

# Hardin County Water District No. 1

*Serving Radcliff and Hardin County for Over 50 Years*

1400 Rogersville Road  
Radcliff, KY. 40160

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October 27, 2010

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Mr. Brent Kirtley  
Director - Division of Filings  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

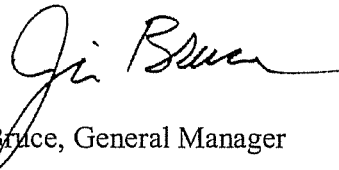
**SUBJECT: Requested Tariff Change  
Free Fire Water Use & Web Payment Fee**

Dear Mr. Kirtley;

Enclosed please a tariff revision request. These two changes are to add language for free water for fire department use, and a new non-recurring charge for a Web / Internet Payment fee to recover new costs related to this payment method. We have filed this request using the tariff electronic filing method.

As our application states, we will also be filing an affidavit showing proof of the public notice of this tariff change. We have made the effective date December 1, 2010. If you need more information, please contact myself or Mr. Scott Schmuck (email; [Sschmuck@hcwd.com](mailto:Sschmuck@hcwd.com)) at our office.

Sincerely,



Jim Bruce, General Manager

Encl.

Cf; Mr. David Wilson II, HCWD1 Attorney  
Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

HARDIN COUNTY WATER DISTRICT No. 1CLASSIFICATION OF SERVICENon-Recurring Charges and Miscellaneous Fees

procedures to the customer about payment of monthly charges and send a vehicle to the address to obtain the first meter reading and turn service on. The fee is charged for each new account established, regardless of whether the customer has other service address accounts existing with the District. The charge may be billed to the customer as part of their first bill.

a. **\$5.00 - Administrative Fee**

This fee is charged to an account when a customer requests to change the name on an account, and transfer a balance to another account or process a Final Bill. It may also be charged for other services which require office personnel to make changes to an account which are beyond a normal bill preparation or collection. This fee does not include any costs or services requiring a Field Service Call or sending a Representative to a service location and may be in addition to other charges.

b. **\$11.00 - Field Service Call Fee**

This fee is added anytime a customer requests service which requires a trip to the customers service location which would be in addition to a normal monthly meter reading for routine charges. The reasons may include but are not limited to; Obtain meter reading for final bill preparation, turn on or off service when requested by the customer, making additional visits to obtain a meter reading when access to the meter was denied for reasons beyond the control of the District, replacing or correcting a meter when it has been tampered with or modified by the customer, check for leak (not charged if leak is found on the District's side of the meter), pull water meter for requested test by customer or emergency turn off of service due to leak on customers plumbing. This fee may be charged in addition to other applicable charges listed on the District's tariff.

c. **\$46.00 - After Hours Service Call Fee**

This fee is added when a customer requests service after District offices are closed. The reasons may include but are not limited to; emergency valve locate and turn off, turn water on for new account, turn water on after reconnect fee and past due charges have been paid, check for plumbing leak and location of service lines or water mains for repairs or construction. The person requesting service must have an established account with the District and must be current on their payments.

d. **\$1.20 - Internet / Web Payment Fee**

(N)

A customer may choose to pay their pay their bill "on-line" through the District's website (or internet method) by credit card, debit card or an e-check (electronic draft directly from their checking account). When choosing to make an on-line payment a customer will be advised that they are leaving the District's website and entering a secure on-line account system hosted by a third party website, compliant with the Payment Card Industry Data Security Standard (PCI DSS). A customer will have to choose by positive option to continue with the payment process, or, cancel to return to the District's website.

This fee will be added to any outstanding balance (water and or sewer bill) or their requested payment amount, once they complete the website payment option. The fee recovers the costs to the District by the processing company to process each transaction, as well as web site development and support costs.

If on the bill due date an attempt to pay by a credit/debit card or an e-check is made and the transaction is declined for any reason, any payment due will still be un-paid on that date and will be considered late after close of business on that date. All late charges and penalties or service interruptions (turn off's) will be applied or carried out due to the un-paid balance. If a customer is paying on a disconnect day and the transaction is declined, the same rules as above apply.

DATE OF ISSUE October 29, 2010DATE EFFECTIVE December 1, 2010ISSUED BY Mr. Jim BruceTITLE General Manager, HCWD1

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO: \_\_\_\_\_ DATED \_\_\_\_\_

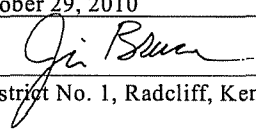
Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

- d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rate is as follows;
- i. All water used = \$1.92 per 1,000 gallons
  - ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement which a sample of which is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.
- e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional ten (10) percent as a late charge to the previous outstanding balance. Said late charge shall apply to all charges, fees or prior penalties included in the outstanding balance on the due date. In order to avoid a late penalties being added, the payment must be received at the District office on the due date shown on the customer's bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.
3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customers causes, the District may determine the customers water use and prepare a bill using an estimated use. The method of estimating will normally use a three (3) month average, however the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill.
- (N)
4. **Fire Protection & Fire Demand Capacity:** While the District's water system includes oversizing of many mains to provide flows for fire protection, and has fire hydrants installed along many of its water mains, the District is not obligated or required to provide fire protection from any portion of its water system. The District uses fire hydrants for flushing water mains and improving drinking water quality. For new water mains added, the District will require that the developer, or itself, size new mains to provide minimum flows and pressures required by the Public Service Commission and Division of Water, and shall be designed by a licensed professional engineer, and will require fire hydrants to be installed according to the District's current construction and design standards. Fire flows required by the developer or a new customer beyond these requirements may require additional investment and system improvements which costs must be borne by the party requesting the higher flows, unless the District and its Board authorize partial or full investment by the District.

DATE OF ISSUE October 29, 2010DATE EFFECTIVE December 1, 2010ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, KentuckyBY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

5. **Free Water Use for Fire Departments:** Any city, county, fire protection district or volunteer fire protection district ("Department") may withdraw water from the District's water distribution system for fighting fires or training firefighters within the District's territory at no charge on the condition that the Department signs a written agreement with the District and maintains estimates of the amount of water used for fire protection and training during each calendar month and reports the amount of this water usage to the District no later than the 15th day of the following calendar month.
- a. Any Department that withdraws water and fails to submit the required report on water usage in a timely manner shall be assessed a penalty of \$100 for each failure to submit a report. If a Department fails to timely report its estimated water usage for two (2) consecutive months, then the District may also suspend the Department's privilege of using free water from the District's fire hydrants for any purpose other than fighting and controlling an actual fire event.
  - b. Should the District notify the Department after a declared stage for water reduction during a water shortage event or extended drought, the Department will take action to reduce or curtail any unnecessary water use, including water used for training, until such time the water restriction notice is lifted or cancelled.
  - c. Any Department which damages the utility's water distribution system or hydrant device or valves due to negligence or un-trained personnel shall reimburse the District for the repair costs, including materials, applicable administrative or billing fees, equipment and labor.
  - d. A Department shall not use this free water to wash vehicles, fill swimming pools, irrigate gardens or lawns, for construction of Department facilities or for other domestic use unrelated to the suppression of fires or in the training of the act of putting out fires. The only water which shall be provided for free without cost shall be as that described in this tariff and the written agreement between the parties.

DATE OF ISSUE October 29, 2010 DATE EFFECTIVE December 1, 2010ISSUED BY: , Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, KentuckyBY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

(SPECIMEN AS APPROVED BY PSC)

**FIRE DEPARTMENT FREE WATER USE AGREEMENT**

(Pursuant to KRS 278.170)

1. **Applicability;** This agreement shall be required to be signed and entered into between any City, county, fire protection district or volunteer fire protection district ("Department") which has a formally recognized organization created to suppress and prevent fires, and which has a station or equipment at any location which generally may need to withdraw water from the water system, hydrants or tanks owned by Hardin County Water District No. 1 ("District"). This agreement shall apply to full or part-time employees of each Department and active, volunteers providing services to any Department.
2. **Term;** The Department which has agreed to the conditions and terms of this agreement may continue to do so until such time the District withdraws its approval, the District has its tariff revised and approved by the Public Service Commission, or, until such time that free water use for Fire Departments is no longer allowed by Kentucky Statute or regulation of the Public Service Commission or Division of Water.
3. **General District Policy;** It is the policy of the District that it is expressly forbidden for any person or entity to tap, convert, steal, or utilize water without prior authorization from District though any fire line, fire hydrant, water main, meter, or other equipment or lines of the District, unless occurring in compliance with the terms of this agreement. Uses of water from any hydrant or part of the District system not allowed under the terms of this agreement will be considered unlawful taking of water or theft of service subject to fine and penalties under KRS 514.060.
4. **Fire Protection & Fire Demand;** While the District's water system includes oversizing of many mains to provide flows for fire protection, and has fire hydrants installed along many of its water mains, and, portions of the District's system provide some level of fire protection, the District is not obligated or required to provide fire protection from any portion of its water system. The District uses fire hydrants for flushing water mains and improving drinking water quality. For new water mains added, the District will require that the developer, or itself, size new mains to provide minimum flows and pressures required by the Public Service Commission and Division of Water, and shall be designed by a licensed professional engineer. Fire flows required by the developer or a new customer beyond these requirements may require additional investment and system improvements which costs must be borne by the party requesting the higher flows, unless the District and its Board authorize partial or full investment by the District
5. **The District Agrees;**
  - a. To provide the Department free water with no meter charges or volume charge as long as the Department complies with the terms of this agreement.
  - b. To notify the Department within 24 hours of any hydrant that is out of service or not useable, for those caused by District activity, or, when the District becomes aware of an unuseable hydrant caused by an event beyond the District's control. Notification shall be by phone call, electronic mail or facsimile to nearest Police / Public Safety Dispatch office.
  - c. To notify the Department after it has failed to receive monthly water use reports from the Department and also to provide thirty (30) days notice before it starts to charge the Department the \$100 monthly penalty fee for failure to report.
  - d. To provide training to the Department once annually (or more often based on number of requests) for no charge on the proper use for opening and closing a fire hydrant, the risks of

DATE OF ISSUE October 29, 2010 DATE EFFECTIVE December 1, 2010ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, KentuckyBY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

improper operation and other training regarding the District's water system and fire fighting capabilities.

- e. To notify the Department anytime that the District has issued notice to curtail or restrict water use due to a water shortage event or drought conditions.

6. **The Department Agrees;**

- a. That before a new tanker truck is put into service, to allow the District to inspect and advise the Department of any modifications or devices needed to provide cross-connection protection of the water system to prevent back-siphonage of water from the tank into the water system.
- b. To provide the District monthly reports showing the amount of water used during that month by the Department for fire suppression or fire fighting training. Report shall be made to the District no later than the fifteenth (15<sup>th</sup>) day of each month, for water used during the previous month. Report shall include daily use on forms provided by the District (if available). Water use shall be metered or when meters are not in place, shall be estimated based on size of tanks used or estimated water flow from hydrant and period used.
- c. To only use water for the intended and allowed purpose for free fire department water use. The Department agrees and understands that any other use not provided free that it will be responsible to pay for that water under the District's current approved tariff rates.
- d. To provide training annually to all its personnel, and for new volunteers or fire fighters within six (6) months of joining the Department on the proper operation of a fire hydrant.
- e. To notify the District of any hydrants it finds to be inoperable or broken which require service or repairs.

