

Exhibit No.: _____
Witness: Derek Sherry
Type of Exhibit: Rebuttal Testimony
Issues: Compensation/Time Sheets/Overtime; Rate Case
Expenses; Alternative Energy Gas Well Cost Recovery; PSC
Assessment; Contingency/Emergency Repair Fund
Sponsoring Party: Timber Creek Sewer Company
Case No.: SR-2010-0320

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY DIVISION

TIMBER CREEK SEWER COMPANY
CASE NO. SR-2010-0320

REBUTTAL TESTIMONY OF
DEREK SHERRY

DECEMBER 21, 2010

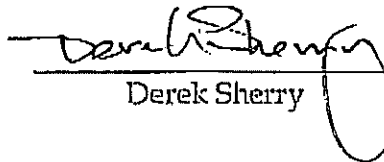
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Small Company Rate Increase)
of Timber Creek Sewer Company) Case No. SR-2010-0320

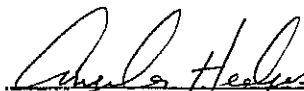
AFFIDAVIT OF DEREK SHERRY

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Derek Sherry, of lawful age, on his oath states: That he has reviewed the attached written testimony in question and answer form, all to be presented in the above cases, that the answers in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; that such matters are true to the best of his knowledge, information and belief.


Derek Sherry

Subscribed and sworn to before me this 20th day of December, 2010.


Notary Public

[SEAL]

My Commission expires: 9-22-2013

| |
|---|
| ANGELA C. HEDGES Notary Public - Notary Seal State of Missouri Commissioned for Jackson County My Commission Expires: September 22, 2013 Commission Number: 09402477 |
|---|

TIMBER CREEK SEWER COMPANY

SR-2010-0320

REBUTTAL TESTIMONY OF DEREK SHERRY

1Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2A. My name is Derek Sherry. My business address is 18305 Cable
3 Bridge Road, Platte City, MO 64079.

4

5Q. **ARE YOU THE SAME DEREK SHERRY WHO HAS PREVIOUSLY FILED**
6 **TESTIMONY IN THIS PROCEEDING?**

7A. Yes. I have previously filed direct testimony in this
8 proceeding.

9

10Q. **WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

11A. The purpose of my Rebuttal Testimony is to respond to the
12 testimony of certain witnesses of the Staff and the Office
13 of Public Counsel on the issues of payroll, overtime and the
14 proposed contingency/repair fund.

15

16Q. **WOULD YOU EXPLAIN WHY TIMBER CREEK'S HISTORICAL SALARY**
17 **INCREASES DIFFER FROM THE PSC AUDITING STAFF?**

18A. It is unclear as to why the PSC auditing Staff believes

1 Timber Creek has only increased salaries 3% from 2007 to
2 present, as indicated in the *Direct Testimony of Bret G.*
3 *Prenger*, page 9. In September 2007 as part of the
4 disposition agreement for Case No. SR-2008-0080, Timber
5 Creek increased the current payroll at that time by 3.5%.
6 Specifically, Steve Smiley's (Plant and Collection System
7 Operator) bi-monthly increase was \$108.10 (\$2810.60
8 annually) and Emma Farris hourly (Office Manager) increase
9 was \$1.42 per hour or \$2840 annually (2080 hours per year,
10 subtract 80 hours holidays/vacation). This increased
11 Timber Creek's payroll to \$5650 annually, or 3.5% increase
12 for total annual salaries at that time. See **Schedule DS-8**
13 tables titled August 2007 payroll and October 2007 payroll
14 for salary comparisons.

15 Timber Creek increased salaries again in October 2008
16 by 3.5%. This is demonstrated in **Schedule DS-8** tables
17 titled September 2008 Payroll and November 2008 Payroll
18 below when comparing payroll differences across these
19 months.

