9,250	888	638
Pest Control	1,500	144	104
Trash Removal	46,400	4,454	3,202
Depreciation	322,385	30,349	22,245
<b>Total</b>	<b>\$ 504,856</b>	<b>\$ 48,466</b>	<b>\$ 34,835</b>

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-3**

**Responding Witness: Jacob Cuarta**

**Q 1-3. State whether the project has a Water Resource Information System (WRIS) project profile(s) and, if so, provide the profile numbers.**

A 1-3. No, the Project does not have a WRIS Project Profile Number, and it is not required to have one as it is not an "Infrastructure Project" as defined in KRS 224A.011(23) or a "Water Resource Project" as defined in KRS 224A.011 (52).

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Responding Witness: Jacob Cuarta and Jeff Peeples**

**Q 1-4. Provide the estimated cost of moving from the existing facility to the proposed facility.**

A 1-4. Warren District will not utilize any external resources such as moving companies or third-party contractors when moving into the new facility. Instead, Warren District plans to rely upon its in-house staff and equipment to facilitate the move to the new facility and minimize moving costs. Based on preliminary planning and current available resources, Warren District estimates its moving expenses will be **\$22,392** summarized as follows:

a. Labor Cost	\$20,992
b. Fuel Cost	\$ 400
c. Packing and Moving supplies	\$ 1,000
<b>Total:</b>	<b>\$22,392</b>

**Labor Costs:**

- **Personnel Involvement:** Warren Water intends to utilize its internal staff for the move, including administrative, operations, and field personnel. The staff involved in the move will include team members from multiple departments who will allocate time during

regular work hours to assist with packing, transporting, and unpacking items.

- **Estimated Labor Hours:** Based on very preliminary planning, Warren District anticipates that the move will require approximately 512 staff hours across various departments. The labor hours will be divided among staff as follows:

• Administrative/Customer Service Staff:	277 hours
• Operations and Field Staff:	240 hours
<b>Total:</b>	<b>512 hours</b>

- **Labor Cost Estimate:** The average wage of the employees involved in the move is approximately \$41 per hour (which includes wages and fringe benefits). Total Estimated Labor Cost: 512 hours x \$41/hour = **\$20,992**

#### **Equipment Utilization Costs:**

- **District-Owned Equipment:** Warren District will utilize its own fleet of vehicles, including trucks and trailers, to transport equipment, furniture, and office supplies from the current facility to the new complex. Warren District has existing equipment suitable for the task, so there will be no additional cost for equipment rentals.
- **Fuel Costs:** Based on the estimated number of trips between the two locations (approximately 10 trips, depending on load capacity), fuel



consumption is projected to total around 100 gallons of diesel fuel.

Total Estimated Fuel Cost: 100 gallons x \$4.00/gallon = **\$400**

**Packing and Moving Supplies:**

- **Materials:** Warren District will purchase packing materials such as boxes, packing tape, bubble wrap, and other supplies to ensure safe transport of sensitive equipment and office items. Total Estimated Supply Cost: **\$1,000**

**Staff Downtime and Productivity Impact:**

- While no external costs will be incurred, we anticipate some minor productivity loss due to staff time diverted from regular duties during the moving process. However, we have developed a phased move plan to minimize service disruptions and maintain core operations. Any impact on operations is expected to be minimal and not quantifiable as a direct financial cost.

**Internal Staff Efficiency:**

- By utilizing internal resources, Warren District expects the move to be conducted efficiently over the course of 2-4 weeks, allowing Warren District to maintain continuity in our water services and administrative functions with minimal disruptions.

This approach ensures that the total cost of the move remains within a manageable budget, while effectively utilizing existing District resources.

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-5**

**Responding Witness: Jacob Cuarta**

**Q 1-5. Describe, including time frames, any expected interruption of operations during the move from existing facilities to the proposed facility.**

A 1-5. Warren District does not anticipate any interruption in operations or services during the move from the existing facilities to the proposed new facilities. Warren District has drafted a phased moving plan to ensure continuity in all functions, with a specific focus on maintaining the critical customer services. By staggering the move of different departments and functions, Warren District can ensure that all essential services, including customer service, SCADA monitoring, and field operations, continue without disruption.