7. **Signatures and Certification;** The following representatives certify that they are authorized by their Department to enter into this agreement and will notify other employees and members of the Department the requirements of this agreement, and will cause the reporting and other notifications to begin within thirty (30) days after execution of this agreement;

Department Information;

\_\_\_\_\_ Date of Signature

\_\_\_\_\_ Name of Fire Department

\_\_\_\_\_ Street Address (Main Station / Business Office)

\_\_\_\_\_ Printed Name - Authorized Individual

\_\_\_\_\_ City, State, ZIP

\_\_\_\_\_ Title

\_\_\_\_\_ Signature

(NOTARY FOLLOWS)

DATE OF ISSUE October 29, 2010

DATE EFFECTIVE December 1, 2010

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, Kentucky

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF THE APPLICATION OF )  
HARDIN COUNTY WATER DISTRICT No. 1 FOR )  
 )  
APPROVAL TO MODIFY )  
EXISTING WATER TARIFF, SHEETS 5 AND 11 )  
AFFECTING POLICIES OR ADMINISTRATIVE )  
REGULATION AND ADDING NEW NON-RECURRING )  
CHARGE )**

**Filing No. \_\_\_\_\_**

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**APPLICATION**  
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1. Applicant is a duly organized and operating water district organized and existing under the laws of the Commonwealth of Kentucky (KRS 74 ET. SEQ.) and is engaged in the business of treating and selling potable water and maintaining a water distribution system, and owns and operates two sanitary sewer utilities, located within the Ft. Knox military base reservation (Case No. 2004-00422) and within the City of Radcliff (Case No. 2008-00074).
2. The applicant now operates and does business in an existing service area which includes the city limits of the City of Radcliff, the cantonment area of Ft. Knox and encompasses the City of Vine Grove and a portion of Hardin and Meade counties immediately north of Vine Grove, and includes the sewer service area of record filed with the Commission. The entire service area is within the boundaries of the Commonwealth of Kentucky.
3. The address of the applicant is 1400 Rogersville Road, Radcliff, Kentucky 40160 and has a web site address which is [www.HCWD.com](http://www.HCWD.com).
4. Certified copies of the order of the Hardin County Fiscal Court establishing the water district and all amendments thereto are on record with the Public Service Commission and are unchanged as filed with Case No. 97-081.
5. The applicant submits this filing to provide a new section in its water tariff which allows free water, under certain conditions, to be provided to Fire Departments that have access to and may use the applicants fire hydrants, and also has incurred new costs related to operating its web page and external vendors which support the applicants process and system by which customers may make payments through the web page or internet, and therefore has calculated a new non-recurring charge specific to customers choosing to use this service and payment method.
6. The applicant by this filing has provided the Commission with at least 20 days advance notice of a tariff change pursuant to 807 KAR 5:011, Section 6.b. The effective date requested for the changes is December 1, 2010.
7. The applicant is making public notice of these changes pursuant to 807 KAR 5:011, Section 8. The applicant will provide the Commission with an affidavit showing proof of publication once the third notice is published in the newspaper of general circulation in its service area. A copy of the public notice used has been included in the Appendix of this filing as Exhibit item No. 1.

8. Four copies of the revised tariff sheets have been included with this filing pursuant to 807 KAR 5:011, Section 2. The revised sheets are Sheet 5B which includes a new sub-section "d" and Sheet 11 which has been expanded to Sheets 11.1 ~ 11.4 and include new paragraphs 4 and 5 as well as a specimen of a proposed agreement to be signed by Fire Departments in order to receive free water, which agreement is requested to be approved by the Commission as part of the applicants revised tariff sheets.
  
9. The following supporting facts are presented related to the need to add a new section for free water to be provided for fire departments for the purpose of fire fighting and fire suppression training;
  - a. KRS 278.170 requires that water districts must have approval and incorporated into their tariff any conditions or allowances of free or reduced water rates, including water provided for fire departments / districts
  
  - b. The PSC ordered an accounting inspection which was completed in 2008 and report issued (report issued June 30, 2008) to HCWD1 on changes required (re; case 2001-00211). Item 1, page 2, required HCWD1 add language in its tariff to allow free or reduced water rates for fire departments
  
  - c. During its annual 2010 PSC inspection, PSC inspector Mr. Jimmy Adcock reminded HCWD1 about the need for this tariff revision. Mr. Bruce noted that this would be completed before the end of the year
  
  - d. The proposed tariff section includes an agreement to be signed by each fire department that has access to HCWD1 fire hydrants. This includes seven different fire departments which are listed below;
 

City of Radcliff	City of Vine Grove
Rineyville Fire Department	West 84 Fire Department
86 Fire Department	Flaherty Fire Department (Meade Cty)
Custer Fire Department (Breckinridge Cty)	
  
  - e. Mr. Bruce asked the Fire Chiefs of the two largest fire departments that access HCWD1 hydrants (City of Radcliff, Chief Henderson & City of Vine Grove, Chief New) to review the proposed tariff and agreement. Both Chiefs had no objection to the language and requirements, and also offered to assist with distributing the agreement and requirements at a upcoming Hardin County Fire Chiefs Association meeting. A copy of the email response from Chief Henderson is in the Appendix of this filing as Exhibit item No. 2.
  
10. The following supporting facts are presented related to the need to add a new non-recurring charge for Web / Internet Payment Fee. The following facts and additional information are provided in support of this fee;
  - a. The applicant's Board approved the new fee at their June 15, 2010 Board meeting. A copy of the Board item regarding this item, and minutes reflecting their approval, has been included in the Appendix of this filing as Exhibit item No. 3



- b. The current rates (water) of the applicant were last adjusted and approved by the Commission in 2007 (Case No. 2006-00410, April 7, 2007) did not include these costs in its rate base or rate model. These expenses and costs have been added and increased in the last three years as the applicant has added to and improved its payment methods available for customers. At that time, all the applicants other annual fees related to credit and debit card payments were included in its rate base calculation, however, fees and costs related to web / internet payments were not included

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  - c. The customer may choose to use the web / internet payment method, and can avoid the added fee by using other, more tradition methods, of payment
  - d. The costs to provide this service include; license and installation fees for the software; Annual maintenance fee to upgrade and support the system; Depreciation expense on server equipment; email & .com hosting service; amortized cost of web site design; third party Server & web site back-up service; ISP provider subscription and per transaction fee for third party to process the transaction through the banking and credit card systems
  - e. A summary of all costs and the proposed per transaction non-recurring charge is included in the Appendix, in detail and form required by the Commission, as Exhibit No. 4
11. The tariff sheet submitted has an effective date of December 1, 2010. This should provide the Commission required advance notice, time to review the application and time for the applicant to complete required public notice.

WHERETO, Hardin County Water Applicant No. 1 request that the Public Service Commission of the Commonwealth of Kentucky consider this filing and tariff change in order to begin charging the new rate no later than December 1, 2010. If additional information is required, the Applicant further requests that the Commission contact the Applicant by telephone or electronic mail with contact information being;

Attorney;

Applicant;

Mr. David Wilson, II, Esq  
Attorney, HCWD1  
Skeeters, Bennett, Wilson & Pike  
550 W. Lincoln Trail Blvd.  
Radcliff, KY. 40160  
Phone: 270-351-4404  
email: [david.wilson@sbw-law.com](mailto:david.wilson@sbw-law.com)

Mr. Jim Bruce  
General Manager, HCWD1  
1400 Rogersville Road  
Radcliff, KY. 40160  
Phone: 270-351-3222  
email: [jbruce@hcwd.com](mailto:jbruce@hcwd.com)

Dated at Radcliff, Kentucky, this 28 day of OCTOBER, 2010.

HARDIN COUNTY WATER DISTRICT No. 1

By: 

David T. Wilson II, Attorney at Law  
Attorney for Hardin County Water Applicant No. 1  
Skeeters, Bennett, Wilson & Pike PLC  
550 W. Lincoln Trail Blvd., P.O. Box 610  
Radcliff, Ky 40160  
(270) 351-4404

**Supporting Data / Information**

October 27, 2010

Tariff Change Request

Submitted By:

Hardin County Water District No. 1

1400 Rogersville Road

Radcliff, KY 40160

Phone: 270-351-3222

Mr. Jim Bruce, General Manager

email: [jbruce@hcwd.com](mailto:jbruce@hcwd.com)

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**List of Exhibits**

<u>Exhibit</u>	<u>Exhibit No.</u>
Public Notice. ....	1
Response from Fire Chief.. ....	2
Board Item & Minutes. ....	3
Cost Justification. ....	4

**PUBLIC NOTICE  
PROPOSED TARIFF CHANGE WITH NEW FEES**

HARDIN COUNTY WATER DISTRICT No. 1  
1400 Rogersville Road  
Radcliff, KY. 40160  
Phone: 270-351-3222

This Public Notice is pursuant to KAR 5:001, Section 10, making notice of a new fee for District customers and new requirement for Fire Departments to receive free water for fire suppression and fire fighting training purposes. The proposed tariff change would change Sheets No. 5B and 11. The impact to those rates listed in the tariff are as follows;

ITEM NO.	FEE/CHARGE	CURRENT FEE	PROPOSED FEE (Non-Recurring Charge)	ESTIMATED ACCOUNTS AFFECTED
1	Internet / Web Payment Fee  (Sheet 5B)	NA	\$1.20 Added for each web payment	Any customer who chooses to make a payment using internet or web payment method. Applies to customers with a water and/or sewer account
2	Conditions and required agreement to be signed by Fire Departments who request to receive free water for fire fighting or training purposes  (Sheet 11)	NA	NA	Each Fire Department located within HCWD1 service area that needs to access HCWD1 fire hydrants for fire fighting or training purposes

The proposed fees will be filed in a tariff change application to be filed with the Public Service Commission (PSC). The fees contained in this Notice are those proposed by the District. However, the PSC may order fees to be charged that differ from the proposed fees. Such action by the PSC may result in fees other than those included in the Notice. The application includes a proposed effective date for these tariff changes of December 1, 2010.

Notice of Right to Intervene: Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene and may submit their motion to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, ATTN: Mr. Jeff Derouen, Executive Director, and must include the grounds for the request including the status and interest of the party. Intervenors may obtain a copy of the application at the District's office and a copy may be obtained from the District's website at [www.hcwd.com](http://www.hcwd.com) under "Projects" tab.

For any questions or additional information contact, Mr. Jim Bruce, General Manager, phone 351-3222 or email at [jbruce@hcwd.com](mailto:jbruce@hcwd.com). Submitted by order of Hardin County Water District No. 1 Board of Commissioners, Mr. William J. Rissel, Chairman

1

Jim Bruce

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**From:** Chief Jamie Henderson [jhenderson@radcliff.org]  
**Sent:** Thursday, October 14, 2010 11:20 AM  
**To:** Jim Bruce  
**Subject:** RE: Tariff/Agreement

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Sounds good! We have a Chief's meeting next month just let me know.

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**From:** Jim Bruce [mailto:jbruce@hcwd.com]  
**Sent:** Thursday, October 14, 2010 10:24 AM  
**To:** Chief Jamie Henderson  
**Subject:** RE: Tariff/Agreement

Chief;

Thanks for taking time to review it and respond. We will proceed with filing with PSC and public notice. They may have their own questions. If approved, may need your help getting to all the Chief's affected and communicating new requirements.