20 To reiterate, Timber Creek gave a 3.5% salary increase
21 in September 2007 and a 3.5% increase in October 2008.
22

23 **Q. DO YOU AGREE WITH WHAT STAFF HAS PROPOSED FOR OVERTIME FOR**
24 **THE ASSISTANT PLANT OPERATOR?**

1A. No. Staff claims to have provided \$7,000 in overtime for
the Assistant Plant Operator (Plant and Collection System
Operator), however, in order to achieve \$7,000 in overtime,
the Staff reduced his base salary to \$39,000 so that based
on his current salary of \$40,980 Staff is only allowing
\$5,020 in overtime. Further, Staff proposed a 3% COLA
increase for the position so with the COLA increase, the
salary the Staff found reasonable for the position would
have been \$42,210. On that basis, since Staff is proposing
a salary of \$46,000, which includes \$7,000 in overtime, the
overtime the Staff is actually proposing amounts to only
\$3,790. This appears to be a very arbitrary action on the
Staff's part with no basis in reality or reason.
It is Timber Creek's position that based on Staff's own
supporting documentation on payrolls that the salary for the
position should at least be \$49,290, the mean annual salary
level for such position, which amount does not include
overtime. In addition an allowance of \$7,000 for overtime
should be approved for a total of \$56,290. According to e-
mail responses from MERIC, none of the salaries they used in
their survey contained overtime pay. See **Schedule DS-9**.

23 **Q. WHAT IS TIMBER CREEK'S POSITION WITH RESPECT TO OVERTIME FOR**
24 **THE OFFICE MANAGER?**

1A. Based on the legal opinion we received on the question of
exempt employees, it appears that Timber Creek's position of
Office Manager now filled by Emma Farris could be challenged
as not being an exempt position and, therefore, eligible for
overtime. Staff currently believes that the position is
exempt and that the mean annual salary for such position is
\$41,142. It, therefore, determined that her current salary
of \$40,349 with a 3% COLA would total \$41,559 and included
such amount in its payroll figures. If, however, she were
eligible for overtime, even though her job duties would not
change from what Staff has determined is exempt, Staff would
arbitrarily recommend that her salary be cut by five to ten
thousand dollars to somewhere between \$31,000 to \$36,326 and
would include a level of \$3,000 in overtime for what Staff
now considers a lesser position even though the duties of
such position would not change from what the Staff found was
reasonably recompensed at \$41,559.

It is Timber Creek's position that since her duties would
not change and the Staff has agreed that the current salary
of \$40,939 is conservative and that a 3% COLA should be
added to make the salary level at \$41,559 for the current
job duties, that an additional \$3,000 for overtime should
also be added for a total of \$44,559 being assigned to the
position.

1 **Q. WITH RESPECT TO TIMBER CREEK'S PROPOSAL TO IMPLEMENT A**
2 **CONTINGENCY/REPAIR FUND, DO BOTH STAFF AND OPC OPPOSE IT?**

3 A. No. While OPC generally opposes it, Staff is not
4 conceptually against it. Staff believes that trying to find
5 solutions to help small utilities raise funds to make
6 necessary repairs and replacements is important, recognizing
7 that many small companies simply do not have the funding
8 capacity to make critical repairs and replacements to
9 essential infrastructure to ensure the continued provision
10 of safe and adequate service. However, Staff believes that
11 appropriate consumer safeguards must also be in place if a
12 fund of this type is approved.

13

14 **Q: HOW WOULD TIMBER CREEK PROPOSE TO IMPLEMENT A CONTINGENCY/**
15 **REPAIR FUND?**

16 A: As outlined in Derek Sherry's testimony dated November 23rd,
17 the Company would identify critical infrastructure
18 components, estimate significant repair costs, and establish
19 a ceiling for a repair fund. The Company would create a
20 separate account for the fund that would be managed similar
21 to a real estate escrow account where agreed upon guidelines
22 between the Company and PSC would establish acceptable uses
23 for the funds, periodic management reporting, auditing
24 practices, and general oversight practices. The account

1 would be subject to review by the PSC to ensure appropriate
2 use and application of funds. It is intended that the funds
3 be used to repair existing infrastructure that is part of
4 the core utility processes. Timber Creek would notify the
5 PSC anytime the funds were used, the amount, description of
6 the repair and other pertinent information. When
7 applicable, the Company would notify the PSC ahead of time
8 for use of the funds if service interruption is not
9 prolonged due to approval processes.

