

Barkley Lake Water District



POST OFFICE BOX 308 • CADIZ, KENTUCKY 42211
OFFICE: (270) 522-8425 • PLANT: (270) 924-5616
FAX: (270) 522-8448

**BARKLEY LAKE WATER DISTRICT
CASE NO. 2006-00068
PROPOSAL FOR WHOLESALE WATER RATES**

Submitted March 13, 2006

To The

PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Serving Eastern Shore of Barkley Lake in Trigg County, Kentucky

Barkley Lake Water District



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March 8, 2006

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602-0615

This is in response to your letter dated Feb. 24, 2006, **RE: Case No. 2006-00068**.
I am responding to questions numbered 5 through 15, which appear to be directed to Barkley Lake Water District.

APPENDIX B

5. State whether any restrictions have been placed upon when Christian County Water District can make purchases of water from Barkley Lake Water District.

Flow tests have been performed and PSI readings were taken during the test to ensure no excessive burden was placed on the B. L.W.D. distribution system. The test proved to be more than sufficient to serve the isolated area that C.C.W.D. wants to serve with B.L.W.D.'s water. Two representatives from each district were present during the test.

6. Provide a copy of all correspondence, electronic mail, notes and other documents between B.L.W.D. and C.C.W.D. in which B.L.W.D. provision of wholesale water service to C.C.W.D. is discussed. See results on attached sheet.

No written correspondence is available. All negotiations were discussed in person or via telephone between the two General Managers of each district. The two General Managers then discussed in detail these negotiations with their respective Board of Commissioners at their regular monthly board meetings.

7. Provide all internal memoranda, Correspondence, and other documents in which B.L.W.D. 's provision of wholesale water service to C.C.W.D. is discussed.

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No written memoranda available. All internal correspondence between the General Manager and The Board of Commissioners was verbal. This project was discussed in detail and all representatives of B.L.W.D. were very much in agreement. Flow Test and PSI readings were discussed and the data can be found on the attached sheet.

8. N/A

9. State the maximum daily consumption at B.L.W.D. and the date on which this level of consumption was achieved.

August 18, 2003 2,004,000

10. State, for each calendar year beginning with 2000, B.L.W.D.'s average daily consumption and maximum daily consumption.

Year	Daily Average	Maximum	Date
2000	1,402,327	1,901,000	7-23-2000
2001	1,161,950	1,700,000	8-12-2001
2002	1,170,378	1,723,000	8-04-2002
2003	1,181,814	2,004,000	8-18-2003
2004	1,136,306	1,572,000	8-15-2004
2005	1,234,276	1,745,000	6-24-2005

11. Same question as # 6.

12. State whether any of B.L.W.D. 's creditors must approve the proposed agreement.

No.

13. State the number of summer seasonal customers that Barkley Lake Currently has.

5,228

14. State whether any restrictions have been placed upon when C.C.W.D. can make purchases of water from B.L.W.D.

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The only restriction would be in the event of an emergency, such as a broken main, pump failure, fire, etc. Should this occur, B.L.W.D. would contact C.C.W.D. immediately so they could refer back to their second source. Emergency and after hours numbers have been provided by both parties.

15. Explain how the purchases under the proposed contract will allow B.L.W.D. to avoid 'excessive, costly flushing of it's facilities'.

The point of contact between the two districts is a dead end for B.L.W.D. With C.C.W.D. pulling water from B.L.W.D., there is a constant flow, thus eliminating dead, idle water lying in the main.

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**BARKLEY LAKE WATER DISTRICT
WHOLESALE WATER RATE
CASE NO 2006-00068
APPENDIX A**

MARCH 13, 2006

1. Provide a copy of the minutes of each meeting of Barkley Lake District's Board of Commissioners in which the proposed contract was discussed.

SEE ATTACHED SHEET

2. Describe how Barkley Lake District determined that the proposed contract rate of \$1.65 per 1,000 gallons is reasonable.

The average cost for wholesale water per 1,000 gallons in the Pennyrile Area is \$2.005. Our production cost is \$0.84/1000 gallons. The additional pumping is a cost of \$0.20/1000 gallons, for a total cost of \$1.04/1000 gallons. The proposed rate of \$1.65/1000 gallons less cost @ \$1.04/1000 gallons = a profit of \$0.61/1000 gallons. We feel this is very reasonable.

3. Identify the person(s) who developed the \$1.65 per 1,000 gallons rate for Barkley Lake District.

General Manager, Terry Goins

4. Identify the person(s) who negotiated the proposed contract on Barkley Lake District's behalf.

General Manager, Terry Goins

5. State Barkley Lake District's current average cost to produce 1,000 gallons of potable water for sale (excluding the cost of transmission). Show all calculations and state all assumptions to derive this average cost.

\$0.84/1,000 gallons ; SEE ATTACHED SHEET

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6. State the distance from Barkley Lake District's water treatment plant to the proposed contract's point of delivery and size(s) and length of water main that will transport the water from Barkley Lake District's water treatment plant to the proposed contract's point of delivery.

Distance to transport water to proposed contract point of delivery is 25.69 miles. The line sizes are 16, 14, 12, 10, and 6 inch.