Jim Bruce

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**From:** Chief Jamie Henderson [mailto:jhenderson@radcliff.org]  
**Sent:** Thursday, October 14, 2010 9:56 AM  
**To:** Jim Bruce  
**Subject:** Tariff/Agreement

Everything looked good. Chief New also reviewed it and also agreed it looked good. Just let us know when to sign.

Thanks!

No virus found in this incoming message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 8.5.448 / Virus Database: 271.1.1/3140 - Release Date: 10/14/10 06:34:00

No virus found in this incoming message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 8.5.448 / Virus Database: 271.1.1/3140 - Release Date: 10/14/10 06:34:00

2

**MEMORANDUM**  
Hardin County Water District No. 1

**DATE:** October 11, 2010  
**TO:** Chief Jamie Henderson, Radcliff Fire Department  
**FROM:** Jim Bruce, HCWD1 General Manager  
**SUBJECT:** Draft Tariff / Agreement - Free FD Water Use

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Chief;

I talked to you sometime back about reviewing this for us. In 2008, the Public Service Commission (PSC) did a multi day "accounting inspection" including review of all our billing practices and tariff policies. They issued an order to us requiring several changes. One of the changes was that our tariff was missing a section on free water use for fire departments.

During our latest 2010 PSC annual inspection, the inspector reviewed items from 2008 order. He found we still had not included the FD water use section, and was going to write this up as a deficiency, but I told him we would get done in 2010.

Attached is my draft addition to our tariff book. It includes a sample agreement we would like all FD's to sign, showing they agree with the terms of the free water. The terms include providing monthly reports to us on water used, and periodic training on operation of fire hydrants. We would provide some training free if you requested. There are some FH vendors who provide some pretty good training on FH operation and use which we could use also.

This would apply to all FD's that use our hydrants, however, by far most of them are in Radcliff. I think there are 8 total FD's that could use our hydrants. Since I have been here (16 years) we have had a few problems with FD's opening and closing FH's too fast and causing water hammer or our SCADA system to report alarm for high or low pressures. We also had an incident where we found a FD employee (volunteer?) filling his own swimming pool from a hydrant using FD hoses. This agreement sets forth the allowed use of free water, and the requirement for some training on FH use.

Please review the enclosed information and let me know your suggestions or comments. If you want to share with other Chief's, that is fine also. If possible, please get back to me by October 31, 2010. As this is a formal tariff change, we have to file with PSC and give them advance warning, as well as make public notice of the change. If there are enough public comments and responses to PSC, they can order a hearing as well.

Feel free to call me with any suggestions or questions as well.

Thanks for taking the time to look at this for us.

Jim Bruce

**HARDIN COUNTY WATER DISTRICT No. 1**  
Staff Information Item

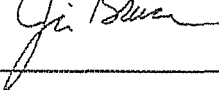
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**DATE:** June 15, 2010

**AGENDA ITEM NO.:** 5

**ITEM:** IWEB MS for inHANCE Utility Solutions

**SUBMITTED BY:** Scott Schmuck & Charlene Easter

**THROUGH:** Jim Bruce, General Manager 

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Our current website method allows payment by credit/debit card. The interface was custom written by a local programmer. The program must collect data from the customer, then report to the customer's account through an SQL database file within the CIS system (inHance®). With the increasing use of this system, we have heard more and more complaints from customers about their accounts being charged twice, or, the transaction not actually being recorded.

Instead of continuing to use this manually written interface and website programming, we would like to change to the iWEB MS® managed service, a fully hosted online payments portal that interfaces directly with inHANCE®. This means that the customer would be connected to a "payment website" hosted by a third party - Transaction Warehouse and not by the District (supported by the local consultant). Transaction Warehouse is a strategic partner with CollectorSolutions®, our credit card processor therefore they are able to offer a more integrated system.

The benefits and features of this change are;

Provides / Feature	Problems with current website method	Benefits to Customer/District
Flexible payments	Customer can only pay what is due (no option for partial or over payment)	Customer will be able to make a payment for less or more
Account number recognition	Customer cannot pay a final bill online (after having moved away)	Customer can make a payment on an account with an account number
View pending payments and balances	Customers are making duplicate payments when confirmation not received and they cannot see their latest balance	Customer is provided a screen that shows pending payments and any balance owed.
Payment Confirmation Receipt	Customer must print screen shot for receipt or call Customer Service (no email confirmation sent)	Customer is sent an email with confirmation of payment
Real - Time processing	District imports payment files 3 times daily/to post customer payments to accounts. Until files imported, customer will not see payment applied when checking on line	District has an option to set payments made to a pending status or to post in inHANCE® real-time as customer makes payment
Customer Profile	Customer has to enter profile information each time they log on to payment website	Customers profile can be saved
Recurring payment option	Not available	Customer can setup a automatic payment to be made each month on a selected date
Reports	District can only generate reports from our credit card processor - CollectorSolutions	District can obtain and print daily transaction summary, track customer who pay by automatic (recurring) vs. one time payments, etc.

3

IWEB MS for inHANCE Utility Solutions  
Continued

June 15, 2010

Provides / Feature	Problems with current website method	Benefits to Customer/District
Payment Website Design/Content	District must ask D. Evangelista to make any changes - dependent on his schedule and availability (he works two other jobs)	District has the ability to manage Homepage, messages, emails, with templates and variable provided.  Programming changes and support are provided continuously and full time

**Overall Benefits to the District:**

Would eliminate the confusion and frustration customers experience when attempting to make a payment on our website. Will reduce increasing complaints and calls received regarding payments or questions/emails about the District's payment website.

Most important this means sensitive information such as payment profiles and enrollment in automatic payments are stored and managed by Transaction Warehouse according to the Payment Card Industry Data Security Standard (PCI DSS) which mandates rigid standards for compliance certification.

**Cost of Service / Support / Annual:**

Our current rate base (based on 2005 test year costs, approved by PSC in 2007) includes the cost then of credit card processing. This means we spread the costs of credit card transactions (at that time) over the complete rate structure. The total 2005 costs was \$18,089 which means an additional \$0.16 was added to each monthly water bill. Currently, we are averaging a total of 2,475 credit card transactions / month, with 50% being done on line and the rest by phone in or walk in. CC payments now account for about 24% of all our payment types.

Our current rate base did not account for or collect any revenues for web-based payments, as we did not offer that option at the time. By using this proposed vendor and service, we would have new, additional costs to process web based credit card payments. These costs would be:

Item No.	Item	One-Time Cost (Cash Expense)		Monthly Operating Expense	
		Water	Sewer	Water	Sewer
1	inHance iWEB MS® License for the inHance Utility Solutions (\$3,000)	\$1,590	\$1,410	N/A	N/A
2	Up to two (2) hours of remote iWEB MS® setup assistance (\$200)	\$106	\$86	N/A	N/A
3	Additional Annual Maintenance (\$150)	N/A	N/A	\$80	\$70
4	Monthly Depreciation on One Time Items (5 years)	N/A	N/A	\$28	\$25
5	Monthly Transaction Fees (Estimated using 1,233/month)	N/A	N/A	\$661	\$587
6	TOTAL Monthly Expense	N/A	N/A	\$696	\$618

Item 5 would be a new monthly expense for the \$1.00 transaction fee. Since it is an optional, non-recurring charge, we can add this to our tariff as a new charge for "Web Payment Processing Fee". We could make it equal



IWEB MS for inHANCE Utility Solutions  
Continued

June 15, 2010

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the transaction fee, plus the other one time costs (as monthly depreciation expense). This would make the rounded fee = \$1.20/transaction

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Website to vendor;  
<http://transactionwarehouse.net/iwebms>

Here is utility using their system (Click on Pay Your Bill On-Line option)  
<http://www.ncwd.org>

**RECOMMENDATION:**

Due to the increasing use of web based payments, and the increasing number of complaints we are getting on our web payment site, staff recommends changing our web based payments to using the iWEB MS for inHance Utility Solutions®, and to expend the needed funds to implement the change, and also to authorize staff to file a tariff change to add a new fee of \$1.20 for each web payment processed.

**Suggested Motion Language:**

*"Motion to authorize the purchase of the iWEB MS for inHance Utility Solutions, for a total not to exceed \$3,300 and to authorize staff and legal counsel to submit a tariff change for a new non-recurring charge for Web Site Payment Processing for \$1.20 to the Public Service Commission, at the earliest convenience"*

**Hardin County Water District No. 1**  
**Minutes of Regular Meeting**  
**of the Board of Commissioners**

**June 15, 2010**

Chairman Bill Rissel called the meeting to order at 5:30 p.m. with Commissioners William Gossett, John Tindall, Ron Hockman, and Steve Walton attending. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance and Accounting Manager; Stephanie Brown, Accountant; Christie Campbell, Administrative Clerk and attorneys David Wilson and Derrick Staton. Dinner was provided for the Board and staff.

Chairman Rissel opened the floor for public comment. There were no public comments offered and the public comment portion of the meeting was closed.

Chairman Rissel asked the Board's comments on using a "consent agenda" for this and future meetings. He explained that a consent agenda is an item which combines several non-controversial or non discussion items under one vote. This would allow more discussion time on other items. If any Board member wanted to discuss one of the consent agenda items then that member could require it be removed from the consent agenda for discussion. The Board agreed to using the consent agenda for this and future meetings.

Consent Agenda: Chairman Rissel then asked for a motion to approve a consent agenda which included Item 4 (authorizing staff to receive additional proposals for liability & workers compensation insurance), Item 5 (Approving \$3,300 to purchase the IWEB MS web payment system and approve a new non-recurring fee of \$1.20 for web payments and submit tariff to Public Service Commission), Item 6 (Authorizing staff to award bid to lowest qualified bidder for the Highway 313 Water Main Relocation Project) and Item 6A (Approving \$3,400 as emergency purchase for Server Room dedicated air conditioner unit). Commissioner Walton made a motion to approve the consent agenda which was seconded by Treasurer Gossett and was passed.

May 18, 2010 Minutes: Chairman Rissel asked for a motion to accept the May 18, 2010 Regular Board Minutes. Commissioner Walton noted he had two changes to the minutes before accepting them. Commissioner Walton made a motion to accept the May 18, 2010 minutes with the noted changes. Treasurer Gossett seconded the motion and motion passed.

May Treasurers Report: Mr. Schmuck presented the financial statements for May. He explained the reasoning and method for the re-allocation of certain general administrative and overhead expenses for the months of January through April for all four funds. This change required a one time added expense to the water fund of \$65,000 and crediting same to other funds resulting in the Radcliff Sewer fund showing a Net Income year to date. Commissioner Hockman questioned some account balances with a negative balance. Mr. Schmuck noted that this is a result of the January through April reclassification.

Chairman Rissel questioned how higher temperatures and high rainfall contributed to the Water fund expenses being more this month. Mr. Schmuck explained that higher temperatures caused more water consumption for pools, drinking and watering lawns, resulting in the District having to purchase additional water from Ft. Knox. The heavy rainfall required higher amounts of treatment chemicals as well.

Commissioner Hockman asked why the payments for Bart's Lawn Service have increased and he suggested maybe its time to rebid the job to see what other competitive price we get. Mr. Bruce and Mr. Pyles both listed the jobs and responsibilities that Bart's Lawn Service has and was contracted to do, and the monthly amounts vary based on amount of square feet repaired in a given month. Mr. Pyles noted that

**Hardin County Water District No. 1  
Minutes of Regular Board of Commissioners Meeting**

June 15, 2010

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Gossett questioned if we would be keeping the Line of Credit (LOC) with Cecilian Bank. Mr. Bruce confirmed that we would be keeping the LOC and the APR would decrease from 4.5% to prime rate.

