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Talina R. Mathews
Commissioner

September 24, 2020

PARTIES OF RECORD

Re: Case No. 2020-00154

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Nancy Vinsel, Assistant General Counsel at 502-782-2582.

Sincerely,

Kent A. Chandler
Acting Executive Director

njv

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2020-00154
FROM: Nancy J. Vinsel, Assistant General Counsel
DATE: September 24, 2020
RE: Informal Conference of September 24, 2020

A video informal conference (“IC”) was conducted on September 24, 2020. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the financial and operational information contained in the August 2020 board packet that was filed into the case record on August 24, 2020. The parties agreed to hold future monthly informal conferences on the fourth Thursday of the month at 1:00 p.m.

Martin County Concerned Citizens and Commission Staff asked for clarification about the following:

1. Regarding the financials –
 - a. On page 3A-1 of the Treasury Report, payments are reported at \$321k. The last two months’ payments were reported at \$194k and \$209k. Also, utilities costs for this month are reported at \$36k. The last two months’ costs were \$5,306 and \$29k. Clarification: The variability is due to when the payments come out of the account. Utility is not behind on utility bills. Variability should even out over time, even as soon as 90 days.
 - b. The amount reported as “billed revenue” each month is consistently lower than the “payments received” the following month. Is that because taxes are represented in the payments received? Is it proper to compare one months’ billed revenue to the following months’ payments received? Clarification: Yes, can compare billed revenue to following months’ payments received. Explained in footnote 4.
2. Regarding the operations report –
 - a. The report states -- “Two more theft of water situations were identified and addressed.” Can you tell us how they were addressed? Clarification: Following board-approved policy. An investigation is completed, MCWD staff prepares a report, submitted to county prosecutor, who issues a summons, with Craig signing affidavit. This policy was followed in these two cases.
 - b. From the meter audit pages (pdf 27-28)—
 - i. It looks like there are two Junes. We assume the second is July. Clarification: Yes, this was an inadvertent typo.

- ii. Values table with Books 1-20 are August numbers? What are Books? Clarification: District is divided into different routes or “books,” with area meters associated with routes/books.
- iii. It looks like there were 33 negative reads during the month, is that correct? What do you mean by negative reads? How are you determining it’s a negative read? Why has the number of negative reads increased? Clarification: Negative read when previous billing was estimated and actual read is less than estimated amount. With transition to new billing software, previous methodology with meters in sequential order was dropped off. Staff had to manually re-create sequential order. Concern that meter reading errors occurred. Typically, such meters are re-read. Creating historical database to determine if this is in-house accuracy issue or meter issue. New billing software was not programmed to pull in historical water usage. Looks like similar amount for this month. This is being investigated.
- iv. There was a lot of concern from customers regarding last month’s billing. A number of customers were complaining that their bills were higher than usual. At the last board meeting, Tony Sneed promised that customers who had concerns about their meter reads could have re-reads free. Yet, there are no reported re-reads here. Can you explain? Clarification: Re-reads on report do not reflect customer-requested re-reads. Re-reads on report are related to meter audit. Conducted customer-requested re-reads and waived fees.

Commission Staff asked for clarification regarding the following:

1. Page 3 A-2 of the board packet reflects collections for sewer revenue that was collected by the district on behalf of the Sewer Division in the amount of \$61,007.08. Were these collections remitted to the Sewer Division? Clarification: Not yet fully remitted, but in process. Account with People’s Bank not yet opened, thus transfers have to be done manually. By September will be caught up with all remittance.
2. Is Cassandra Moore an employee of Alliance or MCWD? Clarification: Alliance, as are all employees who work for MCWD. Qualifications: has accounts payable background, degree in business from Morehead State, local resident.
3. What was the “Challenging Situation” at the Big Lick booster station? Clarification: Had a power outage, caused VFD to go out, no back up parts. Challenge was getting VFD back online with minimal cost.
4. Page 5 A-6 of the board packet shows \$44,729 has been expended so far on Chemicals Other – Water. Can you further describe why most of the chemicals are in the “Other” category? Clarification: When Alliance put budget together, for

Year 1 budget, chemicals were budgeted for "Other." After Year 1, likely will be reclassified and broken out because they have better information.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MARTIN COUNTY WATER)	
DISTRICT MANAGEMENT AND OPERATION)	CASE NO.
MONITORING PURSUANT TO KRS 278.250)	2020-00154

September 24, 2020

Please sign in:

NAME	REPRESENTING
Nancy Vinsel	PSC – Legal
Ariel Miller	PSC – FA
Craig Miller	Martin County Water District/Alliance
Ann Perkins	Martin County Water District/Alliance
Keith Onysio	Martin County Water District/Alliance
Mary Cromer	Martin County Concerned Citizens
Nina McCoy	Martin County Concerned Citizens
Jimmy Kerr	Martin County Water District Board
John Paul Hensley	Martin County Water District Board

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