

COMMISSIONERS

Ray Larmee,
Chairman

Raymond Williams,
Secretary

Ben Quinn,
Treasurer

West Shelby Water District

7101 Shelbyville Rd.
P.O. Box 39
Simpsonville, KY 40067
(502) 722-8944
E-mail: info@westshelbywater.org

MANAGERS

Wanda Land,
Co-Manager

Steve Eden,
Co-Manager

June 17, 2008

Ms. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED
JUN 19 2008
PUBLIC SERVICE
COMMISSION

RE: Request for Opinion
Case No 2008-00215
West Shelby Water District
(Purchase Water Adjustment)

Dear Ms. Stumbo:

West Shelby Water District has filed the above-mentioned Purchase Water Adjustment with the Public Service Commission. I am attaching a copy of said filing for you to reference my inquiry.

I would like an Opinion from the Public Service Commission as to Shelbyville Municipal Water & Sewer Commission (SMW&SC) being allowed to make effective a rate increase on August 1, 2008 for water sold to us between June 19, 2008 and July 19, 2008 (Exhibit B, page 2, paragraph 5). It has always been my understanding and repeated to me by PSC staff, that we can only charge an increased rate for water sold as of the effective date. For example, our billing period runs June 19 to July 19 also, but we will only be able to charge the current rate for metered water sales until August 1, then we can charge the newly adjusted rate for water sold on and after the effective date. The PWA date is really in effect for SMW&SC for water sold as of June 19, 2008. This will give SMW&SC an advantage of selling water to us for approximately 43 days at a cost that we cannot pass on to our customers. I am requesting an opinion as to the legality and fairness of this issue.

Also, their letter dated May 22, 2008 (Exhibit B, page 1), which we received by mail on May 26, 2008 gave less than 30 days notice of a rate increase that will, in all reality, become effective on June 19th. I am requesting an Opinion on the fairness, for lack of a better term, of this issue also. Water Districts must give at least a 30 day notice to their customers.

My last and final request for Opinion is on Exhibit B, page 9, item D4. SMW&SC is proposing to charge West Shelby Water District a System Development Charge (SDC) at the time of contract renegotiations. That means, should our current contract run out or should we renegotiate for a lower minimum purchase, we shall have to pay a SDC of unidentified amounts. I am requesting an Opinion of the legality of a SDC and in such a manner.

I hope I have made the above request understandable. If you or your staff have any questions, please call me at (502) 722-8944.

Very truly yours,


Wanda Land,
Co-Manager

attachments



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

June 16, 2008

Wanda H. Land
West Shelby Water District
P.O. Box 39
7101 Shelbyville Road
Simpsonville, KY 40067

RE: Case No. 2008-00215
West Shelby Water District
(Purchased Water Adjustment)

West Shelby Water District's application in the above case meets the minimum filing requirements and has been accepted for filing as of June 12, 2008. The application will be processed as expeditiously as possible.

If you need further assistance, please contact Lisa Taylor at 502-564-3940.

Sincerely,

A handwritten signature in cursive script that reads "David R. McDowell".

David R. McDowell
Divisions of Filings

DM/rs

COMMISSIONERS

Ray Larmee,
Chairman

Raymond Williams,
Secretary

Ben Quinn,
Treasurer

West Shelby Water District

7101 Shelbyville Rd.

P.O. Box 39

Simpsonville, KY 40067

(502) 722-8944

E-mail: info@westshelbywater.org

June 5, 2008

MANAGERS

Steven D Eden,
Co-Manager

Wanda H. Land,
Co-Manager

Public Service Commission
Division of Rates and Tariffs
615 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602

RE: Proposed adjustment of the wholesale water rates of the Shelbyville
Municipal Water & Sewer

To Whom It May Concern:

The West Shelby Water District respectfully requests that the Public Service Commission allow us to make an adjustment in our rates in accordance with 807 KAR 5:068 Purchased Water Adjustments for Water Districts.

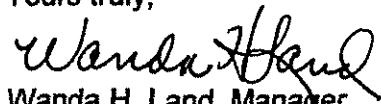
Our supplier, Shelbyville Municipal Water, has informed the District that an increase will take effect August 1, 2008. The District purchased 284,625,300 gallons of water from June 1, 2007 through May 30, 2008 at a total cost of \$491,394.46. The District sold 264,202,800 gallons of water to its customers. With the wholesale increase the new cost is expected to be \$495,985.61. The difference between the old cost and new cost will be \$4,591.15. The incremental cost in terms of water sold is \$0.02 (\$0.0174) cents per 1,000 gallons. We propose to raise each gallonage block that amount.