Secretary Tindall voiced concern on whether the Districts money and funds would be insured. Mr. Bruce reported that Kentucky law requires public funds to have collateralized investments to be pledged, plus the District's accounts are FDIC insured. Commissioner Hockman made a motion to authorize staff to facilitate and process all required banking and accounting changes to change the District's main business bank to Cecilian Bank, accepting the terms of their proposal submitted on May 28, 2010. Secretary Tindall seconded the motion and motion passed.

Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 6:24 p.m and it was seconded by Commissioner Walton and passed.

(Minutes submitted by Ms. Christie Campbell)

**APPROVAL OF MINUTES**

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1

  
\_\_\_\_\_  
Mr. John Tindall, Secretary

17 Aug 2010  
\_\_\_\_\_  
Date Approved

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Web / Internet Payment Charge

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### 1. Miscellaneous Expense

License Fee / Software / Set-up_____	
(\$3,200 one time, amortized 5 years)_	\$_640_____
iWEB annual support fees_____	\$_150_____
Transaction Warehouse, transaction	
Fees (\$1 / Transaction)	\$_14,856_____
Website design (\$2,600 amortized over	
10 years)_____	\$_260_____
Depreciation on dedicated server	
For web-site (\$2,195.80 / 10 years)	\$_220_____
Comcast ISP subscription	\$_1,200_____
Iglou email hosting service	
(Required for .com registry)	\$_180_____
LexNet Server Offsite back-up service	
& Storage fee (\$5,283/year, divided by 4	
Servers = \$1,321 / server)	\$_1,321_____
<b>Total Annual Miscellaneous Expense</b>	<b>\$_18,037_____</b>
<b>Divide by Est. Annual # Transactions</b>	<b>_14,856_____</b>
<b>Total Nonrecurring Charge / Transaction</b>	<b>\$_1.21_____</b>

4

# Hardin County Water District No. 1

*Serving Radcliff and Hardin County for Over 50 Years*

1400 Rogersville Road  
Radcliff, KY. 40160

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October 27, 2010

Mr. Brent Kirtley  
Director - Division of Filings  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

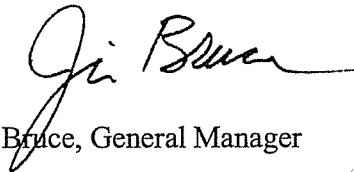
**SUBJECT: Requested Tariff Change  
Free Fire Water Use & Web Payment Fee**

Dear Mr. Kirtley;

Enclosed please a tariff revision request. These two changes are to add language for free water for fire department use, and a new non-recurring charge for a Web / Internet Payment fee to recover new costs related to this payment method. We have filed this request using the tariff electronic filing method.

As our application states, we will also be filing an affidavit showing proof of the public notice of this tariff change. We have made the effective date December 1, 2010. If you need more information, please contact myself or Mr. Scott Schmuck (email; [Sschmuck@hcwd.com](mailto:Sschmuck@hcwd.com)) at our office.

Sincerely,



Jim Bruce, General Manager

Encl.

Cf: Mr. David Wilson II, HCWD1 Attorney  
Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

HARDIN COUNTY WATER DISTRICT No. 1

CLASSIFICATION OF SERVICE

Non-Recurring Charges and Miscellaneous Fees

procedures to the customer about payment of monthly charges and send a vehicle to the address to obtain the first meter reading and turn service on. The fee is charged for each new account established, regardless of whether the customer has other service address accounts existing with the District. The charge may be billed to the customer as part of their first bill.

a. **\$5.00 - Administrative Fee**

This fee is charged to an account when a customer requests to change the name on an account, and transfer a balance to another account or process a Final Bill. It may also be charged for other services which require office personnel to make changes to an account which are beyond a normal bill preparation or collection. This fee does not include any costs or services requiring a Field Service Call or sending a Representative to a service location and may be in addition to other charges.

b. **\$11.00 - Field Service Call Fee**

This fee is added anytime a customer requests service which requires a trip to the customers service location which would be in addition to a normal monthly meter reading for routine charges. The reasons may include but are not limited to; Obtain meter reading for final bill preparation, turn on or off service when requested by the customer, making additional visits to obtain a meter reading when access to the meter was denied for reasons beyond the control of the District, replacing or correcting a meter when it has been tampered with or modified by the customer, check for leak (not charged if leak is found on the District's side of the meter), pull water meter for requested test by customer or emergency turn off of service due to leak on customers plumbing. This fee may be charged in addition to other applicable charges listed on the District's tariff.

c. **\$46.00 - After Hours Service Call Fee**

This fee is added when a customer requests service after District offices are closed. The reasons may include but are not limited to; emergency valve locate and turn off, turn water on for new account, turn water on after reconnect fee and past due charges have been paid, check for plumbing leak and location of service lines or water mains for repairs or construction. The person requesting service must have an established account with the District and must be current on their payments.

d. **\$1.20 - Internet / Web Payment Fee** (N)

A customer may choose to pay their pay their bill "on-line" through the District's website (or internet method) by credit card, debit card or an e-check (electronic draft directly from their checking account). When choosing to make an on-line payment a customer will be advised that they are leaving the District's website and entering a secure on-line account system hosted by a third party website, compliant with the Payment Card Industry Data Security Standard (PCI DSS). A customer will have to choose by positive option to continue with the payment process, or, cancel to return to the District's website.

This fee will be added to any outstanding balance (water and or sewer bill) or their requested payment amount, once they complete the website payment option. The fee recovers the costs to the District by the processing company to process each transaction, as well as web site development and support costs.

If on the bill due date an attempt to pay by a credit/debit card or an e-check is made and the transaction is declined for any reason, any payment due will still be un-paid on that date and will be considered late after close of business on that date. All late charges and penalties or service interruptions (turn off's) will be applied or carried out due to the un-paid balance. If a customer is paying on a disconnect day and the transaction is declined, the same rules as above apply.

DATE OF ISSUE October 29, 2010

DATE EFFECTIVE December 1, 2010

ISSUED BY Mr. Jim Bruce

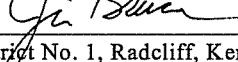
TITLE General Manager, HCWD1

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO: \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

- d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rate is as follows;
- i. All water used = \$1.92 per 1,000 gallons
  - ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement which a sample of which is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.
- e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional ten (10) percent as a late charge to the previous outstanding balance. Said late charge shall apply to all charges, fees or prior penalties included in the outstanding balance on the due date. In order to avoid a late penalties being added, the payment must be received at the District office on the due date shown on the customer's bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.
3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customers causes, the District may determine the customers water use and prepare a bill using an estimated use. The method of estimating will normally use a three (3) month average, however the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill.
- (N)
4. **Fire Protection & Fire Demand Capacity:** While the District's water system includes oversizing of many mains to provide flows for fire protection, and has fire hydrants installed along many of its water mains, the District is not obligated or required to provide fire protection from any portion of its water system. The District uses fire hydrants for flushing water mains and improving drinking water quality. For new water mains added, the District will require that the developer, or itself, size new mains to provide minimum flows and pressures required by the Public Service Commission and Division of Water, and shall be designed by a licensed professional engineer, and will require fire hydrants to be installed according to the District's current construction and design standards. Fire flows required by the developer or a new customer beyond these requirements may require additional investment and system improvements which costs must be borne by the party requesting the higher flows, unless the District and its Board authorize partial or full investment by the District.

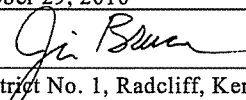
DATE OF ISSUE October 29, 2010 DATE EFFECTIVE December 1, 2010ISSUED BY: , Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, KentuckyBY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

5. **Free Water Use for Fire Departments:** Any city, county, fire protection district or volunteer fire protection district ("Department") may withdraw water from the District's water distribution system for fighting fires or training firefighters within the District's territory at no charge on the condition that the Department signs a written agreement with the District and maintains estimates of the amount of water used for fire protection and training during each calendar month and reports the amount of this water usage to the District no later than the 15th day of the following calendar month.
- a. Any Department that withdraws water and fails to submit the required report on water usage in a timely manner shall be assessed a penalty of \$100 for each failure to submit a report. If a Department fails to timely report its estimated water usage for two (2) consecutive months, then the District may also suspend the Department's privilege of using free water from the District's fire hydrants for any purpose other than fighting and controlling an actual fire event.
  - b. Should the District notify the Department after a declared stage for water reduction during a water shortage event or extended drought, the Department will take action to reduce or curtail any unnecessary water use, including water used for training, until such time the water restriction notice is lifted or cancelled.
  - c. Any Department which damages the utility's water distribution system or hydrant device or valves due to negligence or un-trained personnel shall reimburse the District for the repair costs, including materials, applicable administrative or billing fees, equipment and labor.
  - d. A Department shall not use this free water to wash vehicles, fill swimming pools, irrigate gardens or lawns, for construction of Department facilities or for other domestic use unrelated to the suppression of fires or in the training of the act of putting out fires. The only water which shall be provided for free without cost shall be as that described in this tariff and the written agreement between the parties.

DATE OF ISSUE October 29, 2010 DATE EFFECTIVE December 1, 2010

ISSUED BY: , Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, Kentucky

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

(SPECIMEN AS APPROVED BY PSC)

**FIRE DEPARTMENT FREE WATER USE AGREEMENT**

(Pursuant to KRS 278.170)

1. **Applicability:** This agreement shall be required to be signed and entered into between any City, county, fire protection district or volunteer fire protection district ("Department") which has a formally recognized organization created to suppress and prevent fires, and which has a station or equipment at any location which generally may need to withdraw water from the water system, hydrants or tanks owned by Hardin County Water District No. 1 ("District"). This agreement shall apply to full or part-time employees of each Department and active, volunteers providing services to any Department.
2. **Term:** The Department which has agreed to the conditions and terms of this agreement may continue to do so until such time the District withdraws its approval, the District has its tariff revised and approved by the Public Service Commission, or, until such time that free water use for Fire Departments is no longer allowed by Kentucky Statute or regulation of the Public Service Commission or Division of Water.
3. **General District Policy:** It is the policy of the District that it is expressly forbidden for any person or entity to tap, convert, steal, or utilize water without prior authorization from District through any fire line, fire hydrant, water main, meter, or other equipment or lines of the District, unless occurring in compliance with the terms of this agreement. Uses of water from any hydrant or part of the District system not allowed under the terms of this agreement will be considered unlawful taking of water or theft of service subject to fine and penalties under KRS 514.060.
4. **Fire Protection & Fire Demand:** While the District's water system includes oversizing of many mains to provide flows for fire protection, and has fire hydrants installed along many of its water mains, and, portions of the District's system provide some level of fire protection, the District is not obligated or required to provide fire protection from any portion of its water system. The District uses fire hydrants for flushing water mains and improving drinking water quality. For new water mains added, the District will require that the developer, or itself, size new mains to provide minimum flows and pressures required by the Public Service Commission and Division of Water, and shall be designed by a licensed professional engineer. Fire flows required by the developer or a new customer beyond these requirements may require additional investment and system improvements which costs must be borne by the party requesting the higher flows, unless the District and its Board authorize partial or full investment by the District
5. **The District Agrees:**
  - a. To provide the Department free water with no meter charges or volume charge as long as the Department complies with the terms of this agreement.
  - b. To notify the Department within 24 hours of any hydrant that is out of service or not useable, for those caused by District activity, or, when the District becomes aware of an unuseable hydrant caused by an event beyond the District's control. Notification shall be by phone call, electronic mail or facsimile to nearest Police / Public Safety Dispatch office.
  - c. To notify the Department after it has failed to receive monthly water use reports from the Department and also to provide thirty (30) days notice before it starts to charge the Department the \$100 monthly penalty fee for failure to report.
  - d. To provide training to the Department once annually (or more often based on number of requests) for no charge on the proper use for opening and closing a fire hydrant, the risks of

DATE OF ISSUE October 29, 2010DATE EFFECTIVE December 1, 2010ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, KentuckyBY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

improper operation and other training regarding the District's water system and fire fighting capabilities.

