



EAST DAVIESS COUNTY WATER ASSOCIATION

9210 State Route 144 • Knottsville, Kentucky 42366

November 13, 2009

RECEIVED

NOV 16 2009

**PUBLIC SERVICE
COMMISSION**

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

RE: Case No. 2009-00341

Dear Mr. Derouen:

Please find enclosed the original and eight copies of the information requested for the above referenced case.

Please let me know if any more information is needed.

Sincerely,

Frankie Fulkerson, Manager

**EAST DAVIESS COUNTY
WATER ASSOCIATION, INC.**

CASE NO. 2009-00341

1. Refer to "Average Meter Connection Expense Cost Justification".
 - a. Enclosed are invoices to support the cost for materials.
 - b. East Daviess County Water has an employee work with our Contractor at all times. This employee makes \$19.24 per hour in wages. He has a benefit package that adds \$6.31 per hour bringing his total to \$25.55 per hour. Originally we had the use of his truck expense under Installation Labor Expense. This will now be shown under Installation Equipment Expense.
 - c. Enclosed is a copy of the signed contract between Brown Service Company and East Daviess County Water that supports the "Installation Equipment Expense" of \$200.00.
 - d. The hourly rate of \$18.96 was derived from the base wages of the employee that works with our Contractor setting the water meters. Since the Cost Justification Sheet was first sent in, this employee has received a raise making his base pay \$19.24 per hour. The original wage listed at \$18.96 did not include his benefits. Including benefits, the hourly wage is \$25.55.
 - e. The items included in the "Installation Miscellaneous Expense" are as follows:
 - i. Site clean-up originally listed at \$18.96 per 1 hour should be listed as \$25.55 per 1 hour.
 - ii. There was no truck expense listed. The use of the company truck averaging system miles would be 16.5 miles to the

site and 16.5 back to the office. The mileage total is 33 miles. Using the IRS Standard Mileage Rates at .55 per mile would add \$18.15 to the cost of the clean-up expense.

- iii. Straw and seed is needed to get the property back as it was before the digging at the site of the meter installation.

After a meter is set the work site needs to settle and at times dirt has to be hauled in. The work area is always raked and grass sown and straw scattered. There are times that we may have to go back more than 1 time in cases of a wash-out or if there is a lot of settlement in the dirt. We are only seeking expenses for 1 trip. The cost of the straw used is \$3.00 per bale. On the average clean-up 1 bale of straw is needed and 1 pound of seed @ \$.74 per pound. Total material cost including tax is \$3.96. Using this breakdown, the total "Miscellaneous Expense" would be \$47.66.

The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

** QUOTATION **

S1456189

THE C.I. THORNBURG CO., INC.
BOWLING GREEN BRANCH
140B AMBASSADOR DRIVE
BOWLING GREEN, KY 42101

Page# 1

Bid To:

Ship To:

Acct #2813
EAST DAVIESS COUNTY WATER ASSN
9210 KY RT 144
KNOTTSVILLE, KY 42366
Phone # : 270-281-5187

EAST DAVIESS COUNTY WATER ASSN
9210 KY RT 144
KNOTTSVILLE, KY 42366

--Bid-Date--Expr-Date--Writer--Terms-----Ship Via-----
11/05/09 01/04/10 QUIJER NET 30 DAYS NATCHER
--Purchase Order #-----CTNS / WT----Picker----Loader----Delivered By-----
Meter Quote

Bid-Qty--		Unit Price	Ext Price
1	5/8"x3/4" SENSUS SR WATER METER PL BTM, BRZ LID, US GALLON READ	42.00ea	42.00
BID TOTAL			42.00
Sales tax			2.52
Bid Amount			44.52

Invoice Requested - l.a.

Extras not listed or spelled out are not included in pricing.
We reserve the right to correct clerical errors.

INVOICE

Date	P#
11/5/2009	PI 14235

CONSTRUCTION SITE SERVICES, LLC
 dba ESSBURG & NEFFER HARTFORD BRANCH
 555 STATE ROUTE 69, P.O. BOX 83
 HARTFORD, KY 42347
 Office: 270-298-4545 Fax: 270-298-4543

Bill To:

