

CITY OF AUGUSTA  
CASE NO. 2024-00349  
BRACKEN COUNTY WATER DISTRICT SECOND FIRST REQUEST FOR INFORMATION

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**Witness: Doug Padgett**

1. Please provide a copy of the fiscal year 2024 (July 2023 to June 2024) that illustrates total revenues and total expenditures, for the water treatment plant. If said numbers have not been compiled, please state why.

**Response: See Attachment 1 Aug Response to BCWD DR2.**

The attached is an unaudited FY24 revenue and expense report.

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**Witness: Doug Padgett**

2. The City of Augusta's responses to intervenor, BCWD's, 1st requests for information, provided monthly utility bills for three accounts associated with the water treatment plant (answer to question # 10, see. Attachment\_10\_Aug\_Response\_to\_BCWD\_DR1.pdf), specifically, 1) W. Second Street, Account # 3000-0085-0983; 2) W. Second Street Pump, Acct # 3000-0517-2774; and 3) 203 Ferry Street, Acct # 3000-0640-0174.

- a) Please identify what each electric account runs electric for and/or to and what is operated by each account?
- b) Please identify what the multiplier number means for each account.
- c) Please state which account # of the monthly KU Bills provided represents any electric used by the waste water treatment plant.

**Response: See Also Attachment 2 Aug Response to BCWD DR2.**

- a) 3000-0085-0903 – Well 4  
3000-0517-2774 – Wells 1-3  
3000-0640-0174 – Water Treatment Plant
- b) See attachment: 2 Aug Response to BCWD DR2
- c) KU bills for the waste water treatment plant were not provided in Attachment 20\_AUG\_Response\_to\_BCWD\_DR1.pdf.

**Witness: Doug Padgett**

3. The City of Augusta's responses to intervenor, BCWD's, 1st requests for information, (answer to question # 10, provided copies of meter tests in 2021 and 2023. see. Attachment 10\_Aug\_Response\_to BCWD\_DR1,pdf. Specifically, the invoice for the test in 2023 (Invoice S100238639.001, dated 11/29/2023), shows 2 Citco Field Meter Test Service. Please explain which meters and or meter was/were tested? If only the main master meter to Bracken was serviced, why were there two service charges?

**Response:**

The invoice dated 11/29/2023, was for testing performed on BCWD master meter and Augusta master meter.

**Witness: Doug Padgett**

4. The City of Augusta's responses to intervenor, BCWD's, 1st requests for information, (answer to question # 8), (see. 8\_Aug\_Response\_to\_BCWD\_DR1.pdf); the chart shows overtime for employee # 1 of 270.75 hours, overtime for employee # 2 of 303.75 hours, and overtime for employee # 3 of 176.75 hours. Please identify the dates and times for each day of overtime work and the work performed for those days and hours of overtime work.

**Response: See Attachment 4 Aug Response to BCWD DR2.**

All hours worked on the attached were performed doing required duties at the water treatment plant.

**Witness: Doug Padgett**

5. Does the City of Augusta anticipate a total of 756 hours more or less, as normalized annual overtime for all of its employees, as a routine and regular expense?

**Response:**

The City of Augusta agrees that 756 hours more or less, is normal overtime for all of its employees, and is a routine and regular expense.

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**Witness: Doug Padgett**

6. The City of Augusta’s responses to intervenor, BCWD’s, 1st requests for information, (answer to question # 8), (see. 8\_Aug\_Response\_to\_BCWD\_DR1.pdf); show hourly rates for each employee for the test period/test year; however, an adjustment of \$10,070 is requested to adjust to current wages. Please state each employee of the water treatment plant’s current wage rate or salary rate, and their expected amount of normal work hours.

**Response:**

The table below can be found in the electronic file named “Augusta\_Workpapers\_Case\_No.\_2024-00349.xlsx” (see Worksheet named “Wages Benefit”) that was filed as part of Augusta’s December 31, 2024 Response to Commission Staff’s First Request for Information to Augusta. It can also be found in the electronic file named “8\_Aug\_Response\_to\_BCWD\_DR1.xlsx” (see Worksheet named “Wages Benefit”) that was filed as part of Augusta’s January 16, 2025 Response to Bracken District’s First Request for Information to Augusta. Employee Nos. 1, 2 and 3 are fully dedicated to the water treatment plant. Employee Nos. 4 and 5 are shared by the water treatment plant with other Augusta Departments.