10

11 **Q: HOW WOULD A CONTINGENCY/REPAIR FUND BE FUNDED?**

12 **A:** Funds would be accumulated over time by charging the
13 ratepayer per month per customer. The Company proposes to
14 charge an additional \$0.50 per month per customer. At this
15 rate it would take over 19 years before the proposed fund
16 ceiling would be reached if no funds were ever used during
17 this timeframe.

18

19 **Q. IS THE COMPANY FLEXIBLE ON ITS PROPOSAL?**

20 **A.** Yes. We would work with Staff to establish how the
21 parameters of the fund would work to come up with a
22 satisfactory mechanism to assure that the consumers are
23 protected with the proper safeguards and restrictions.

24

¹Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

2A. Yes it does.

SCHEDULE DS-8

August 2007 Payroll

| Type | Date | Num | Name | Split | Amount | Balance |
|----------|------------|------|-------------------|-------------------------------|----------|-----------|
| Paycheck | 08/14/2007 | 5218 | Emma L. Farris | 118551 Platte Valley Checking | 1,540.00 | 1,540.00 |
| Paycheck | 08/14/2007 | 5218 | Emma L. Farris | 118551 Platte Valley Checking | 95.48 | 1,635.48 |
| Paycheck | 08/14/2007 | 5218 | Emma L. Farris | 118551 Platte Valley Checking | 22.33 | 1,657.81 |
| Paycheck | 08/14/2007 | 5218 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 1,657.81 |
| Paycheck | 08/14/2007 | 5218 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 1,657.81 |
| Paycheck | 08/14/2007 | 5219 | Jeffery Jochim | 118551 Platte Valley Checking | 3,166.67 | 4,824.48 |
| Paycheck | 08/14/2007 | 5219 | Jeffery Jochim | 118551 Platte Valley Checking | 196.33 | 5,020.81 |
| Paycheck | 08/14/2007 | 5219 | Jeffery Jochim | 118551 Platte Valley Checking | 45.92 | 5,066.73 |
| Paycheck | 08/14/2007 | 5219 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 5,066.73 |
| Paycheck | 08/14/2007 | 5219 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 5,066.73 |
| Paycheck | 08/14/2007 | 5220 | Stephen J. Smiley | 118551 Platte Valley Checking | 1,541.67 | 6,608.40 |
| Paycheck | 08/14/2007 | 5220 | Stephen J. Smiley | 118551 Platte Valley Checking | 95.58 | 6,703.98 |
| Paycheck | 08/14/2007 | 5220 | Stephen J. Smiley | 118551 Platte Valley Checking | 22.35 | 6,726.33 |
| Paycheck | 08/14/2007 | 5220 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 6,726.33 |
| Paycheck | 08/14/2007 | 5220 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 6,726.33 |
| Paycheck | 08/30/2007 | 5238 | Emma L. Farris | 118551 Platte Valley Checking | 1,680.00 | 8,406.33 |
| Paycheck | 08/30/2007 | 5238 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 8,406.33 |
| Paycheck | 08/30/2007 | 5238 | Emma L. Farris | 118551 Platte Valley Checking | 104.16 | 8,510.49 |
| Paycheck | 08/30/2007 | 5238 | Emma L. Farris | 118551 Platte Valley Checking | 24.36 | 8,534.85 |
| Paycheck | 08/30/2007 | 5238 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 8,534.85 |
| Paycheck | 08/30/2007 | 5238 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 8,534.85 |
| Paycheck | 08/30/2007 | 5239 | Jeffery Jochim | 118551 Platte Valley Checking | 3,166.67 | 11,701.52 |
| Paycheck | 08/30/2007 | 5239 | Jeffery Jochim | 118551 Platte Valley Checking | 196.34 | 11,897.86 |
| Paycheck | 08/30/2007 | 5239 | Jeffery Jochim | 118551 Platte Valley Checking | 45.92 | 11,943.78 |
| Paycheck | 08/30/2007 | 5239 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 11,943.78 |
| Paycheck | 08/30/2007 | 5239 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 11,943.78 |
| Paycheck | 08/30/2007 | 5240 | Stephen J. Smiley | 118551 Platte Valley Checking | 1,541.67 | 13,485.45 |
| Paycheck | 08/30/2007 | 5240 | Stephen J. Smiley | 118551 Platte Valley Checking | 95.59 | 13,581.04 |
| Paycheck | 08/30/2007 | 5240 | Stephen J. Smiley | 118551 Platte Valley Checking | 22.36 | 13,603.40 |
| Paycheck | 08/30/2007 | 5240 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 13,603.40 |
| Paycheck | 08/30/2007 | 5240 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 13,603.40 |