The following documents are enclosed:

- Exhibit A: Purchase Water Adjustment for Water District Form (PSC Form)
- Exhibit B: Supplier's Notice of Changed Rate (11 pages)
- Exhibit B-2: West Shelby's Letter of Response
- Exhibit C: Statement of Water Purchases
- Exhibit D: Statement of Water Sold
- Exhibit E: Purchased Water Adjustment Calculations
- Exhibit F: Notice to Customers (2 pages)
- Exhibit F-2: Copy of Newspaper Publication of Notice to Customers
- Exhibit G: Revised Tariff Sheet (plus 4 copies)

If you have any questions, please contact Wanda H. Land, Co-Manager of the West Shelby Water District at (502) 722-8944.

Yours truly,



Wanda H. Land, Manager
West Shelby Water District

COMMISSIONERS

Ray Larmee,
Chairman
Raymond Williams,
Secretary
Ben Quinn,
Treasurer

WEST SHELBY WATER DISTRICT

7101 Shelbyville Rd.
P.O. Box 39
Simpsonville, KY 40067
(502) 722-8944

MANAGERS

Wanda H. Land,
Co-Manager
Steven D Eden,
Co-Manager

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807) KAR 5:068

1. Names of all wholesale suppliers and the base rate and changed rate of each:

<u>SUPPLIERS</u>	<u>BASE RATE</u>	<u>CHANGED RATE</u>
Shelbyville Municipal Water	\$1.73 per 1,000 gals.	\$1.78 per 1,000 gals.
Louisville Water Company	\$1.71 per 1,000 gals. Plus \$268.18 monthly Service charge	No change No change

- 1.b. A copy of the supplier's notice of the changed rate, with the effective date of the increase is attached. (Exhibit B)

2. The twelve-month period upon which Purchased Water Adjustment is based:

From June 1, 2007 through May 30, 2008

3. Statement of Water Purchases from each supplier. (Exhibit C)

<u>SUPPLIER(S)</u>	<u>GALLONS PURCHASED DURING 12 MONTH PERIOD</u>
Shelbyville Municipal Water	76,697,300
Louisville Water Company	207,928,000
Total	<u>284,625,300</u>

4. Total sales for the 12-month period was **264,202,800** gallons. (EXHIBIT D)
5. Increased water cost is the difference between purchases at base (current rate) and purchases at new rate: **\$4,591.15.** (EXHIBIT E)
6. Purchased Water Adjustment Factor **\$.0174** per 1,000 gallons.
7. The proposed effective date of the new rate is **August 1, 2008.**

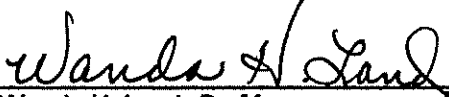

Wanda H. Land, Co-Manager
West Shelby Water District Commission

EXHIBIT A

Shelbyville Municipal Water & Sewer Commission

P.O. Box 608

Shelbyville, Ky. 40066

Office: 1059 Washington St., Shelbyville, Ky., 40065

Phone: 502-633-2840 FAX: 502-633-1939

May 22, 2008

CERTIFIED MAIL

Mr. Ray Larmee, Chairman
West Shelby Water District
P.O. Box 39
Simpsonville, Ky. 40067

RE: Rate Increase

Dear Mr. Larmee:

The Commission has approved and recommended a water and Sewer rate increase to the City Council. The Council shall have the first reading on May 29, 2008.

The rate increase is planned for August 1, 2008, for water used from mid-July to mid-August (for the Water Districts that should be June 19-July 19) .

The increase is approximately 3% +/- due to rounding the rates to two decimals, and is across the board to all of our water users.... and our sewer users as well.

Enclosed is a copy of the entire Rate Ordinance as submitted to the City Council, a copy of the PSC "Form for Filing Rate Schedules", and the formal "NOTICE" that the PSC required of us for the first time last year.

Sincerely,



Thomas G. Doyle
Manager

NOTICE

The Shelbyville Municipal Water & Sewer Commission ("SMW&SC") has filed a proposed rate schedule which will increase the rate for water service as follows:

	Current rate	Proposed Rate	% Increase
North Shelby Water Company	\$1.61 per 1,000 gal.	\$1.66 per 1,000 gal.	3.10%
West Shelby Water District	\$1.73 per 1,000 gal.	\$1.78 per 1,000 gal.	2.89%
U.S. 60 Water District of Shelby and Franklin Counties, Kentucky	\$1.84 per 1,000 gal.	\$1.90 per 1,000 gal.	3.26%

→ The proposed effective date is with the August 1, 2008 billing, which will be for water purchased between June 19, 2007 and July 19, 2008, and thereafter, until the next rate change occurs.