East Daviess Co. Water Association
 9210 KY 144
 Philpot, KY 42366

P.O. No.		U/M	Ordered	Rate	Amount
>> VBHT72-7W-41-33 Ford Coppersetter, 5/8x3/4, ball valve inlet w/locking, ASSE 1024 Approved dual check outlet, 7" high, with 3/4" CTS-PJ end connection inlet and 3/4" double purpose FIPT union outlet			1	102.68	102.68T
>> 3/4" x 12" red brass nipple, DOMESTIC PRODUCT			1	11.50	11.50T
>> F1000-3 FORD 3/4" brass corporation stop - CC taper saddle thread x 3/4" CTS-PJ (packjoint) compression outlet for copper / copper-tube size PE (.875"OD) (BOX QTY = 10 L:10%)			1	22.09	22.09T
>> S70-403 FORD 4" brass service saddle w/3/4" CC tap (fits std. IPS/SDR PVC OD = 4.50") w/EPDM oring seal			1	26.40	26.40T
>BLUE ENDOT ENDOPURE CTS x 3/4" 100 ft. HDPE (Copper-tube size) polyethylene tubing 200# SODR-9 ASTM D-2737 / 4710 (100'coil) (priced/ft.) OD=.875"			1	0.27	0.27T
36H-10" x 10" (5/8x3/4 meter box - 2 pc.)			1	55.00	55.00T
Subtotal					\$217.94
Sales Tax (6.0%)					\$13.08
Total					\$231.02

Thank you for your order. Please call 270-298-4545 - Hartford, KY Operations Center if you have any questions.

Invoice Requested - l. a.

**BROWN SERVICE COMPANY
10824 STATE ROUTE 144
PHILPOT, KENTUCKY 42366
(270)281-9216**

August 3, 2009

Effective September 1, 2009, the cost per each 5/8" x 3/4" meter set will be \$200.00. The cost of setting meters larger than a 5/8" x 3/4" meter will be based on time and material.

Robert Brown
Robert Brown
Brown Service Company

8-3-09
Date

Frankie Fulkerson
Frankie Fulkerson
Manager, East Daviess County Water

8-3-09
Date

Copy requested - I.C.

2. The "office expense" for an average meter connection consists of the following:
The Customer Service Representative signs the new customer up for service. Getting the information, making sure that we serve the location, explaining the contract, answering any questions they may have, explaining why the Plumbing Construction Permit is needed, filling out the Membership Certificate, gives them a flag to mark the location and makes the 811 call for utility locations. This procedure takes on average 30 minutes. 30 minutes wages for the Customer Service Representative is \$9.84. The Customer Service Representative then turns the money for the new meter connection and the paperwork over to the Office Manager. The Office Manager then sets the new customer up in a temporary account so that the money can be deposited. The account is made inactive until the meter reader brings in an account number. When the Office Manager gets the new account number she changes the temporary account number to the new permanent account number, makes the account active so that it will be in the reading route for the following reading period. This account is then checked each month for up to 3 months to see if the customer has had any usage. If after a 3 month period the customer has not hooked to the meter or has hooked to the meter and has no usage their billing will begin. The time incurred in this process is approximately 30 minutes. The wages involved would be \$11.49. The Office Manger, after setting up the new account turns the money with the temporary account number over to the Accounts Receivable Clerk for her to deposit. She list the name on the deposit ticket, makes a copy of the check (if paid by check), enters the account number through Miscellaneous Receipts, runs an audit and if

correct, posts the transaction. This takes approximately 15 minutes. The wages involved would be \$4.21. Total "Clerical and Office Expense" involved in a Meter Connection is \$25.54. A "Connection/Turn On Charge" pertains to an existing meter with an existing account number. The Customer Service Representative takes the customers information, searches by address in the computer for the account, gets the account number, takes the customer payment for connection of service, tags the money with the correct account number, sets up the account copying the previous service location information and adding the new customer information. She then fixes a work order to either get a reading for transfer of service or to unlock the meter for an account that has been out of service. She then tags the money with the correct account number and turns it over to the Accounts Receivable Clerk to be deposited. After the work order has been completed by the Serviceman, the Customer Service Representative closes out the work order using the reading and start date listed by the Serviceman. The Customer Service Representative time involved is approximately 20 minutes. The wage involved is \$6.56. The Accounts Receivable Clerk list the name and account number on the deposit ticket, makes a copy of the check (if paid by check), enters the account number through Miscellaneous Receipts, runs an audit and if correct, posts the transaction. This takes approximately 15 minutes. The wages involved would be \$4.21. Total wages involved in a "Connection/Turn On Charge" \$10.77.

The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

3. Labor Time Calculation

- a. The labor time for a "Connection/Turn On Charge" was determined by taking the Serviceman's wages times 1 hour. He picks up the work order at the office and goes to the service location. The average driving time in our system to a location is 30 minutes. He comes back to the office to deliver the work order and check on what else may have come in. The approximate time for the average "Connection/Turn On Charge" would be 45 minutes due to the fact that the Serviceman normally has more than one work order with him when he leaves the office. We cover three Counties and have approximately 400 miles of water line. Total labor and time for a "Connection/Turn On Charge" is \$19.08.
- b. The labor time for a "Connection/Turn On Charge (after hours)" was determined by the fact that if an employee is called out after normal working hours they are paid for 2.5 overtime hours automatically. Using the Serviceman's wages this would actually cost the company \$70.75. **
- c. The labor time for a "Reconnection Charge" was determined by taking the Serviceman's wages times 2 hours. This includes 2 trips to the meter location. While the lockup may include other work orders while in route, unlocking the meter is a purpose trip. We try to get the customer's service reconnected as soon as possible. Using the Serviceman's wages times 2 hours would actually cost the company \$50.90. If there is a situation where he is in a nearby area then his total time could be 1.5 hours making the labor cost \$38.17.

