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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

MAY 16 2016

Public Service
Commission

In the Matter of :

APPLICATION OF CALDWELL COUNTY)
WATER DISTRICT FOR RATE ADJUSTMENT) CASE NO. 2016-00054
PURSUANT TO 807 KAR 5:076)

WRITTEN COMMENTS OF CALDWELL COUNTY WATER DISTRICT
TO NOTICE OF MAY 4, 2016 FILING OF
COMMISSION STAFF REPORT

Notice is hereby given that the Caldwell County Water District hereby files its written comments regarding the findings of the Commission Staff Report, dated May 4, 2016, as follows:

(B) Employee Wages and Wage Overheads: Page 8 -

Caldwell District disputes the finding and states ample justification exists for the pay increases given to field employee and GM.

Specifically, the field employee for 9-10 months responded to primarily all outside duties as he was the only full-time field worker. He was on call 24/7, 365 days per year. The District considered his prior work experience, past performance and work ethic with their entity employment when considering wage increase. Also, he learned and performed duties working within the business office when needed.

The GM, who is a salaried position, performed as a working full-time field employee in addition to executing his managerial and executive duties of operations for the District. He is on call 24/7, 365 days

per year, and assisted the field worker when needed and as time allowed. He expended numerous and countless hours on behalf of the District.

The District spent considerable time and discussion regarding the raises to be given both field employee and GM, taking into account the factors above listed and wanting to retain them as employees, alternative employment available elsewhere and attempting to be competitive with other like-kind job opportunities. With their decisions they were at all times mindful of budgetary constraints and what is in the best interest of the District and its customers to keep potable water flowing.

(E) Contracted Legal Fees: Page 15 -

Caldwell District disputes the finding that its legal counsel "provided no other legal services to Caldwell District during the test year." Legal counsel's duties and work are not necessarily reflected in Board minutes. In response that Caldwell District must provide proof in support that legal counsel expense is necessary and reasonable, the following is submitted:

District maintains legal representation for its Board is a necessary requirement and obligation. District opted to have counsel on retainer, this being consistent with other Boards' policies. Failure to have legal representation and advice could have severe consequences detrimental to the District, the Board and the customers it serves. This practice is consistent with other like-kind boards having legal representation.

Counsel, who maintains a private law practice, attended Board Meetings, both regular and special called. Counsel actively participated at the meetings with advice and opinions, even if this was not necessarily


reflected in the test year minutes as alleged.

The legal representatives duties performed but not necessarily limited to include the following: assistance with resolution of employee issues, represented on legal actions, drafted amendments to the policies and procedures handbook, deed preparation, contract preparation, easement preparation, prepared and reviewed newspaper notices and sent letters on behalf of the employer.

Telephone and in person conferences were numerous with the Board Chairperson, the CEO and others regarding District business. Counsel reviewed documents, assisted Board members with advice on issues and other requests and duties, all being pursuant with the assignments given counsel by District. Numerous hours were spent by counsel in the performance of his duties and representation, all being lawful, necessary, required and in total compliance with the District's directives and to the full satisfaction of the Board.

Caldwell District has reviewed the Commission Staff Report dated May 4, 2016, and respectfully submits its comments as above stated.

SO FILED, this the 13th day of May, 2016.


PATRICIA FRALICK
Chairperson
Caldwell County Water District
118 West Market Street
Princeton, Kentucky 42445