The rates contained in this notice are the rates proposed by the "SMW&SC". However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other SMW&SC filings by contacting Thomas G. Doyle at the utility's office located at 1059 Washington Street in Shelbyville, Kentucky; telephone 502-633-1939.

Any person may examine the rate application and other SMW&SC filings by visiting the utility's office located at 1059 Washington Street in Shelbyville, Kentucky, or By contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

Form for filing Rate Schedules

District

For WEST SHELBY WATER
Community, Town or City A

Shelbyville Municipal
Water & Sewer Commission

P.S.C. NO. _____

SHEET NO. _____

CANCELLING P.S.C. NO. _____

SHEET NO. _____

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

	RATE PER UNIT
<p><u>INCREASE IN WHOLESALE</u> <u>Water Rate</u> <u>(from \$ 1.73/1,000 gal)</u></p>	<p><u>\$ 1.78/1,000</u> <u>gal.</u></p>

DATE OF ISSUE May 22, 2008
ISSUED BY Thomas G. Doyle
Name of Officer

DATE EFFECTIVE August 1st Billing
for Water Used
June 19-July 19, 2008
TITLE Manager

CITY OF SHELBYVILLE
ORDINANCE NO. _____
AN ORDINANCE OF THE CITY OF SHELBYVILLE
AMENDING WATER RATES AND RELATED FEES

AN ORDINANCE ESTABLISHING A REVISED SCHEDULE OF RATES AND CHARGES FOR THE USE AND SERVICES OF THAT PORTION OF THE COMBINED AND CONSOLIDATED MUNICIPAL WATERWORKS AND SEWER SYSTEM OF THE CITY OF SHELBYVILLE, KENTUCKY, FURNISHING SAID SERVICES EFFECTIVE ON THE AUGUST 1, 2008 BILLING

WHEREAS, it is required that rates and charges for the use and services of the combined and consolidated Municipal Waterworks and Sewer System be prescribed and maintained so as to pay the interest upon and principal of said bonds as the same become due, and also pay operating and maintenance costs, as well as create an adequate depreciation fund; and

WHEREAS, the United States Environmental Protection Agency as well as the Kentucky Department for Natural Resources have and continue to impose more stringent criteria to improve both the quality of drinking water and treated wastewater, increasing the costs of providing these services; and

WHEREAS, the Municipal Water and Sewer Commission has petitioned the City Council to enact an Ordinance establishing a revised schedule of said combined and consolidated Municipal Waterworks and Sewer System furnishing such services:

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SHELBYVILLE that the current water and sewer rates and charges are amended as set forth in this Ordinance and City of Shelbyville Ordinance No. 2007-06-21(B) and Sections 31.301 and 31.402 of the City of Shelbyville Code of Ordinances are amended as follows:

SECTION 1. That from and after the August 1, 2008 billing there shall be and there is hereby established a revised schedule of rates and charges for the use and services of this portion of said combined and consolidated Municipal Waterworks and Sewer System furnishing water services as follows:

A. MONTHLY WATER RATES AND CHARGES

The Monthly Water Rates and Charges are:
(First 1,000 gallon with 5/8" meter)

- (1) For customers who are both within the City limits of Shelbyville, Kentucky, and within the City water service area:

First	1,000 gallons used per month	-\$7.69 (minimum)-	\$7.92 (Minimum)
Next	9,000 gallons used per month	-\$2.07 per 1,000 gal	2.13 per 1,000 gal
Next	15,000 gallons used per month	-\$1.98 per 1,000 gal	2.04 per 1,000 gal
All Over	25,000 gallons used per month	-\$1.84 per 1,000 gal	1.90 per 1,000 gal

- (2) For customers who are within that area extending south of I-64, then east and west and being served by the water mains constructed in 1978 and additions thereto (defined as the Finchville Rate Area), and within the city water service area:

First	1,000 gallons used per month	-\$10.67 (minimum)-	\$10.99 (Minimum)
Next	9,000 gallons used per month	-\$2.96 per 1,000 gal	3.05 per 1,000 gal
Next	15,000 gallons used per month	-\$2.49 per 1,000 gal	2.56 per 1,000 gal
All over	25,000 gallons used per month	-\$2.22 per 1,000 gal	2.29 per 1,000 gal

- (3) For customers who are outside city limits but not in Finchville Rate Area, and are within the city water service area:

First	1,000 gallons used per month	-\$8.84 (minimum)-	\$ 9.10 (Minimum)
Next	9,000 gallons used per month	-\$2.38 per 1,000 gal	2.45 per 1,000 gal
Next	15,000 gallons used per month	-\$2.27 per 1,000 gal	2.34 per 1,000 gal
All over	25,000 gallons used per month	-\$2.12 per 1,000 gal	2.18 per 1,000 gal

- (4) Minimum monthly charges for meters larger than 5/8", and 1,000 gallons or less used each month:

Meter Size	Inside City	Outside City	Finchville Area
1"	-\$10.05 10.35	-\$11.55 11.90	-\$14.16 \$ 14.58
1-1/2"	-12.56 12.94	-14.45 14.88	-17.84 18.38
2"	-19.45 20.03	-22.37 23.04	-28.03 28.87
3"	-70.33 72.44	-80.86 83.28	-102.81 105.89
4"	-89.16 91.83	-102.54 105.62	-130.51 134.42
6"	-133.15 137.14	-153.10 157.69	-N.A. N.A.

- (5) Commercial haulers:

A. Inside City	-\$2.40 per 1,000 gal	\$ 2.47 per 1,000 gal
B. Outside City	-\$3.45 per 1,000 gal	\$ 3.55 per 1,000 gal

- (6) Water Districts:
- | | | |
|--------------------------------|-----------------------------|-------------------|
| A. West Shelby Water District | \$1.73/1,000 gal | \$ 1.78/1,000 gal |
| B. North Shelby Water District | \$1.61/1,000 gal | \$ 1.66/1,000 gal |
- C. Quantities over the respective Contract Limits shall be charged the normal Rate plus: \$1.00 per 1,000 gal.

(7) Fire Protection:

Service for public fire hydrants outside the city limits of Shelbyville shall be provided at the rate of \$1.25 per month for each customer living within 1,000 feet of a hydrant.

Service for private fire hydrants outside the city limits of Shelbyville shall be charged at the rate of \$8.50 per month per hydrant.

Service for sprinkler systems shall be charged at the rate of \$0.0007 per square foot per month of building sprinkled.

B. MONTHLY SEWER RATES AND CHARGES

The monthly sewer rates and charges are as follows:

- (1) For customers who are within the city limits of Shelbyville, Kentucky, and within the city sewer service area, except for Benson Trace & related areas which pay an additional surcharge of \$0.35/1,000 gallons, and the southernmost out-lots of Hi-Point Shopping Center which pay an additional surcharge of \$0.25/1,000 gallons for use of Sanitation District #1 lines;

First 1,000 gallons used per month	\$7.87 (Minimum)	\$ 8.11 (Minimum)
Next 9,000 gallons used per month	2.65 per 1,000 gal	2.73 per 1,000 gal
All over 10,000 gallons used per month	2.59 per 1,000 gal	2.67 per 1,000 gal

- (2) For customers who are outside the city limits of Shelbyville, Kentucky, but within the city sewer service area, excluding area of Sanitation District No. 1:

First 1,000 gallons used per month	\$9.05 (Minimum)	\$ 9.32 (Minimum)
Next 9,000 gallons used per month	3.05 per 1,000 gal	3.14 per 1,000 gal
All over 10,000 gallons used per month	2.97 per 1,000 gal	3.06 per 1,000 gal

- (3) For customers who are in the Sanitation District Rate Area:

First 1,000 gallons used per month	\$5.15 (Minimum)	\$5.30 (Minimum)
Next 9,000 gallon used per month	\$5.15 per 1,000 gal	5.30 per 1,000 gal
All over 10,000 gallons used per month	4.90 per 1,000 gal	4.90 per 1,000 gal

Sewer surcharges for excessive strength wastewater as defined in the Sewer Use Ordinance No. 91-07-18, Section 52.060, Paragraph (C) 1 shall be as follows:

Parameter	Allowable Concentration	Charge Per Pound In Excess Above Allowable	Charge Per Pound In Excess Above Allowable
BOD	250 mg/1	-\$0.20-	\$ 0.30
TSS	250 mg/1	-0.20-	0.30
NH (3) -N	25 mg/1	-0.78-	0.90

Section 2:

A. Purpose and Policy

This ordinance sets forth uniform requirements for financing capital improvements to the water and sewer systems to serve growth and at the same time prevent or reduce the inequity to existing customers that would result when the existing customers must pay for the increases in water or sewer rates that are needed to pay for added plant costs for new customers.

The method chosen to establish the SYSTEM DEVELOPMENT CHARGE is based on the premise that new customers are entitled to water and/or sewer services at the same rates charged to existing customers. However, it is also recognized that existing customers have provided funds for debt retirement, cash financing of improvements and additions to the water and/or sewer system through payment of water/sewer rates or through their own contribution of capital. New connections to the system shall be required to pay an amount corresponding to that which has already been paid by existing customers towards the water and sewer facilities.