- e. To notify the Department anytime that the District has issued notice to curtail or restrict water use due to a water shortage event or drought conditions.

6. **The Department Agrees;**

- a. That before a new tanker truck is put into service, to allow the District to inspect and advise the Department of any modifications or devices needed to provide cross-connection protection of the water system to prevent back-siphonage of water from the tank into the water system.
- b. To provide the District monthly reports showing the amount of water used during that month by the Department for fire suppression or fire fighting training. Report shall be made to the District no later than the fifteenth (15<sup>th</sup>) day of each month, for water used during the previous month. Report shall include daily use on forms provided by the District (if available). Water use shall be metered or when meters are not in place, shall be estimated based on size of tanks used or estimated water flow from hydrant and period used.
- c. To only use water for the intended and allowed purpose for free fire department water use. The Department agrees and understands that any other use not provided free that it will be responsible to pay for that water under the District's current approved tariff rates.
- d. To provide training annually to all its personnel, and for new volunteers or fire fighters within six (6) months of joining the Department on the proper operation of a fire hydrant.
- e. To notify the District of any hydrants it finds to be inoperable or broken which require service or repairs.

- 7. **Signatures and Certification;** The following representatives certify that they are authorized by their Department to enter into this agreement and will notify other employees and members of the Department the requirements of this agreement, and will cause the reporting and other notifications to begin within thirty (30) days after execution of this agreement;

Department Information;

\_\_\_\_\_ Date of Signature

\_\_\_\_\_ Name of Fire Department

\_\_\_\_\_ Street Address (Main Station / Business Office)

\_\_\_\_\_ Printed Name - Authorized Individual

\_\_\_\_\_ City, State, ZIP

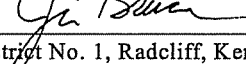
\_\_\_\_\_ Title

\_\_\_\_\_ Signature

(NOTARY FOLLOWS)

DATE OF ISSUE October 29, 2010

DATE EFFECTIVE December 1, 2010

ISSUED BY: , Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, Kentucky

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF THE APPLICATION OF )  
HARDIN COUNTY WATER DISTRICT No. 1 FOR )  
 )  
APPROVAL TO MODIFY )  
EXISTING WATER TARIFF, SHEETS 5 AND 11 )  
~~AFFECTING POLICIES OR ADMINISTRATIVE~~ )  
REGULATION AND ADDING NEW NON-RECURRING )  
CHARGE )**

**Filing No. \_\_\_\_\_**

\*\*\*\*\*  
**APPLICATION**  
\*\*\*\*\*

1. Applicant is a duly organized and operating water district organized and existing under the laws of the Commonwealth of Kentucky (KRS 74 ET. SEQ.) and is engaged in the business of treating and selling potable water and maintaining a water distribution system, and owns and operates two sanitary sewer utilities, located within the Ft. Knox military base reservation (Case No. 2004-00422) and within the City of Radcliff (Case No. 2008-00074).
2. The applicant now operates and does business in an existing service area which includes the city limits of the City of Radcliff, the cantonment area of Ft. Knox and encompasses the City of Vine Grove and a portion of Hardin and Meade counties immediately north of Vine Grove, and includes the sewer service area of record filed with the Commission. The entire service area is within the boundaries of the Commonwealth of Kentucky.
3. The address of the applicant is 1400 Rogersville Road, Radcliff, Kentucky 40160 and has a web site address which is [www.HCWD.com](http://www.HCWD.com).
4. Certified copies of the order of the Hardin County Fiscal Court establishing the water district and all amendments thereto are on record with the Public Service Commission and are unchanged as filed with Case No. 97-081.
5. The applicant submits this filing to provide a new section in its water tariff which allows free water, under certain conditions, to be provided to Fire Departments that have access to and may use the applicants fire hydrants, and also has incurred new costs related to operating its web page and external vendors which support the applicants process and system by which customers may make payments through the web page or internet, and therefore has calculated a new non-recurring charge specific to customers choosing to use this service and payment method.
6. The applicant by this filing has provided the Commission with at least 20 days advance notice of a tariff change pursuant to 807 KAR 5:011, Section 6.b. The effective date requested for the changes is December 1, 2010.
7. The applicant is making public notice of these changes pursuant to 807 KAR 5:011, Section 8. The applicant will provide the Commission with an affidavit showing proof of publication once the third notice is published in the newspaper of general circulation in its service area. A copy of the public notice used has been included in the Appendix of this filing as Exhibit item No. 1.

8. Four copies of the revised tariff sheets have been included with this filing pursuant to 807 KAR 5:011, Section 2. The revised sheets are Sheet 5B which includes a new sub-section "d" and Sheet 11 which has been expanded to Sheets 11.1 ~ 11.4 and include new paragraphs 4 and 5 as well as a specimen of a proposed agreement to be signed by Fire Departments in order to receive free water, which agreement is requested to be approved by the Commission as part of the applicants revised tariff sheets.

9. The following supporting facts are presented related to the need to add a new section for free water to be provided for fire departments for the purpose of fire fighting and fire suppression training;

- a. KRS 278.170 requires that water districts must have approval and incorporated into their tariff any conditions or allowances of free or reduced water rates, including water provided for fire departments / districts
- b. The PSC ordered an accounting inspection which was completed in 2008 and report issued (report issued June 30, 2008) to HCWD1 on changes required (re; case 2001-00211). Item 1, page 2, required HCWD1 add language in its tariff to allow free or reduced water rates for fire departments
- c. During its annual 2010 PSC inspection, PSC inspector Mr. Jimmy Adcock reminded HCWD1 about the need for this tariff revision. Mr. Bruce noted that this would be completed before the end of the year
- d. The proposed tariff section includes an agreement to be signed by each fire department that has access to HCWD1 fire hydrants. This includes seven different fire departments which are listed below;

City of Radcliff	City of Vine Grove
Rineyville Fire Department	West 84 Fire Department
86 Fire Department	Flaherty Fire Department (Meade Cty)
Custer Fire Department (Breckinridge Cty)	

- e. Mr. Bruce asked the Fire Chiefs of the two largest fire departments that access HCWD1 hydrants (City of Radcliff, Chief Henderson & City of Vine Grove, Chief New) to review the proposed tariff and agreement. Both Chiefs had no objection to the language and requirements, and also offered to assist with distributing the agreement and requirements at a upcoming Hardin County Fire Chiefs Association meeting. A copy of the email response from Chief Henderson is in the Appendix of this filing as Exhibit item No. 2.

10. The following supporting facts are presented related to the need to add a new non-recurring charge for Web / Internet Payment Fee. The following facts and additional information are provided in support of this fee;

- a. The applicant's Board approved the new fee at their June 15, 2010 Board meeting. A copy of the Board item regarding this item, and minutes reflecting their approval, has been included in the Appendix of this filing as Exhibit item No. 3

- b. The current rates (water) of the applicant were last adjusted and approved by the Commission in 2007 (Case No. 2006-00410, April 7, 2007) did not include these costs in its rate base or rate model. These expenses and costs have been added and increased in the last three years as the applicant has added to and improved its payment methods available for customers. At that time, all the applicants other annual fees related to credit and debit card payments were included in its rate base calculation, however, fees and costs related to web / internet payments were not included

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  - c. The customer may choose to use the web / internet payment method, and can avoid the added fee by using other, more tradition methods, of payment
  - d. The costs to provide this service include; license and installation fees for the software; Annual maintenance fee to upgrade and support the system; Depreciation expense on server equipment; email & .com hosting service; amortized cost of web site design; third party Server & web site back-up service; ISP provider subscription and per transaction fee for third party to process the transaction through the banking and credit card systems
  - e. A summary of all costs and the proposed per transaction non-recurring charge is included in the Appendix, in detail and form required by the Commission, as Exhibit No. 4
11. The tariff sheet submitted has an effective date of December 1, 2010. This should provide the Commission required advance notice, time to review the application and time for the applicant to complete required public notice.

WHERETO, Hardin County Water Applicant No. 1 request that the Public Service Commission of the Commonwealth of Kentucky consider this filing and tariff change in order to begin charging the new rate no later than December 1, 2010. If additional information is required, the Applicant further requests that the Commission contact the Applicant by telephone or electronic mail with contact information being;

Attorney;

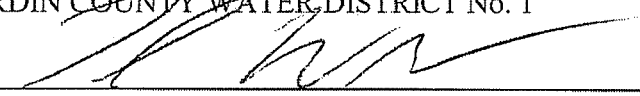
Applicant;

Mr. David Wilson, II, Esq  
Attorney, HCWD1  
Skeeters, Bennett, Wilson & Pike  
550 W. Lincoln Trail Blvd.  
Radcliff, KY. 40160  
Phone: 270-351-4404  
email: [david.wilson@sbw-law.com](mailto:david.wilson@sbw-law.com)

Mr. Jim Bruce  
General Manager, HCWD1  
1400 Rogersville Road  
Radcliff, KY. 40160  
Phone: 270-351-3222  
email: [jbruce@hcwd.com](mailto:jbruce@hcwd.com)

Dated at Radcliff, Kentucky, this 28 day of October, 2010.

HARDIN COUNTY WATER DISTRICT No. 1

By:   
David T. Wilson II, Attorney at Law  
Attorney for Hardin County Water Applicant No. 1  
Skeeters, Bennett, Wilson & Pike PLC  
550 W. Lincoln Trail Blvd., P.O. Box 610  
Radcliff, Ky 40160  
(270) 351-4404

**Supporting Data / Information**

October 27, 2010

Tariff Change Request

Submitted By:

Hardin County Water District No. 1

1400 Rogersville Road

Radcliff, KY 40160

Phone: 270-351-3222

Mr. Jim Bruce, General Manager

email: [jbruce@hcwd.com](mailto:jbruce@hcwd.com)

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**List of Exhibits**

<u>Exhibit</u>	<u>Exhibit No.</u>
Public Notice. ....	1
Response from Fire Chief.....	2
Board Item & Minutes.....	3
Cost Justification. ....	4

**PUBLIC NOTICE  
PROPOSED TARIFF CHANGE WITH NEW FEES**

HARDIN COUNTY WATER DISTRICT No. 1  
1400 Rogersville Road  
Radcliff, KY. 40160  
Phone: 270-351-3222

This Public Notice is pursuant to KAR 5:001, Section 10, making notice of a new fee for District customers and new requirement for Fire Departments to receive free water for fire suppression and fire fighting training purposes. The proposed tariff change would change Sheets No. 5B and 11. The impact to those rates listed in the tariff are as follows;

ITEM NO.	FEE/CHARGE	CURRENT FEE	PROPOSED FEE (Non-Recurring Charge)	ESTIMATED ACCOUNTS AFFECTED
1	Internet / Web Payment Fee (Sheet 5B)	NA	\$1.20 Added for each web payment	Any customer who chooses to make a payment using internet or web payment method. Applies to customers with a water and/or sewer account
2	Conditions and required agreement to be signed by Fire Departments who request to receive free water for fire fighting or training purposes (Sheet 11)	NA	NA	Each Fire Department located within HCWD1 service area that needs to access HCWD1 fire hydrants for fire fighting or training purposes

The proposed fees will be filed in a tariff change application to be filed with the Public Service Commission (PSC). The fees contained in this Notice are those proposed by the District. However, the PSC may order fees to be charged that differ from the proposed fees. Such action by the PSC may result in fees other than those included in the Notice. The application includes a proposed effective date for these tariff changes of December 1, 2010.