October 2007 Payroll

| Type | Date | Num | Name | Split | Amount | Balance |
|----------|------------|------|-------------------|-------------------------------|----------|-----------|
| Paycheck | 10/15/2007 | 5331 | Emma L. Farris | 118551 Platte Valley Checking | 1,649.34 | 1,649.34 |
| Paycheck | 10/15/2007 | 5331 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 1,649.34 |
| Paycheck | 10/15/2007 | 5331 | Emma L. Farris | 118551 Platte Valley Checking | 102.26 | 1,751.60 |
| Paycheck | 10/15/2007 | 5331 | Emma L. Farris | 118551 Platte Valley Checking | 23.92 | 1,775.52 |
| Paycheck | 10/15/2007 | 5331 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 1,775.52 |
| Paycheck | 10/15/2007 | 5331 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 1,775.52 |
| Paycheck | 10/15/2007 | 5332 | Jeffery Jochim | 118551 Platte Valley Checking | 3,166.67 | 4,942.19 |
| Paycheck | 10/15/2007 | 5332 | Jeffery Jochim | 118551 Platte Valley Checking | 196.34 | 5,138.53 |
| Paycheck | 10/15/2007 | 5332 | Jeffery Jochim | 118551 Platte Valley Checking | 45.92 | 5,184.45 |
| Paycheck | 10/15/2007 | 5332 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 5,184.45 |
| Paycheck | 10/15/2007 | 5332 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 5,184.45 |
| Paycheck | 10/15/2007 | 5333 | Stephen J. Smiley | 118551 Platte Valley Checking | 1,649.77 | 6,834.22 |
| Paycheck | 10/15/2007 | 5333 | Stephen J. Smiley | 118551 Platte Valley Checking | 102.28 | 6,936.50 |
| Paycheck | 10/15/2007 | 5333 | Stephen J. Smiley | 118551 Platte Valley Checking | 23.92 | 6,960.42 |
| Paycheck | 10/15/2007 | 5333 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 6,960.42 |
| Paycheck | 10/15/2007 | 5333 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 6,960.42 |
| Paycheck | 10/15/2007 | 5334 | Willis C Sherry | 118551 Platte Valley Checking | 2,916.67 | 9,877.09 |
| Paycheck | 10/15/2007 | 5334 | Willis C Sherry | 118551 Platte Valley Checking | 180.83 | 10,057.92 |
| Paycheck | 10/15/2007 | 5334 | Willis C Sherry | 118551 Platte Valley Checking | 42.29 | 10,100.21 |
| Paycheck | 10/15/2007 | 5334 | Willis C Sherry | 118551 Platte Valley Checking | 23.33 | 10,123.54 |
| Paycheck | 10/15/2007 | 5334 | Willis C Sherry | 118551 Platte Valley Checking | 0.00 | 10,123.54 |
| Paycheck | 10/29/2007 | 5350 | Emma L. Farris | 118551 Platte Valley Checking | 1,949.22 | 12,072.76 |
| Paycheck | 10/29/2007 | 5350 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 12,072.76 |
| Paycheck | 10/29/2007 | 5350 | Emma L. Farris | 118551 Platte Valley Checking | 120.85 | 12,193.61 |
| Paycheck | 10/29/2007 | 5350 | Emma L. Farris | 118551 Platte Valley Checking | 28.26 | 12,221.87 |
| Paycheck | 10/29/2007 | 5350 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 12,221.87 |
| Paycheck | 10/29/2007 | 5350 | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 12,221.87 |
| Paycheck | 10/29/2007 | 5351 | Jeffery Jochim | 118551 Platte Valley Checking | 3,166.67 | 15,388.54 |
| Paycheck | 10/29/2007 | 5351 | Jeffery Jochim | 118551 Platte Valley Checking | 196.33 | 15,584.87 |
| Paycheck | 10/29/2007 | 5351 | Jeffery Jochim | 118551 Platte Valley Checking | 45.91 | 15,630.78 |
| Paycheck | 10/29/2007 | 5351 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 15,630.78 |
| Paycheck | 10/29/2007 | 5351 | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 15,630.78 |
| Paycheck | 10/29/2007 | 5352 | Stephen J. Smiley | 118551 Platte Valley Checking | 1,649.77 | 17,280.55 |
| Paycheck | 10/29/2007 | 5352 | Stephen J. Smiley | 118551 Platte Valley Checking | 102.29 | 17,382.84 |
| Paycheck | 10/29/2007 | 5352 | Stephen J. Smiley | 118551 Platte Valley Checking | 23.92 | 17,406.76 |
| Paycheck | 10/29/2007 | 5352 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 17,406.76 |
| Paycheck | 10/29/2007 | 5352 | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 17,406.76 |
| Paycheck | 10/29/2007 | 5353 | Willis C Sherry | 118551 Platte Valley Checking | 2,916.67 | 20,323.43 |
| Paycheck | 10/29/2007 | 5353 | Willis C Sherry | 118551 Platte Valley Checking | 180.83 | 20,504.26 |
| Paycheck | 10/29/2007 | 5353 | Willis C Sherry | 118551 Platte Valley Checking | 42.29 | 20,546.55 |
| Paycheck | 10/29/2007 | 5353 | Willis C Sherry | 118551 Platte Valley Checking | 21.00 | 20,567.55 |
| Paycheck | 10/29/2007 | 5353 | Willis C Sherry | 118551 Platte Valley Checking | 0.00 | 20,567.55 |