Warren Water has confirmed with its current and future utility providers—covering power, internet, and telecommunication services—that there will be no interruption in utility services at either the existing or new facility during the move. This is critical to maintaining continuous monitoring of SCADA systems, which oversee real-time water distribution and

wastewater management, as well as ensuring that Warren District's after-hours crews are always on standby for emergencies.

There will not be a time during the move, not even a very short time, that Warren District will be closed to customers during regular business hours. A skeleton crew of customer service representatives will maintain normal customer operations at the current facility until the new facility is fully functional and ready to be used in a customer-facing capacity.

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-6**

**Responding Witness: Jeff Peeples**

**Q 1-6. Provide the estimated useful service life of the proposed headquarters.**

A 1-6. The estimated useful life of the two proposed buildings is 75 years. This estimate and the estimated useful lives of the HVAC system, roof, and blacktop to be installed were provided by Warren District's contractor responsible for designing and building the facilities, Scott, Murphy & Daniel, LLC, and reflect current industry standard service lives. The estimated service lives of these components are set forth on the following page. Warren District considers these estimates to be highly reliable as they have been provided by industry experts familiar with the actual building materials and techniques being used in the construction of the facilities. The NARUC Average Service Life for General Plant, Structures and Improvements (NARUC Account No. 390) is 35-40 years.

## ESTIMATED USEFUL LIFE

<u>Asset Category</u>	<u>Estimated Useful Life</u>
Office Building & Warehouse- Russellville Road	75 Years
Office Building & Warehouse <b>HVAC</b> - Russellville Road	20 Years
Office Building <b>Roof</b> - Russellville Road	20 Years
Office Building & Warehouse <b>Blacktop</b> - Russellville Road	20 Years

**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-7**

**Responding Witness: Jacob Cuarta**

- Q 1-7. Provide the name and the relationship of any person(s) having a financial interest in the “Russellville Road Property” purchased by Warren District for use as its new headquarters and have a current relationship with Warren District, with any employee of Warren District or with current or former member of Warren District’s Board of Commissioners.**
- A. 1-7. No current or former member of Warren District’s Board of Commissioners had any financial interest in the Russellville Road Property purchased by Warren District in 2022. Likewise, no current or former employee of Warren District had any financial interest in the Russellville Road Property. Warren District purchased the Russellville Road Property in an arm’s-length transaction on February 28, 2022, from Westen Apartments, LLC (“Westen Apartments”), a Kentucky limited liability company. David E. Alford, as sole member of Westen Apartments, signed the Deed to the Russellville Road Property on behalf of the Grantor. Warren District notes that since July 2, 2010, David E. Alford has been listed on the Kentucky Secretary of State’s website as being the sole member and registered agent

of Westen Apartments. No current or former Board member or employee of Warren District has any relationship to Westen Apartments or David Alford. In summary, the purchase of the Russellville Road property did not involve any “interested person transaction.” No individual or entity with a financial interest in the property has or had any relationship with Warren District, any of its employees, or any current or former member of the District’s Board of Commissioners.



**WARREN COUNTY WATER DISTRICT**

**Case No. 2024-00286**

**Response to Commission Staff's First Request for Information**

**Question No. 1-8**

**Responding Witness: Jacob Cuarta**

**Q 1-8. Provide a list of all improvements Warren District has made to the Russellville Road Property since Warren District purchased the property.**

A. 1-8. Warren District has made no improvements to the Russellville Road Property since purchasing it in February 2022. The only activities conducted on the property to date have been routine in nature and done to maintain the appearance and accessibility of the property. Warren District has periodically mowed and bush hogged the property to manage overgrowth and maintain a tidy appearance of the property. However, no site preparation, infrastructure improvements, or construction have been initiated. Warren District plans to engage in these endeavors once it obtains a CPCN for the Facilities Project from the Commission.