Notice of Right to Intervene: Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene and may submit their motion to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, ATTN: Mr. Jeff Derouen, Executive Director, and must include the grounds for the request including the status and interest of the party. Intervenors may obtain a copy of the application at the District's office and a copy may be obtained from the District's website at [www.hcwd.com](http://www.hcwd.com) under "Projects" tab.

For any questions or additional information contact, Mr. Jim Bruce, General Manager, phone 351-3222 or email at [jbruce@hcwd.com](mailto:jbruce@hcwd.com). Submitted by order of Hardin County Water District No. 1 Board of Commissioners, Mr. William J. Rissel, Chairman

1



## Jim Bruce

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**From:** Chief Jamie Henderson [jhenderson@radcliff.org]  
**Sent:** Thursday, October 14, 2010 11:20 AM  
**To:** Jim Bruce  
**Subject:** RE: Tariff/Agreement

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Sounds good! We have a Chief's meeting next month just let me know.

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**From:** Jim Bruce [mailto:jbruce@hcwd.com]  
**Sent:** Thursday, October 14, 2010 10:24 AM  
**To:** Chief Jamie Henderson  
**Subject:** RE: Tariff/Agreement

Chief;

Thanks for taking time to review it and respond. We will proceed with filing with PSC and public notice. They may have their own questions. If approved, may need your help getting to all the Chief's affected and communicating new requirements.

Jim Bruce

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**From:** Chief Jamie Henderson [mailto:jhenderson@radcliff.org]  
**Sent:** Thursday, October 14, 2010 9:56 AM  
**To:** Jim Bruce  
**Subject:** Tariff/Agreement

Everything looked good. Chief New also reviewed it and also agreed it looked good. Just let us know when to sign.

Thanks!

No virus found in this incoming message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 8.5.448 / Virus Database: 271.1.1/3140 - Release Date: 10/14/10 06:34:00

No virus found in this incoming message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 8.5.448 / Virus Database: 271.1.1/3140 - Release Date: 10/14/10 06:34:00

2

**MEMORANDUM**  
Hardin County Water District No. 1

DATE: October 11, 2010

TO: Chief Jamie Henderson, Radcliff Fire Department

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FROM: Jim Bruce, HCWD1 General Manager

SUBJECT: Draft Tariff / Agreement - Free FD Water Use

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Chief;

I talked to you sometime back about reviewing this for us. In 2008, the Public Service Commission (PSC) did a multi day "accounting inspection" including review of all our billing practices and tariff policies. They issued an order to us requiring several changes. One of the changes was that our tariff was missing a section on free water use for fire departments.

During our latest 2010 PSC annual inspection, the inspector reviewed items from 2008 order. He found we still had not included the FD water use section, and was going to write this up as a deficiency, but I told him we would get done in 2010.

Attached is my draft addition to our tariff book. It includes a sample agreement we would like all FD's to sign, showing they agree with the terms of the free water. The terms include providing monthly reports to us on water used, and periodic training on operation of fire hydrants. We would provide some training free if you requested. There are some FH vendors who provide some pretty good training on FH operation and use which we could use also.

This would apply to all FD's that use our hydrants, however, by far most of them are in Radcliff. I think there are 8 total FD's that could use our hydrants. Since I have been here (16 years) we have had a few problems with FD's opening and closing FH's too fast and causing water hammer or our SCADA system to report alarm for high or low pressures. We also had an incident where we found a FD employee (volunteer?) filling his own swimming pool from a hydrant using FD hoses. This agreement sets forth the allowed use of free water, and the requirement for some training on FH use.

Please review the enclosed information and let me know your suggestions or comments. If you want to share with other Chief's, that is fine also. If possible, please get back to me by October 31, 2010. As this is a formal tariff change, we have to file with PSC and give them advance warning, as well as make public notice of the change. If there are enough public comments and responses to PSC, they can order a hearing as well.

Feel free to call me with any suggestions or questions as well.

Thanks for taking the time to look at this for us.

Jim Bruce

## HARDIN COUNTY WATER DISTRICT No. 1

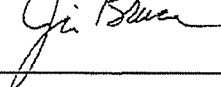
### Staff Information Item

**DATE:** June 15, 2010

**AGENDA ITEM NO.:** 5

**ITEM:** IWEB MS for inHANCE Utility Solutions

**SUBMITTED BY:** Scott Schmuck & Charlene Easter

**THROUGH:** Jim Bruce, General Manager 

Our current website method allows payment by credit/debit card. The interface was custom written by a local programmer. The program must collect data from the customer, then report to the customer's account through an SQL database file within the CIS system (inHance®). With the increasing use of this system, we have heard more and more complaints from customers about their accounts being charged twice, or, the transaction not actually being recorded.

Instead of continuing to use this manually written interface and website programming, we would like to change to the iWEB MS® managed service, a fully hosted online payments portal that interfaces directly with inHANCE®. This means that the customer would be connected to a "payment website" hosted by a third party - Transaction Warehouse and not by the District (supported by the local consultant). Transaction Warehouse is a strategic partner with CollectorSolutions®, our credit card processor therefore they are able to offer a more integrated system.

The benefits and features of this change are;

Provides / Feature	Problems with current website method	Benefits to Customer/District
Flexible payments	Customer can only pay what is due (no option for partial or over payment)	Customer will be able to make a payment for less or more
Account number recognition	Customer cannot pay a final bill online (after having moved away)	Customer can make a payment on an account with an account number
View pending payments and balances	Customers are making duplicate payments when confirmation not received and they cannot see their latest balance	Customer is provided a screen that shows pending payments and any balance owed.
Payment Confirmation Receipt	Customer must print screen shot for receipt or call Customer Service (no email confirmation sent)	Customer is sent an email with confirmation of payment
Real - Time processing	District imports payment files 3 times daily/to post customer payments to accounts. Until files imported, customer will not see payment applied when checking on line	District has an option to set payments made to a pending status or to post in inHANCE® real-time as customer makes payment
Customer Profile	Customer has to enter profile information each time they log on to payment website	Customers profile can be saved
Recurring payment option	Not available	Customer can setup a automatic payment to be made each month on a selected date
Reports	District can only generate reports from our credit card processor - CollectorSolutions	District can obtain and print daily transaction summary, track customer who pay by automatic (recurring) vs. one time payments, etc.

IWEB MS for inHANCE Utility Solutions  
Continued

June 15, 2010

Provides / Feature	Problems with current website method	Benefits to Customer/District
Payment Website Design/Content	District must ask D. Evangelista to make any changes - dependent on his schedule and availability (he works two other jobs)	District has the ability to manage Homepage, messages, emails, with templates and variable provided.  Programming changes and support are provided continuously and full time

**Overall Benefits to the District:**

Would eliminate the confusion and frustration customers experience when attempting to make a payment on our website. Will reduce increasing complaints and calls received regarding payments or questions/emails about the District's payment website.

Most important this means sensitive information such as payment profiles and enrollment in automatic payments are stored and managed by Transaction Warehouse according to the Payment Card Industry Data Security Standard (PCI DSS) which mandates rigid standards for compliance certification.

**Cost of Service / Support / Annual:**

Our current rate base (based on 2005 test year costs, approved by PSC in 2007) includes the cost then of credit card processing. This means we spread the costs of credit card transactions (at that time) over the complete rate structure. The total 2005 costs was \$18,089 which means an additional \$0.16 was added to each monthly water bill. Currently, we are averaging a total of 2,475 credit card transactions / month, with 50% being done on line and the rest by phone in or walk in. CC payments now account for about 24% of all our payment types.

Our current rate base did not account for or collect any revenues for web-based payments, as we did not offer that option at the time. By using this proposed vendor and service, we would have new, additional costs to process web based credit card payments. These costs would be;

Item No.	Item	One-Time Cost (Cash Expense)		Monthly Operating Expense	
		Water	Sewer	Water	Sewer
1	inHance iWEB MS® License for the inHance Utility Solutions (\$3,000)	\$1,590	\$1,410	N/A	N/A
2	Up to two (2) hours of remote iWEB MS® setup assistance (\$200)	\$106	\$86	N/A	N/A
3	Additional Annual Maintenance (\$150)	N/A	N/A	\$80	\$70
4	Monthly Depreciation on One Time Items (5 years)	N/A	N/A	\$28	\$25
5	Monthly Transaction Fees (Estimated using 1,233/month)	N/A	N/A	\$661	\$587
6	TOTAL Monthly Expense	N/A	N/A	\$696	\$618

Item 5 would be a new monthly expense for the \$1.00 transaction fee. Since it is an optional, non-recurring charge, we can add this to our tariff as a new charge for "Web Payment Processing Fee". We could make it equal

IWEB MS for inHANCE Utility Solutions  
Continued

June 15, 2010

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the transaction fee, plus the other one time costs (as monthly depreciation expense). This would make the rounded fee = \$1.20/transaction

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Website to vendor;  
<http://transactionwarehouse.net/iwebms>

Here is utility using their system (Click on Pay Your Bill On-Line option)  
<http://www.ncwd.org>

**RECOMMENDATION:**

Due to the increasing use of web based payments, and the increasing number of complaints we are getting on our web payment site, staff recommends changing our web based payments to using the iWEB MS for inHance Utility Solutions®, and to expend the needed funds to implement the change, and also to authorize staff to file a tariff change to add a new fee of \$1.20 for each web payment processed.

**Suggested Motion Language:**

*"Motion to authorize the purchase of the iWEB MS for inHance Utility Solutions, for a total not to exceed \$3,300 and to authorize staff and legal counsel to submit a tariff change for a new non-recurring charge for Web Site Payment Processing for \$1.20 to the Public Service Commission, at the earliest convenience"*

**Hardin County Water District No. 1**  
**Minutes of Regular Meeting**  
**of the Board of Commissioners**

**June 15, 2010**

Chairman Bill Rissel called the meeting to order at 5:30 p.m. with Commissioners William Gossett, John Tindall, Ron Hockman, and Steve Walton attending. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance and Accounting Manager; Stephanie Brown, Accountant; Christie Campbell, Administrative Clerk and attorneys David Wilson and Derrick Staton. Dinner was provided for the Board and staff.

Chairman Rissel opened the floor for public comment. There were no public comments offered and the public comment portion of the meeting was closed.

Chairman Rissel asked the Board's comments on using a "consent agenda" for this and future meetings. He explained that a consent agenda is an item which combines several non-controversial or non discussion items under one vote. This would allow more discussion time on other items. If any Board member wanted to discuss one of the consent agenda items then that member could require it be removed from the consent agenda for discussion. The Board agreed to using the consent agenda for this and future meetings.