September 2008 Payroll

| Type | Date | Num | Name | Split | Amount | Balance |
|----------|------------|-----|-------------------|-------------------------------|----------|-----------|
| Paycheck | 09/15/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 2,916.67 | 2,916.67 |
| Paycheck | 09/15/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 180.83 | 3,097.50 |
| Paycheck | 09/15/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 42.29 | 3,139.79 |
| Paycheck | 09/15/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 0.00 | 3,139.79 |
| Paycheck | 09/15/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 0.00 | 3,139.79 |
| Paycheck | 09/15/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 1,624.35 | 4,764.14 |
| Paycheck | 09/15/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 100.70 | 4,864.84 |
| Paycheck | 09/15/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 23.55 | 4,888.39 |
| Paycheck | 09/15/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 4,888.39 |
| Paycheck | 09/15/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 4,888.39 |
| Paycheck | 09/15/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 3,166.67 | 8,055.06 |
| Paycheck | 09/15/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 196.33 | 8,251.39 |
| Paycheck | 09/15/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 45.92 | 8,297.31 |
| Paycheck | 09/15/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 8,297.31 |
| Paycheck | 09/15/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 8,297.31 |
| Paycheck | 09/15/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 1,649.77 | 9,947.08 |
| Paycheck | 09/15/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 102.29 | 10,049.37 |
| Paycheck | 09/15/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 23.92 | 10,073.29 |
| Paycheck | 09/15/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 10,073.29 |
| Paycheck | 09/15/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 10,073.29 |
| Paycheck | 09/30/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 2,916.67 | 12,989.96 |
| Paycheck | 09/30/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 180.83 | 13,170.79 |
| Paycheck | 09/30/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 42.30 | 13,213.09 |
| Paycheck | 09/30/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 0.00 | 13,213.09 |
| Paycheck | 09/30/2008 | | Derek L. Sherry | 118551 Platte Valley Checking | 0.00 | 13,213.09 |
| Paycheck | 09/30/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 1,624.35 | 14,837.44 |
| Paycheck | 09/30/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 14,837.44 |
| Paycheck | 09/30/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 100.71 | 14,938.15 |
| Paycheck | 09/30/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 23.56 | 14,961.71 |
| Paycheck | 09/30/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 14,961.71 |
| Paycheck | 09/30/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 14,961.71 |
| Paycheck | 09/30/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 3,166.67 | 18,128.38 |
| Paycheck | 09/30/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 196.33 | 18,324.71 |
| Paycheck | 09/30/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 45.91 | 18,370.62 |
| Paycheck | 09/30/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 18,370.62 |
| Paycheck | 09/30/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 18,370.62 |
| Paycheck | 09/30/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 1,649.77 | 20,020.39 |
| Paycheck | 09/30/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 102.28 | 20,122.67 |
| Paycheck | 09/30/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 23.92 | 20,146.59 |
| Paycheck | 09/30/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 20,146.59 |
| Paycheck | 09/30/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 20,146.59 |