B. Definitions:

Commission: The Shelbyville Municipal Water and Sewer Commission

SDC: System Development Charge is defined as the charge for a new water and/or sewer connection which corresponds to that amount which has already been paid by existing customers towards the invested capital funds of the system.

Sewer Inspection Fee: That fee established by ordinance to recover costs of inspection of new sewer service connections and to obtain a sewer use permit.

Water Meter Fee: That fee established by ordinance to recover costs of setting new water services, inclusive of the metering device.

C. Method of establishing the System Development Charges

The system buy-in method utilizes the calculations of existing customer's equity based on:

- a. Present Value of Assets
- b. Outstanding Indebtedness
- c. Depreciation
- d. Existing Plant Capacity and Current Usage
- e. Present Worth of the System Development Charge

to arrive at customer equity in terms of 1,000 gallons per month of the water and/or sewer usage.

D. System Development Charges

The following charges are hereby adopted for new connections to the Water and Sewer System of the Commission:

SEWER SYSTEM

[effective April 1, 2003]

1. Residential Single Family

Inside City	\$621.00
Outside City	759.02

2. Apartments, Duplexes (per unit)

Inside City	425.02
Outside City	519.48

3. Industrial/Commercial/Other

Inside City	\$151.36/1,000 gal/mo
Outside City	185.00/1,000 gal/mo

In addition to the System Development Charges set out above, new connections shall be subject to fees for permit applications and inspections as adopted by the Commission pursuant to 52.106 of the Shelbyville Code of Ordinances.

WATER SYSTEM

[effective April 1, 2003]

1. Residential Single Family

Inside City	\$442.82
Outside City	541.22

2. Apartments, Duplexes (per unit)

Inside City	\$302.98
Outside City	370.31

3. Industrial/Commercial/Other

Inside City	\$86.32/1,000 gal/mo
Outside City	105.50/1,000 gal/mo

4. Water Districts shall be required to pay an SDC at the time of Contract renegotiations and shall apply towards the increase in contract amount of water purchased.
5. Any increase in water or sewer use by Commercial, Industrial, or other similar users, which exceed the prior annual average by 50% or more shall subject the user to the System Development Charges set out above.

E. METER SETTING CHARGES

In addition to the System Development Charges for new water connections set out above, new connections shall be subject to the following meter setting fees:

5/8" meter Inside City	\$415.00
5/8" meter Outside City	\$490.00
1" meter Inside City	\$515.00
1" meter Outside City	\$590.00

The above charges for meter setting include materials, labor, and installation costs for installing the meter at the property line not more than 60 feet from the watermain. Installation of water meters at the property line which exceeds 60 feet from the watermain shall require payment of the meter setting fee above, plus the cost of labor and materials in excess of 60 feet. Requesting parties in all installations, including those within 60 feet of the watermain, shall pay for any expense of rock removal. Meter setting fees for meters greater than 1 inch shall be based on the costs of materials, labor, and installation of the meter plus 15%.

F. OTHER FEES AND CHARGES

- | | |
|---|----------|
| a. New/Changed customer account turn-on/processing charge | \$ 25.00 |
| b. After hours [4:30 pm Mon-Fri.& week-ends) service calls/turn-ons | 35.00 |
| c. Non-payment/disconnect turn-on fees: | |
| 1. During working hours | 20.00 |
| 2. After hours | 35.00 |
| d. Sewer inspection fees \$50.00/lateral | |

The Board of Commissioners shall amend rates and fees as described in para Fa. thru d. from time to time at its discretion, as well as meter setting fees.

G. Payment of Fees/Charges

1. No person shall begin construction on a development, and no building permit or occupancy shall be issued until all fees and/or charges have been paid and applicable permits issued.
2. If the proposed development does not occur within 120 days of application, the charge may be refunded with Commission approval.
3. In the case of the SDC for an industrial, commercial, or other than residential, duplexes or apartments, the initial SDC that was collected will be adjusted upward or downward after twelve months of operation. Based on the average usage of the last three months (of the twelve month period) average usage.
4. All charges and/or fees established by this ordinance shall be applicable to those users applying for connections as of the effective date of the ordinance.
5. At the end of each calendar year and no later than the 15th of January, SDC Charges fees shall be reviewed by the Commission and adjusted as necessary with the approval of the City Council.

At the same time in (5) above, the cost of new meter settings (5/8" and 1") shall be reviewed. Meter setting costs are determined by actual costs on a calendar year basis.