- d. The "Reconnection Charge After Hours" labor time was determined by the fact that if an employee is called out after normal working hours they are paid for 2.5 overtime hours automatically. Using the Serviceman's wages this would actually cost the company \$70.75.**
- e. The "Service Call Investigation After Hours" labor time was determined by the fact that if an employee is called out after normal working hours they are paid for 2.5 overtime hours automatically. Using the Serviceman's wages this would actually cost the company \$70.75.**

**No benefits included in overtime pay

The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

4. The labor component of "Clerical and Office Expense" for the Connection/Turn On Charge (After Hours), Reconnection Charge (After Hours), Service Call Investigation (After Hours) and Connection/Turn On Charge was all listed as \$10.00. The labor component of the "Clerical and Office Expense" for Reconnection Charge was listed as \$7.00. This was an oversight on our part. All clerical expense should be listed at \$10.00. The normal process is as follows: The Customer Service Representative takes the information from the customer, discusses the balance due for the service incurred, makes the work order and tags the money with the correct account number for the Accounts Receivable Clerk. After the work order has been completed she closes the work order out on the customer's account and it is then filed. Customer Service Representative's time involved is approximately 20 minutes. Wages involved \$6.56. The Accounts Receivable Clerk list the name on the deposit ticket, makes a copy of the check (if paid by check), enters the account number through Miscellaneous Receipts, runs an audit and if correct, posts the transaction. This takes approximately 15 minutes. The wages involved would be \$4.21. Total labor component of "Clerical and Office Expense" is \$10.77. We are requesting only \$10.00.

The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

5. The supplies component of "Clerical and Office Expense" for Connection/Turn On Charge (After Hours), Reconnection Charge (After Hours), Service Call/Investigation (After Hours), Connection/Turn On Charge and Reconnection Charge should all be listed for the same amount of \$2.50. It was an oversight that it was not listed on the Connection/Turn On Charge and Reconnection Charge. This fee includes the following: Paper and use of printer, use of calculator, postage, envelopes, deposit tickets, use of copy machine, receipt books, certificates, and other miscellaneous items.

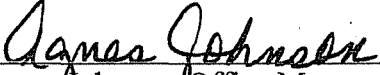
The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

6. The transportation component of "Miscellaneous Expense" for Connection/Turn On Charge (After Hours), Reconnection Charge (After Hours), Connection/Turn On Charge and Reconnection Charge should all be the same \$10.00. This was an oversight that the transportation component of "Miscellaneous Expense" Connection/Turn On Charge and Reconnection Charge was not listed at \$10.00. The use of the company truck averaging system miles would be 16.5 miles to the site and 16.5 back to the office. The mileage total is 33 miles. Using the IRS Standard Mileage Rates at .55 per mile would be a total of \$18.15. We are only asking \$10.00 for this expense due to the fact that at times we have several work orders to complete while in route.

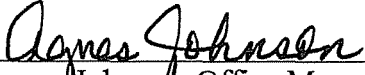
The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

7. East Daviess County Water Association is not revising the charge for "Service Call/Investigation" due to the fact that this charge is equal to what our "Connection/Turn On Charge" will be when approved.

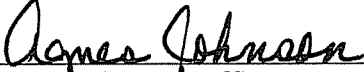
The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

8. East Daviess County Water Association wishes to apply "actual cost" principles for the connection of meters larger than 5/8"x3/4" due to the fluctuating cost of materials and labor. Our Contractor looks at the location for all meters over 5/8"x3/4" and his price is based on his time and materials for that job. We feel that it is unfair for all customers to absorb the cost incurred as prices change. As we have request for the larger size meters, we will call and have an updated price list faxed to us from our suppliers and get estimates on the Contractor's Fee for setting the meter. The paperwork will be kept on file at our office. As you will see in response number 9, we set very few meters over the size of 5/8"x3/4".

The response is true and accurate to the best of my knowledge, information and belief.



Agnes Johnson, Office Manager

9. As requested, below is the number of meters that East Daviess County Water Association has installed since December 31, 2004, in the following sizes:

- a. 1-inch - 3 meters installed
- b. 1.5-inch - 2 meters installed
- c. 2-inch - 0 meters installed
- d. 3-inch or larger - 0 meters installed

The response is true and accurate to the best of my knowledge, information and belief.

Agnes Johnson
Agnes Johnson, Office Manager