November 2008 Payroll

| Type | Date | Num | Name | Split | Amount | Balance |
|------------------|------------|-----|-------------------|-------------------------------|----------|-----------|
| Liability Adjust | 11/03/2008 | | | 2100 - Payroll Liabilities | -9.00 | -9.00 |
| Paycheck | 11/14/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 3,018.75 | 3,009.75 |
| Paycheck | 11/14/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 187.16 | 3,196.91 |
| Paycheck | 11/14/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 43.77 | 3,240.68 |
| Paycheck | 11/14/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 0.00 | 3,240.68 |
| Paycheck | 11/14/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 0.00 | 3,240.68 |
| Paycheck | 11/14/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 1,681.20 | 4,921.88 |
| Paycheck | 11/14/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 104.23 | 5,026.11 |
| Paycheck | 11/14/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 24.37 | 5,050.48 |
| Paycheck | 11/14/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 5,050.48 |
| Paycheck | 11/14/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 5,050.48 |
| Paycheck | 11/14/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 3,277.50 | 8,327.98 |
| Paycheck | 11/14/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 203.21 | 8,531.19 |
| Paycheck | 11/14/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 47.53 | 8,578.72 |
| Paycheck | 11/14/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 8,578.72 |
| Paycheck | 11/14/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 8,578.72 |
| Paycheck | 11/14/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 1,707.51 | 10,286.23 |
| Paycheck | 11/14/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 105.86 | 10,392.09 |
| Paycheck | 11/14/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 24.76 | 10,416.85 |
| Paycheck | 11/14/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 10,416.85 |
| Paycheck | 11/14/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 10,416.85 |
| Paycheck | 11/28/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 3,018.75 | 13,435.60 |
| Paycheck | 11/28/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 187.16 | 13,622.76 |
| Paycheck | 11/28/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 43.77 | 13,666.53 |
| Paycheck | 11/28/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 0.00 | 13,666.53 |
| Paycheck | 11/28/2008 | | Derek L Sherry | 118551 Platte Valley Checking | 0.00 | 13,666.53 |
| Paycheck | 11/28/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 1,370.81 | 15,037.34 |
| Paycheck | 11/28/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 310.40 | 15,347.74 |
| Paycheck | 11/28/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 104.24 | 15,451.98 |
| Paycheck | 11/28/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 24.38 | 15,476.36 |
| Paycheck | 11/28/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 15,476.36 |
| Paycheck | 11/28/2008 | | Emma L. Farris | 118551 Platte Valley Checking | 0.00 | 15,476.36 |
| Paycheck | 11/28/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 3,277.50 | 18,753.86 |
| Paycheck | 11/28/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 203.20 | 18,957.06 |
| Paycheck | 11/28/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 47.52 | 19,004.58 |
| Paycheck | 11/28/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 19,004.58 |
| Paycheck | 11/28/2008 | | Jeffery Jochim | 118551 Platte Valley Checking | 0.00 | 19,004.58 |
| Paycheck | 11/28/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 1,392.31 | 20,396.89 |
| Paycheck | 11/28/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 315.20 | 20,712.09 |
| Paycheck | 11/28/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 105.87 | 20,817.96 |
| Paycheck | 11/28/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 24.76 | 20,842.72 |
| Paycheck | 11/28/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 20,842.72 |
| Paycheck | 11/28/2008 | | Stephen J. Smiley | 118551 Platte Valley Checking | 0.00 | 20,842.72 |