<u>Employee No.</u>	<u>Hours Worked</u>		<u>Rate</u>	<u>Total</u>	<u>Percent to Treatment Plant</u>	<u>Pro Forma Wages</u>
	<u>Regular</u>	<u>O/T</u>				
1	2,080.00	270.75	\$ 18.72	\$ 46,540	100%	\$ 46,540
2	2,071.50	303.75	20.39	51,528	100%	51,528
3	2,045.00	176.75	24.18	55,859	100%	55,859
4	2,080.00	5.00	31.77	66,320	25%	16,580
5	1,483.50		31.87	47,279	50%	23,640
Advisory Board, 12 meetings per year, \$100 per meeting, 2016 Contract, 17.f.						1,200
Pro Forma Wages						195,347
Less: Test Year						<u>(185,277)</u>
Increase						<u>\$ 10,070</u>

**Witness: Doug Padgett**

7. For all employees who have a higher wage rate than as illustrated in the referenced response to question # 6, and question no. 8 in first set of questions, (see. 8\_Aug\_Response\_to\_BCWD\_DR1.pdf); please identify the date and time the City Council approved the raise and reference the applicable minutes (if already provided) or provide the minutes if not in the previously provided minutes.

**Response: See Attachment 7 Aug Response to BCWD DR2**

Augusta City Council annually approves a budget for each Fiscal year. The Mayor's annual budget summary may include a proposed cost of living increase for all city employees.

**Witness: Jack Scott Lawless**

8. The water rate study on page 2, last paragraph states, "While the 2016 contract does not include a provision that specifically allows for known and measurable adjustments to revenues, there is no prohibition against such adjustments." Please state where in the 2016 contract (and/or amendments) that revenues of either party are a part of the agreed calculation for adjusted wholesale water rate.

**Response:** The 2016 Contract does not explicitly reference Augusta Treatment's Water Sales Revenues. Instead, it references water sales delivered by Augusta Treatment to Augusta Distribution and to Bracken District to which Augusta Treatment's wholesale rate is applied to derive Augusta Treatment's water sales revenue. Augusta Treatment's water sales delivery to Augusta Distribution and to Bracken District is referenced throughout the 2016 Contract and is the basis upon which Augusta Treatment's costs are allocated between Bracken District and Augusta Distribution except for the cost of debt service. The 2016 Contract caps the debt service allocable to Bracken District to 64 percent leaving Augusta Distribution to shoulder a disproportionate share of the debt service costs whenever Bracken District takes delivery of more than 64 percent of Augusta Treatment's finished water.



**Witness: Jack Scott Lawless**

9. Please admit the 2016 contract (and/or its amendments) makes no provision for changes and/or adjustments to the amount of test period/test year sales to either party. If Augusta denies this assertion, please state its reasoning that changes can be made to the amount of test period/test year sales to either party for the purposes of calculating the adjusted wholesale water rate.

**Response:** As stated in the last paragraph of Page 2 of the August 5, 2024 Wholesale Waer Rate Study prepared by Kentucky Rural Water Association, while there is no provision that specifically allows for known and measurable adjustments to revenues, there is no prohibition against such adjustments.

Revenue adjustments are necessary in this proceeding to properly match pro forma revenues to pro forma expenses. As detailed and discussed in Schedule A of the August 5, 2024 Water Study, many known and measurable changes to Augusta Treatment's test-year operating costs were made in accordance with the 2016 Contract. Adjustments made to Purchased Power for Pumping Expense (Adjustment G) and to Chemical Expense (Adjustment I) are directly related to the volume of water delivered to Augusta Distribution and to Bracken District. Corresponding adjustments must also be made to test-year revenues to properly match pro forma present rate revenues with pro forma expenses.