Consent Agenda: Chairman Rissel then asked for a motion to approve a consent agenda which included Item 4 (authorizing staff to receive additional proposals for liability & workers compensation insurance), Item 5 (Approving \$3,300 to purchase the IWEB MS web payment system and approve a new non-recurring fee of \$1.20 for web payments and submit tariff to Public Service Commission), Item 6 (Authorizing staff to award bid to lowest qualified bidder for the Highway 313 Water Main Relocation Project) and Item 6A (Approving \$3,400 as emergency purchase for Server Room dedicated air conditioner unit). Commissioner Walton made a motion to approve the consent agenda which was seconded by Treasurer Gossett and was passed.

May 18, 2010 Minutes: Chairman Rissel asked for a motion to accept the May 18, 2010 Regular Board Minutes. Commissioner Walton noted he had two changes to the minutes before accepting them. Commissioner Walton made a motion to accept the May 18, 2010 minutes with the noted changes. Treasurer Gossett seconded the motion and motion passed.

May Treasurers Report: Mr. Schmuck presented the financial statements for May. He explained the reasoning and method for the re-allocation of certain general administrative and overhead expenses for the months of January through April for all four funds. This change required a one time added expense to the water fund of \$65,000 and crediting same to other funds resulting in the Radcliff Sewer fund showing a Net Income year to date. Commissioner Hockman questioned some account balances with a negative balance. Mr. Schmuck noted that this is a result of the January through April reclassification.

Chairman Rissel questioned how higher temperatures and high rainfall contributed to the Water fund expenses being more this month. Mr. Schmuck explained that higher temperatures caused more water consumption for pools, drinking and watering lawns, resulting in the District having to purchase additional water from Ft. Knox. The heavy rainfall required higher amounts of treatment chemicals as well.

Commissioner Hockman asked why the payments for Bart's Lawn Service have increased and he suggested maybe its time to rebid the job to see what other competitive price we get. Mr. Bruce and Mr. Pyles both listed the jobs and responsibilities that Bart's Lawn Service has and was contracted to do, and the monthly amounts vary based on amount of square feet repaired in a given month. Mr. Pyles noted that

**Hardin County Water District No. 1  
Minutes of Regular Board of Commissioners Meeting**

June 15, 2010

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Gossett questioned if we would be keeping the Line of Credit (LOC) with Cecilian Bank. Mr. Bruce confirmed that we would be keeping the LOC and the APR would decrease from 4.5% to prime rate.

Secretary Tindall voiced concern on whether the Districts money and funds would be insured. Mr. Bruce reported that Kentucky law requires public funds to have collateralized investments to be pledged, plus the District's accounts are FDIC insured. Commissioner Hockman made a motion to authorize staff to facilitate and process all required banking and accounting changes to change the District's main business bank to Cecilian Bank, accepting the terms of their proposal submitted on May 28, 2010. Secretary Tindall seconded the motion and motion passed.

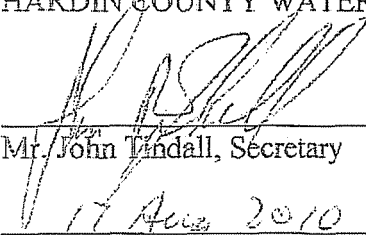
Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 6:24 p.m and it was seconded by Commissioner Walton and passed.

(Minutes submitted by Ms. Christie Campbell)

**APPROVAL OF MINUTES**

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1

  
\_\_\_\_\_  
Mr. John Tindall, Secretary

17 Aug 2010  
\_\_\_\_\_  
Date Approved

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Web / Internet Payment Charge

### 1. Miscellaneous Expense

License Fee / Software / Set-up_____ (\$3,200 one time, amortized 5 years)_	\$_ 640_____
iWEB annual support fees_____	\$_ 150_____
Transaction Warehouse, transaction Fees (\$1 / Transaction)	\$_ 14,856_____
Website design (\$2,600 amortized over 10 years)_____	\$_ 260_____
Depreciation on dedicated server For web-site (\$2,195.80 / 10 years)	\$_ 220_____
Comcast ISP subscription	\$_ 1,200_____
Iglou email hosting service (Required for .com registry)	\$_ 180_____
LexNet Server Offsite back-up service & Storage fee (\$5,283/year, divided by 4 Servers = \$1,321 / server)	\$_ 1,321_____
<b>Total Annual Miscellaneous Expense</b>	<b>\$_ 18,037_____</b>
<b>Divide by Est. Annual # Transactions</b>	<b>_ 14,856_____</b>
<b>Total Nonrecurring Charge / Transaction</b>	<b>\$_ 1.21_____</b>

4



# Hardin County Water District No. 1

*Serving Radcliff and Hardin County for Over 50 Years*

1400 Rogersville Road  
Radcliff, KY. 40160

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October 27, 2010

Mr. Brent Kirtley  
Director - Division of Filings  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

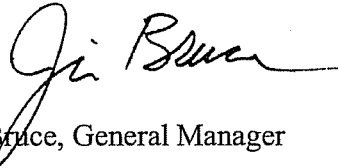
**SUBJECT: Requested Tariff Change  
Free Fire Water Use & Web Payment Fee**

Dear Mr. Kirtley;

Enclosed please a tariff revision request. These two changes are to add language for free water for fire department use, and a new non-recurring charge for a Web / Internet Payment fee to recover new costs related to this payment method. We have filed this request using the tariff electronic filing method.

As our application states, we will also be filing an affidavit showing proof of the public notice of this tariff change. We have made the effective date December 1, 2010. If you need more information, please contact myself or Mr. Scott Schmuck (email; [Sschmuck@hcwd.com](mailto:Sschmuck@hcwd.com)) at our office.

Sincerely,



Jim Bruce, General Manager

Encl.

Cf; Mr. David Wilson II, HCWD1 Attorney  
Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF THE APPLICATION OF )  
HARDIN COUNTY WATER DISTRICT No. 1 FOR )  
 )  
APPROVAL TO MODIFY )  
EXISTING WATER TARIFF, SHEETS 5 AND 11 )  
~~AFFECTING POLICIES OR ADMINISTRATIVE~~ )  
REGULATION AND ADDING NEW NON-RECURRING )  
CHARGE )**

**Filing No. \_\_\_\_\_**

\*\*\*\*\*  
**APPLICATION**  
\*\*\*\*\*

1. Applicant is a duly organized and operating water district organized and existing under the laws of the Commonwealth of Kentucky (KRS 74 ET. SEQ.) and is engaged in the business of treating and selling potable water and maintaining a water distribution system, and owns and operates two sanitary sewer utilities, located within the Ft. Knox military base reservation (Case No. 2004-00422) and within the City of Radcliff (Case No. 2008-00074).
2. The applicant now operates and does business in an existing service area which includes the city limits of the City of Radcliff, the cantonment area of Ft. Knox and encompasses the City of Vine Grove and a portion of Hardin and Meade counties immediately north of Vine Grove, and includes the sewer service area of record filed with the Commission. The entire service area is within the boundaries of the Commonwealth of Kentucky.
3. The address of the applicant is 1400 Rogersville Road, Radcliff, Kentucky 40160 and has a web site address which is [www.HCWD.com](http://www.HCWD.com).
4. Certified copies of the order of the Hardin County Fiscal Court establishing the water district and all amendments thereto are on record with the Public Service Commission and are unchanged as filed with Case No. 97-081.
5. The applicant submits this filing to provide a new section in its water tariff which allows free water, under certain conditions, to be provided to Fire Departments that have access to and may use the applicants fire hydrants, and also has incurred new costs related to operating its web page and external vendors which support the applicants process and system by which customers may make payments through the web page or internet, and therefore has calculated a new non-recurring charge specific to customers choosing to use this service and payment method.
6. The applicant by this filing has provided the Commission with at least 20 days advance notice of a tariff change pursuant to 807 KAR 5:011, Section 6.b. The effective date requested for the changes is December 1, 2010.
7. The applicant is making public notice of these changes pursuant to 807 KAR 5:011, Section 8. The applicant will provide the Commission with an affidavit showing proof of publication once the third notice is published in the newspaper of general circulation in its service area. A copy of the public notice used has been included in the Appendix of this filing as Exhibit item No. 1.

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- a. KRS 278.170 requires that water districts must have approval and incorporated into their tariff any conditions or allowances of free or reduced water rates, including water provided for fire departments / districts
- b. The PSC ordered an accounting inspection which was completed in 2008 and report issued (report issued June 30, 2008) to HCWD1 on changes required (re; case 2001-00211). Item 1, page 2, required HCWD1 add language in its tariff to allow free or reduced water rates for fire departments
- c. During its annual 2010 PSC inspection, PSC inspector Mr. Jimmy Adcock reminded HCWD1 about the need for this tariff revision. Mr. Bruce noted that this would be completed before the end of the year
- d. The proposed tariff section includes an agreement to be signed by each fire department that has access to HCWD1 fire hydrants. This includes seven different fire departments which are listed below;

City of Radcliff	City of Vine Grove
Rineyville Fire Department	West 84 Fire Department
86 Fire Department	Flaherty Fire Department (Meade Cty)
Custer Fire Department (Breckinridge Cty)	

- e. Mr. Bruce asked the Fire Chiefs of the two largest fire departments that access HCWD1 hydrants (City of Radcliff, Chief Henderson & City of Vine Grove, Chief New) to review the proposed tariff and agreement. Both Chiefs had no objection to the language and requirements, and also offered to assist with distributing the agreement and requirements at a upcoming Hardin County Fire Chiefs Association meeting. A copy of the email response from Chief Henderson is in the Appendix of this filing as Exhibit item No. 2.

10. The following supporting facts are presented related to the need to add a new non-recurring charge for Web / Internet Payment Fee. The following facts and additional information are provided in support of this fee;

- a. The applicant's Board approved the new fee at their June 15, 2010 Board meeting. A copy of the Board item regarding this item, and minutes reflecting their approval, has been included in the Appendix of this filing as Exhibit item No. 3

- b. The current rates (water) of the applicant were last adjusted and approved by the Commission in 2007 (Case No. 2006-00410, April 7, 2007) did not include these costs in its rate base or rate model. These expenses and costs have been added and increased in the last three years as the applicant has added to and improved its payment methods available for customers. At that time, all the applicants other annual fees related to credit and debit card payments were included in its rate base calculation, however, fees and costs related to web / internet payments were not included

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  - c. The customer may choose to use the web / internet payment method, and can avoid the added fee by using other, more tradition methods, of payment
  - d. The costs to provide this service include; license and installation fees for the software; Annual maintenance fee to upgrade and support the system; Depreciation expense on server equipment; email & .com hosting service; amortized cost of web site design; third party Server & web site back-up service; ISP provider subscription and per transaction fee for third party to process the transaction through the banking and credit card systems
  - e. A summary of all costs and the proposed per transaction non-recurring charge is included in the Appendix, in detail and form required by the Commission, as Exhibit No. 4
11. The tariff sheet submitted has an effective date of December 1, 2010. This should provide the Commission required advance notice, time to review the application and time for the applicant to complete required public notice.