Revenue collected from the System Development Charge shall be deposited in a special account known as the "Water/Wastewater Facilities Expansion Account."

SECTION 3:

GENERAL REQUIREMENTS FOR SEWER SERVICE CHARGES

1. Sewer service charges shall be charges levied on all users who discharge, cause or permit the discharge of sewage into the public sewage treatment system. Rates or charges for sewer service shall be based upon the quantity of water measured by the water meter supplied to the respective building or premises.
2. Sewer service charges shall be comprised of a system of user charges, excessive strength surcharges, a system of charges for debt service and may include return on investment.
3. User charges shall mean charges levied on users of the sewage system to offset the cost of operations and maintenance of the system including simple replacement costs.
4. Excessive strength surcharges mean charges levied on users of the sewage treatment system whose contributions contain conventional pollutants in concentrations which exceed the limits specified herein for such pollutants and who are permitted to make such contributions to the system by decision of the Municipal Water and Sewer Commission. In the event that the Commission shall permit a user to discharge waste to the sewage works having an average biochemical demand (BOD5) in excess of 250 mg/l, and/or an average suspended solids (TSS) content in excess of 250 mg/l, and/or an average ammonia nitrogen (NH₃ -N) content in excess of 25 mg/l, the user shall pay a surcharge based upon the excess strength of its wastes.

5. Charges for debt service shall mean charges levied on users of the sewage treatment system to support the annual debt service obligations of the system.
6. No reduction in sewage service charges, fees, or taxes shall be permitted because of the fact that certain wastes discharged to the sewage works contain less than the 250 mg/1 of BOD5, 250 mg/1 of TSS, or 25 mg/1 NH3-N.
7. The Commission shall review not less than every two years the sewage contribution of users, and the total cost of operation and maintenance of the sewage works, and user charges. Based on such a review, the Commission shall recommend to the City, when necessary, a revised schedule of user charges which shall accomplish the following:
 - A. Maintain the proportionate distribution of operations and maintenance costs among users of the treatment system.
 - B. Generate sufficient revenues to offset the costs associated with the proper operation and maintenance of the system, including Depreciation Expense (through renewal and replacement costs) and Transfers.
 - C. Generate sufficient revenues to support the annual debt service of the system.
 - D. Review excessive strength surcharges every two years.

SECTION 4: AMENDMENTS

This ordinance shall be amended, as necessary, to comply with Federal Regulations.

SECTION 5: VALIDITY

All ordinances or parts or ordinances in conflict herewith are hereby repealed. The invalidity of any section, clause, sentence or provision of this ordinance shall not affect the validity of any other part of the ordinance which can be given effect without such invalid parts. Introduced, seconded, and given a first reading at a meeting of the Shelbyville City Council on _____ day of _____, 2008.

Introduced, seconded, given a second reading and enacted at a meeting of the Shelbyville City Council on _____ day of _____, 2008.

Thomas Hardesty, Mayor

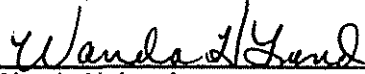
ATTEST:

Inez Harris, City Clerk

WEST SHELBY WATER DISTRICT
STATEMENT OF PURCHASED WATER
 July 2006 - June 2007

	<u>Shelbyville Municipal</u>		<u>Louisville Water</u>		<u>Total Gals. Purchased</u>	<u>Total Cost</u>
	<u>Gallons</u>	<u>Cost</u>	<u>Gallons</u>	<u>Cost</u>		
		<u>1.68/1000</u>				
June 2007	8,511,300	\$ 14,298.99	21,632,000	\$ 37,382.46	30,143,300	\$ 51,681.45
July	6,616,000	\$ 11,114.88	21,885,000	\$ 37,790.61	28,501,000	\$ 48,905.49
Rate Increase		<u>1.71/1000</u>			-	
Aug	8,680,000	\$ 15,016.40	21,568,000	\$ 37,273.02	30,248,000	\$ 52,289.42
Sept	9,284,100	\$ 16,061.49	22,704,000	\$ 39,203.35	31,988,100	\$ 55,264.84
Oct	7,337,300	\$ 12,693.53	23,032,000	\$ 39,788.71	30,369,300	\$ 52,482.24
Nov	5,731,700	\$ 9,915.84	13,574,000	\$ 23,542.07	19,305,700	\$ 33,457.91
Dec	5,389,500	\$ 9,323.84	13,357,000	\$ 23,114.50	18,746,500	\$ 32,438.34
Jan. 2008	5,677,600	\$ 9,822.25	13,241,000	\$ 22,916.14	18,918,600	\$ 32,738.39
Feb	5,528,800	\$ 9,564.82	14,467,000	\$ 25,028.14	19,995,800	\$ 34,592.96
Mar	4,826,100	\$ 8,349.15	13,773,000	\$ 23,802.32	18,599,100	\$ 32,151.47
April	1,254,500	\$ 2,170.29	13,247,000	\$ 22,911.80	14,501,500	\$ 25,082.09
May	7,860,400	\$ 13,598.56	15,448,000	\$ 26,711.30	23,308,400	\$ 40,309.86
Grand Totals	76,697,300	\$ 131,930.04	207,928,000	\$ 359,464.42	284,625,300	\$ 491,394.46