Schedule DS-9

Jeremiah Finnegan

From: Derek Sherry [derek@timbercreeksewerco.com]
Sent: Monday, December 20, 2010 2:37 PM
To: 'Jeremiah Finnegan'
Subject: FW: Base Salary Development

Here's the MERIC response regarding OT.

From: Harber, Holly [mailto:holly.harber@ded.mo.gov]
Sent: Monday, October 18, 2010 11:52 AM
To: 'Derek Sherry'
Subject: RE: Base Salary Development

You're quite welcome! We do not ask employers to tell us what they pay their entry or experienced workers. The Entry and Experienced wages are strictly calculations made with the collected data. They are really 'proxies' for those numbers. The Entry-level wage is the average of the lower 1/3 of the wage occurrences. The Experienced wage is the average of the upper 2/3 of the wage occurrences.

Again, if you need additional assistance, please let me know.

Holly C. Harber, Research Manager
Missouri Economic Research & Information Center (MERIC)
301 W. High Street, Room 720
Jefferson City, MO 65109
(573) 751-3624
Toll-free (800) 347-1471
Toll-free fax (877) 209-3633
holly.harber@ded.mo.gov
harberh@states.bls.gov

From: Derek Sherry [mailto:derek@timbercreeksewerco.com]
Sent: Monday, October 18, 2010 11:48 AM
To: Harber, Holly
Subject: RE: Base Salary Development

Ms Harber,
Thank you so much for your prompt response below.
One additional question, was there any criteria specified for Entry and Experienced?

Thanks again for your help.

Derek Sherry
President and General Manager
Timber Creek Sewer Company, Inc
18305 Cable Bridge Rd
PO Box 511
Platte City, MO 64079

12/21/2010

office: 816 858 3989
fax: 816 858 4876
email: derek@timbercreeksewerco.com
web: timbercreeksewerco.com

From: Harber, Holly [mailto:holly.harber@ded.mo.gov]
Sent: Monday, October 18, 2010 8:26 AM
To: 'derek@timbercreeksewerco.com'
Subject: FW: Base Salary Development

Mr. Sherry,

The Occupational Employment Statistics survey specifically asks employers not to include overtime pay during the reference week. The pay rates do include commissions, tips, incentive, longevity and piece rate pay. When the survey is conducted, employers are asked to report only those workers who were actively working during the reference period and to report what they were doing that time and what they were paid during that time.

If you have any additional questions, please let me know and I'll be happy to answer them for you!

Holly C. Harber, Research Manager
Missouri Economic Research & Information Center (MERIC)
301 W. High Street, Room 720
Jefferson City, MO 65109
(573) 751-3624
Toll-free (800) 347-1471
Toll-free fax (877) 209-3633
holly.harber@ded.mo.gov
harberh@states.bls.gov

From: Bruton, Mary
Sent: Monday, October 18, 2010 8:21 AM
To: Harber, Holly
Subject: FW: Base Salary Development

Holly,

Could you please assist this gentleman regarding his question about occupational wage calculations?

Mary

From: Derek Sherry [mailto:derek@timbercreeksewerco.com]
Sent: Friday, October 15, 2010 3:44 PM
To: Bruton, Mary
Subject: Base Salary Development

Ms Bruton,
I have a quick question regarding MERIC salaries. If a position is paid hourly, thus available for overtime, does

12/21/2010

the MERIC salary information include overtime in reporting salary or is overtime excluded?

Thank you for response.

Best Regards,