7. State Barkley Lake District's current average cost to transport 1,000 gallons of potable water for sale from Barkley Lake District's water treatment plant to the proposed contract's point of delivery. Show all calculations and state all assumptions to derive this average cost.

The water must be pumped twice to reach Christian County Water District. Once at the treatment plant and one additional pump station. Based on \$0.10/1,000 gallons, the additional transportation cost would be \$0.20/1,000 gallons.

8. State the current capacity of Barkley Lake District's water treatment plant.

2.0 Million Gallons per Day

SEPTEMBER 12, 2005
COMMISSIONERS MEETING

IN ATTENDANCE: Terry Lee McNichols, R.C. Stallons, David Kyler, Stanley Brimmer, Mike Jones, Ricky Oakley, Terry Goins, Sandy Holder, Penny Wright, Jake Lowery, Alan Watts and Berlin Moore.

Motion made by R.C. Stallons and seconded by David Kyler to approve superintendent report. Motion carried.

Carol Alexander appeared before board to try to get water run to her residence on Tobacco Port Road. Stan Brimmer made motion for Carol Alexander to pay for engineering cost and materials and we will put line in. Motion was seconded by R.C. Stallons. Motion carried.

Terry Goins reported that McUpton Chlorine Booster needed to be replaced for approx. \$500.00 which affected the cerulean area. Brimmer made motion to purchase and seconded by R.C. Stallons. Motion carried.

Christian County Water District is wanting to wholesale water from us at \$1.65 but Terry Goins is going to do a trial run to see how it will effect our water pressure in certain areas.

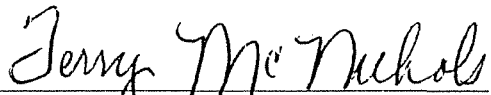
Public Service did annual inspection and we were told that all distribution and plant operators had to be certified. Stanley Brimmer made motion to go with the American Heart Association and was seconded by David Kyler for the price of \$40.00 which is good for two years.

Mark Carr and David Stinson gave presentation on the Nova System computers.

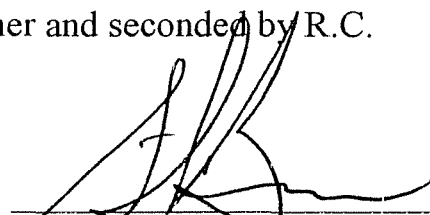
Motion by Stan Brimmer and seconded by David Kyler that October 10th meeting be changed to October 17, 2005.

Discussion on getting easement from the Lake Barkely State Park.

Motion to adjourn at 7:05 by Stanley Brimmer and seconded by R.C. Stallons.



Terry McNichols, Chairman



Stanley Brimmer, Secretary

SEPTEMBER 23, 2005
SPECIAL CALLED MEETING
COMMISSIONERS MEETING

IN ATTENDANCE: Stanley Brimmer, R.C. Stallons, David Kyler, Terry Goins, Mike Jones, Sandy Holder and Penny Wright.

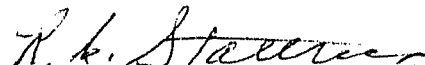
Motion was made by Stanley Brimmer and seconded by David Kyler to go with Nova System Computers for billing office. Motion carried.

Motion was made by Stanley Brimmer and seconded by R.C. Stallons for Penny Wright to sign Nova Systems contract for the new computers. Motion carried.

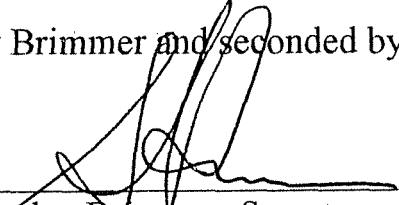
Motion was made by R.C. Stallons and seconded by Stanley Brimmer to sale wholesale water to Hopkinsville and City of Cadiz at \$1.65. Motion carried.

Motion was made by R.C. Stallons and seconded by Stanley Brimmer to have Kevin Carr and Chris Sumner to look at generator to see what it will take to get it running. Motion carried.

Motion was made to adjourn at 5:20 by Stanley Brimmer and seconded by R.C. Stallons. Motion carried.



R.C. Stallons, Acting Chairman



Stanley Brimmer, Secretary

Pennyrile Area Development District Monthly Water Rates-Water Districts & Wholesale (7/1/05)