Done this 2nd day of June 2008 at Simpsonville, KY.

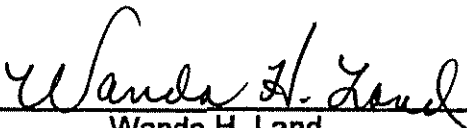


 Wanda H. Land
 Manager

**WEST SHELBY WATER DISTRICT
STATEMENT OF WATER SOLD
Julyy 2006 thru June 2007**

June 2007	27,426,500
July	29,891,000
Aug	26,705,900
Sep	28,608,400
Oct	29,802,300
Nov	17,661,800
Dec	18,053,600
Jan. 2008	17,343,200
Feb.	17,924,300
Mar	15,368,200
Apr	16,639,700
May	18,777,900
Total	264,202,800

Done this 2nd day of June 2008 at Simpsonville, KY



Wanda H. Land,
Co-Manager

**WEST SHELBY WATER DISTRICT
PURCHASED WATER ADJUSTMENT CALCULATIONS**

Current Water Purchased:

June 07-July 07	Shelbyville	\$1.68/1000	15,127,300 Gallons	\$	25,413.87
Aug 07-May 08		\$1.73/1000	61,570,000 Gallons	\$	106,516.17
	Total		76,697,300	\$	131,930.04
June 07-May 08	Louisville	\$1.44/1000	207,928,000 Gallons	\$	299,416.32
	Elevated Service Chrg	\$0.27/1000	207,928,000 Gallons	\$	56,140.56
	Monthly Service Chrg	268.38 x12 mo./calculated daily basis		\$	3,907.54
	Total		207,928,000 Gallons	\$	359,464.42
Grand Totals			284,625,300	\$	491,394.46

Water Sold: 264,202,800 Gallons

Increased Purchase Cost:

	Shelbyville	\$1.78/1000	76,697,300 Gallons	\$	136,521.19
	Louisville	no change	207,928,000 Gallons	\$	359,464.42
	Total		284,625,300 Gallons	\$	495,985.61
Increase:					\$ 4,591.15

<u>Increase:</u>	<u>\$ 4,591.15</u>	equals	<u>\$ 0.0174</u>
<u>Water Sold:</u>	<u>264,202,800 Gallons</u>		<u>/1,000 gallons</u>

Wanda H. Land

Prepared by: Wanda H. Land
West Shelby Water District
June 5, 2008

EXHIBIT "E"

NOTICE

West Shelby Water District has filed an application with the Public Service Commission for a proposed rate change for water service, effective August 1, 2008. The change is made necessary due to an increase in the wholesale price of water from one of our suppliers, Shelbyville Municipal Water & Sewer. The following rates may be altered by the PSC after examining the application.

5/8 inch Meter

First	2,500	Gallons per month , minimum bill	\$ 13.77
Next	7,500	Gallons per month , per 1,000 gallons	4.88
Next	20,000	Gallons per month , per 1,000 gallons	4.25
Next	200,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

3/4 inch Meter

First	3,500	Gallons per month , minimum bill	\$ 18.64
Next	6,500	Gallons per month , per 1,000 gallons	4.88
Next	20,000	Gallons per month , per 1,000 gallons	4.25
Next	200,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

1 inch Meter

First	5,000	Gallons per month , minimum bill	\$ 25.94
Next	5,000	Gallons per month , per 1,000 gallons	4.88
Next	20,000	Gallons per month , per 1,000 gallons	4.25
Next	200,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

1 1/2 inch Meter

First	10,000	Gallons per month , minimum bill	\$ 50.34
Next	20,000	Gallons per month , per 1,000 gallons	4.25
Next	200,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

2 inch Meter

First	16,000	Gallons per month , minimum bill	\$ 75.79
Next	14,000	Gallons per month , per 1,000 gallons	4.25
Next	200,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

3 inch Meter

First	30,000	Gallons per month , minimum bill	\$ 135.23
Next	200,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

4 inch Meter

First	50,000	Gallons per month , minimum bill	\$ 210.14
Next	180,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

6 inch Meter

First	100,000	Gallons per month , minimum bill	\$ 397.41
Next	130,000	Gallons per month , per 1,000 gallons	3.75
Over	230,000	Gallons per month , per 1,000 gallons	3.39

All persons having reason to intervene should file with the PSC, P.O. Box 615, Frankfort, KY 40602. The application is on file at the office of the West Shelby Water District in Simpsonville, KY and is available for examination during regular business hours.