Water District Name	Date of Last Increase	Minimum Bill	Minimum Quantity (Gal.)	1000 Gallons	2000 Gallons	3000 Gallons	4000 Gallons	5000 Gallons	10000 Gallons
Caldwell County Water District	12/1/2002	\$ 17.89	1000	\$ 17.89	\$ 26.77	\$ 35.65	\$ 44.53	\$ 51.60	\$ 86.98
Christian County Water District	2/19/2004	\$ 15.00	0	\$ 19.75	\$ 24.50	\$ 29.25	\$ 34.00	\$ 38.75	\$ 62.50
Nebo Water District	3/1/2003	\$ 11.56	2000	\$ 11.56	\$ 11.56	\$ 16.84	\$ 22.12	\$ 26.40	\$ 47.80
North Hopkins Water District	1/27/2003	\$ 19.42	2000	\$ 19.42	\$ 19.42	\$ 28.83	\$ 38.24	\$ 45.30	\$ 77.15
South Hopkins Water District	2/7/1996	\$ 7.40	1000	\$ 7.40	\$ 11.05	\$ 14.70	\$ 18.35	\$ 22.00	\$ 40.25
Crittenden/Livingston Water District	9/14/2003	\$ 14.58	1000	\$ 14.58	\$ 21.16	\$ 27.74	\$ 34.32	\$ 40.90	\$ 73.80
Ledbetter Water District	9/16/2003	\$ 9.84	1000	\$ 9.84	\$ 14.26	\$ 18.68	\$ 23.10	\$ 27.52	\$ 49.62
Lyon County Water District	9/7/2004	\$ 19.12	2000	\$ 19.12	\$ 19.12	\$ 27.17	\$ 35.22	\$ 43.27	\$ 73.37
Muhlenberg County Water District	10/31/2000	\$ 15.02	2000	\$ 15.02	\$ 15.02	\$ 19.88	\$ 24.74	\$ 29.60	\$ 53.90
Muhlenberg County Water District #3	9/25/2002	\$ 11.43	2000	\$ 11.43	\$ 11.43	\$ 15.39	\$ 19.35	\$ 23.31	\$ 43.11
Todd County Water District	8/1/2003	\$ 17.90	2000	\$ 17.90	\$ 17.90	\$ 27.28	\$ 36.66	\$ 46.04	\$ 92.94
Barkley Lake Water District	3/1/2003	\$ 5.75	0	\$ 11.15	\$ 16.55	\$ 21.95	\$ 27.35	\$ 32.75	\$ 59.75
Average Charge for Water (Mean Value)				\$ 14.59	\$ 17.40	\$ 23.61	\$ 29.83	\$ 35.62	\$ 63.43

Princeton Water/Wastewater (Wholesale)	9/26/2004	\$ 1.72	748	\$ 3.44	\$ 5.16	\$ 8.60	\$ 10.32	\$ 12.04	\$ 24.08
HWEA (Wholesale)	11/21/2000	\$ 1.73	1000	\$ 1.73	\$ 3.46	\$ 5.19	\$ 6.92	\$ 8.65	\$ 17.30
Crittenden/Livingston WD (Wholesale)	9/14/2003	\$ 2.20	1000	\$ 2.20	\$ 4.40	\$ 6.60	\$ 8.80	\$ 11.00	\$ 22.00
Dawson Springs W&S System (Wholesale)	10/15/2003	\$ 1.17	1000	\$ 1.17	\$ 2.33	\$ 3.50	\$ 4.66	\$ 5.83	\$ 11.65
Madisonville L&W (Wholesale) Nebo/N. Hop	8/27/2003	\$ 1.89	1000	\$ 1.89	\$ 3.78	\$ 5.67	\$ 7.56	\$ 9.45	\$ 18.90
Madisonville L&W (Wholesale) Hanson	8/27/2003	\$ 1.94	1000	\$ 1.94	\$ 3.88	\$ 5.82	\$ 7.76	\$ 9.70	\$ 19.40
South Hopkins Water District (Wholesale)	2/7/1996	\$ 1.67	1000	\$ 1.67	\$ 3.34	\$ 5.01	\$ 6.68	\$ 8.35	\$ 16.70
Eddyville Water Department (Wholesale)	7/1/2004	\$ 3.50	1000	\$ 3.50	\$ 7.00	\$ 10.50	\$ 14.00	\$ 17.50	\$ 35.00
Kuttawa Water Department (Wholesale)	1/1/2004	\$ 2.07	1000	\$ 2.07	\$ 4.14	\$ 6.21	\$ 8.28	\$ 10.35	\$ 20.70
Central City Water & Sewer (Wholesale)	9/9/1996	\$ 1.2558	1000	\$ 1.26	\$ 2.51	\$ 3.77	\$ 5.02	\$ 6.28	\$ 7.53
Logan-Todd RWC (Wholesale)	7/18/2003	\$ 2.91	1000	\$ 2.91	\$ 5.82	\$ 8.73	\$ 11.64	\$ 14.55	\$ 29.10
Average Charge for Water (Mean Value)				\$ 2.16	\$ 4.17	\$ 6.33	\$ 8.33	\$ 10.34	\$ 20.21

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Barkley Lake Water District Production Cost – 2005

Treatment plant salaries	\$125,766.00
Chemicals	\$ 72,529.22
Uniform rental	\$ 1,998.22
Health Insurance	\$ 46,702.40
Retirement Cont.	\$ 10,664.96
Lab supplies & service	\$ 5,926.30
Electric Bill	\$ 80,786.34
Laboratory Analysis	\$ 10,817.88
Building Maintenance	\$ 15,000.00
Office Supplies	\$ 1,200.00
Telephone Service	\$ 2,928.00
Parts & Misc.	\$ 8,183.15
Total Expenses	\$ 382,502.47

Total Gallons Treated For 2005 = 450,510,740

\$382,502.47 divided by 450,510.740 = 84 cents / 1000 gallons

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