The Ohio Valley Educational Cooperative (OVEC) is accepting sealed bids until 1:00 p.m., Tuesday, June 17, 2008 for Printing Services. For more information regarding this bid, please call (502) 647-3533, Ext. 212.

NOTICE OF PERIODIC GUARDIANSHIP PROBATE SETTLEMENTS
 The following settlements have been filed and set for hearing on June 16, 2008 at 10:30 a.m.
 • Estate of: Rachel Hardin, Guardian. Gary Hardin, Cordelia Hardin.
 Exceptions to the above settlements must be filed with the Shelby District Court prior to the hearing.

NOTICE OF GUARDIANSHIP PROBATE SETTLEMENTS
 The following settlements have been filed and set for hearing on June 23, 2008 at 10:30 a.m.
 • Estate of: Samuel Adams, Guardian: Kathy Adams.
 Exceptions to the above settlements must be filed with the Shelby District Court prior to the hearing.

NOTICE TO CREDITORS
 Administration has been granted by the probate division of Shelby District Court in the estate of Bruce M. Williams, deceased, who resided in Shelby County, Kentucky. Donette Williams was appointed Executrix of the estate on June 6, 2008. All persons having claim against said estate are notified to present them to: Donette Williams, 203 Parkview Drive, Louisville, KY 40245, not later than December 6, 2008. F. Gerald Greenwell attorney for said estate.

NOTICE TO CUSTOMERS
 West Shelby Water District has filed an application with the Public Service Commission for a proposed rate change for water service, effective August 1, 2008. The change is made necessary due to an increase in the wholesale price of water from one of our suppliers, Shelbyville Municipal Water & Sewer. The following rates may be altered by the PSC after examining the application.

5/8 inch Meter		
First	2,500 Gallons per month, minimum bill	\$13.77
Next	7,500 Gallons per month, per 1,000 gallons	4.88
Next	20,000 Gallons per month, per 1,000 gallons	4.25
Next	200,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
3/4 inch Meter		
First	3,500 Gallons per month, minimum bill	\$18.64
Next	6,500 Gallons per month, per 1,000 gallons	4.88
Next	20,000 Gallons per month, per 1,000 gallons	4.25
Next	200,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
1 inch Meter		
First	5,000 Gallons per month, minimum bill	\$25.94
Next	5,000 Gallons per month, per 1,000 gallons	4.88
Next	20,000 Gallons per month, per 1,000 gallons	4.25
Next	200,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
1 1/2 inch Meter		
First	10,000 Gallons per month, minimum bill	\$50.34
Next	20,000 Gallons per month, per 1,000 gallons	4.25
Next	200,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
2 inch Meter		
First	16,000 Gallons per month, minimum bill	\$75.79
Next	14,000 Gallons per month, per 1,000 gallons	4.25
Next	200,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
3 inch Meter		
First	30,000 Gallons per month, minimum bill	\$135.23
Next	200,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
4 inch Meter		
First	50,000 Gallons per month, minimum bill	\$210.14
Next	180,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39
6 inch Meter		
First	100,000 Gallons per month, minimum bill	\$397.41
Next	130,000 Gallons per month, per 1,000 gallons	3.75
Over	230,000 Gallons per month, per 1,000 gallons	3.39

All persons having reason to intervene should file with the PSC, P.O. Box 615, Frankfort, KY 40602. The application is on file at the office of the West Shelby Water District in Simpsonville, Ky and is available for examination during regular business hours.

The Sentinel News Classifieds

EXHIBIT F-2

Notice is hereby given that the Kentucky Economic Development Finance Authority (the Authority) will hold a public hearing (the Hearing) on June 17, 2008 at 10:00 a.m. (the Time) in the 1st Floor Conference Room, the Old Capitol Annex, 300 West Broadway, Frankfort, Kentucky, to discuss the possible issuance by the Kentucky Economic Development Finance Authority of its Healthcare Facilities Revenue Bonds, Series 2008 (Masonic Homes of Kentucky, Inc.), in an amount not to exceed \$100,000,000 (the "Bonds").

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