WHERETO, Hardin County Water Applicant No. 1 request that the Public Service Commission of the Commonwealth of Kentucky consider this filing and tariff change in order to begin charging the new rate no later than December 1, 2010. If additional information is required, the Applicant further requests that the Commission contact the Applicant by telephone or electronic mail with contact information being;

Attorney;

Applicant;

~~Mr. David Wilson, II, Esq~~  
Attorney, HCWD1  
Skeeters, Bennett, Wilson & Pike  
550 W. Lincoln Trail Blvd.  
Radcliff, KY. 40160  
Phone: 270-351-4404  
email: [david.wilson@sbw-law.com](mailto:david.wilson@sbw-law.com)

~~Mr. Jim Bruce~~  
General Manager, HCWD1  
1400 Rogersville Road  
Radcliff, KY. 40160  
Phone: 270-351-3222  
email: [jbruce@hcwd.com](mailto:jbruce@hcwd.com)

Dated at Radcliff, Kentucky, this 28 day of OCTOBER, 2010.

HARDIN COUNTY WATER DISTRICT No. 1

By: 

David T. Wilson II, Attorney at Law  
Attorney for Hardin County Water Applicant No. 1  
Skeeters, Bennett, Wilson & Pike PLC  
550 W. Lincoln Trail Blvd., P.O. Box 610  
Radcliff, Ky 40160  
(270) 351-4404

# Supporting Data / Information

October 27, 2010

Tariff Change Request

Submitted By:

Hardin County Water District No. 1

1400 Rogersville Road

Radcliff, KY 40160

Phone: 270-351-3222

Mr. Jim Bruce, General Manager

email: [jbruce@hcwd.com](mailto:jbruce@hcwd.com)

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## List of Exhibits

<u>Exhibit</u>	<u>Exhibit No.</u>
Public Notice. ....	1
Response from Fire Chief.....	2
Board Item & Minutes.....	3
Cost Justification. ....	4

**PUBLIC NOTICE  
PROPOSED TARIFF CHANGE WITH NEW FEES**

HARDIN COUNTY WATER DISTRICT No. 1  
1400 Rogersville Road  
Radcliff, KY. 40160  
Phone: 270-351-3222

This Public Notice is pursuant to KAR 5:001, Section 10, making notice of a new fee for District customers and new requirement for Fire Departments to receive free water for fire suppression and fire fighting training purposes. The proposed tariff change would change Sheets No. 5B and 11. The impact to those rates listed in the tariff are as follows;

ITEM NO.	FEE/CHARGE	CURRENT FEE	PROPOSED FEE (Non-Recurring Charge)	ESTIMATED ACCOUNTS AFFECTED
1	Internet / Web Payment Fee  (Sheet 5B)	NA	\$1.20 Added for each web payment	Any customer who chooses to make a payment using internet or web payment method. Applies to customers with a water and/or sewer account
2	Conditions and required agreement to be signed by Fire Departments who request to receive free water for fire fighting or training purposes  (Sheet 11)	NA	NA	Each Fire Department located within HCWD1 service area that needs to access HCWD1 fire hydrants for fire fighting or training purposes

The proposed fees will be filed in a tariff change application to be filed with the Public Service Commission (PSC). The fees contained in this Notice are those proposed by the District. However, the PSC may order fees to be charged that differ from the proposed fees. Such action by the PSC may result in fees other than those included in the Notice. The application includes a proposed effective date for these tariff changes of December 1, 2010.

Notice of Right to Intervene: Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene and may submit their motion to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, ATTN: Mr. Jeff Derouen, Executive Director, and must include the grounds for the request including the status and interest of the party. Intervenors may obtain a copy of the application at the District's office and a copy may be obtained from the District's website at [www.hcwd.com](http://www.hcwd.com) under "Projects" tab.

For any questions or additional information contact, Mr. Jim Bruce, General Manager, phone 351-3222 or email at [jbruce@hcwd.com](mailto:jbruce@hcwd.com). Submitted by order of Hardin County Water District No. 1 Board of Commissioners, Mr. William J. Rissel, Chairman

## Jim Bruce

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**From:** Chief Jamie Henderson [jhenderson@radcliff.org]  
**Sent:** Thursday, October 14, 2010 11:20 AM  
**To:** Jim Bruce  
**Subject:** RE: Tariff/Agreement

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Sounds good! We have a Chief's meeting next month just let me know.

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**From:** Jim Bruce [mailto:jbruce@hcwd.com]  
**Sent:** Thursday, October 14, 2010 10:24 AM  
**To:** Chief Jamie Henderson  
**Subject:** RE: Tariff/Agreement

Chief;

Thanks for taking time to review it and respond. We will proceed with filing with PSC and public notice. They may have their own questions. If approved, may need your help getting to all the Chief's affected and communicating new requirements.

Jim Bruce

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**From:** Chief Jamie Henderson [mailto:jhenderson@radcliff.org]  
**Sent:** Thursday, October 14, 2010 9:56 AM  
**To:** Jim Bruce  
**Subject:** Tariff/Agreement

Everything looked good. Chief New also reviewed it and also agreed it looked good. Just let us know when to sign.

Thanks!

No virus found in this incoming message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 8.5.448 / Virus Database: 271.1.1/3140 - Release Date: 10/14/10 06:34:00

No virus found in this incoming message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 8.5.448 / Virus Database: 271.1.1/3140 - Release Date: 10/14/10 06:34:00

2



**MEMORANDUM**  
Hardin County Water District No. 1

DATE: October 11, 2010

TO: Chief Jamie Henderson, Radcliff Fire Department

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FROM: Jim Bruce, HCWD1 General Manager

SUBJECT: Draft Tariff / Agreement - Free FD Water Use

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Chief,

I talked to you sometime back about reviewing this for us. In 2008, the Public Service Commission (PSC) did a multi day "accounting inspection" including review of all our billing practices and tariff policies. They issued an order to us requiring several changes. One of the changes was that our tariff was missing a section on free water use for fire departments.

During our latest 2010 PSC annual inspection, the inspector reviewed items from 2008 order. He found we still had not included the FD water use section, and was going to write this up as a deficiency, but I told him we would get done in 2010.

Attached is my draft addition to our tariff book. It includes a sample agreement we would like all FD's to sign, showing they agree with the terms of the free water. The terms include providing monthly reports to us on water used, and periodic training on operation of fire hydrants. We would provide some training free if you requested. There are some FH vendors who provide some pretty good training on FH operation and use which we could use also.

This would apply to all FD's that use our hydrants, however, by far most of them are in Radcliff. I think there are 8 total FD's that could use our hydrants. Since I have been here (16 years) we have had a few problems with FD's opening and closing FH's too fast and causing water hammer or our SCADA system to report alarm for high or low pressures. We also had an incident where we found a FD employee (volunteer?) filling his own swimming pool from a hydrant using FD hoses. This agreement sets forth the allowed use of free water, and the requirement for some training on FH use.

Please review the enclosed information and let me know your suggestions or comments. If you want to share with other Chief's, that is fine also. If possible, please get back to me by October 31, 2010. As this is a formal tariff change, we have to file with PSC and give them advance warning, as well as make public notice of the change. If there are enough public comments and responses to PSC, they can order a hearing as well.

Feel free to call me with any suggestions or questions as well.

Thanks for taking the time to look at this for us.

Jim Bruce

# HARDIN COUNTY WATER DISTRICT No. 1

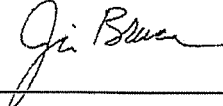
## Staff Information Item

**DATE:** June 15, 2010

**AGENDA ITEM NO.:** 5

**ITEM:** IWEB MS for inHANCE Utility Solutions

**SUBMITTED BY:** Scott Schmuck & Charlene Easter

**THROUGH:** Jim Bruce, General Manager 

Our current website method allows payment by credit/debit card. The interface was custom written by a local programmer. The program must collect data from the customer, then report to the customer's account through an SQL database file within the CIS system (inHance®). With the increasing use of this system, we have heard more and more complaints from customers about their accounts being charged twice, or, the transaction not actually being recorded.

Instead of continuing to use this manually written interface and website programming, we would like to change to the iWEB MS® managed service, a fully hosted online payments portal that interfaces directly with inHANCE®. This means that the customer would be connected to a "payment website" hosted by a third party - Transaction Warehouse and not by the District (supported by the local consultant). Transaction Warehouse is a strategic partner with CollectorSolutions®, our credit card processor therefore they are able to offer a more integrated system.

The benefits and features of this change are;

Provides / Feature	Problems with current website method	Benefits to Customer/District
Flexible payments	Customer can only pay what is due (no option for partial or over payment)	Customer will be able to make a payment for less or more
Account number recognition	Customer cannot pay a final bill online (after having moved away)	Customer can make a payment on an account with an account number
View pending payments and balances	Customers are making duplicate payments when confirmation not received and they cannot see their latest balance	Customer is provided a screen that shows pending payments and any balance owed.
Payment Confirmation Receipt	Customer must print screen shot for receipt or call Customer Service (no email confirmation sent)	Customer is sent an email with confirmation of payment
Real - Time processing	District imports payment files 3 times daily/to post customer payments to accounts. Until files imported, customer will not see payment applied when checking on line	District has an option to set payments made to a pending status or to post in inHANCE® real-time as customer makes payment
Customer Profile	Customer has to enter profile information each time they log on to payment website	Customers profile can be saved
Recurring payment option	Not available	Customer can setup a automatic payment to be made each month on a selected date
Reports	District can only generate reports from our credit card processor - CollectorSolutions	District can obtain and print daily transaction summary, track customer who pay by automatic (recurring) vs. one time payments, etc.

3

IWEB MS for inHANCE Utility Solutions  
Continued

June 15, 2010

Provides / Feature	Problems with current website method	Benefits to Customer/District
Payment Website Design/Content	District must ask D. Evangelista to make any changes - dependent on his schedule and availability (he works two other jobs)	District has the ability to manage Homepage, messages, emails, with templates and variable provided.  Programming changes and support are provided continuously and full time

**Overall Benefits to the District:**

Would eliminate the confusion and frustration customers experience when attempting to make a payment on our website. Will reduce increasing complaints and calls received regarding payments or questions/emails about the District's payment website.

Most important this means sensitive information such as payment profiles and enrollment in automatic payments are stored and managed by Transaction Warehouse according to the Payment Card Industry Data Security Standard (PCI DSS) which mandates rigid standards for compliance certification.

**Cost of Service / Support / Annual:**

Our current rate base (based on 2005 test year costs, approved by PSC in 2007) includes the cost then of credit card processing. This means we spread the costs of credit card transactions (at that time) over the complete rate structure. The total 2005 costs was \$18,089 which means an additional \$0.16 was added to each monthly water bill. Currently, we are averaging a total of 2,475 credit card transactions / month, with 50% being done on line and the rest by phone in or walk in. CC payments now account for about 24% of all our payment types.

Our current rate base did not account for or collect any revenues for web-based payments, as we did not offer that option at the time. By using this proposed vendor and service, we would have new, additional costs to process web based credit card payments. These costs would be;

Item No.	Item	One-Time Cost (Cash Expense)		Monthly Operating Expense	
		Water	Sewer	Water	Sewer
1	inHance iWEB MS® License for the inHance Utility Solutions (\$3,000)	\$1,590	\$1,410	N/A	N/A
2	Up to two (2) hours of remote iWEB MS® setup assistance (\$200)	\$106	\$86	N/A	N/A
3	Additional Annual Maintenance (\$150)	N/A	N/A	\$80	\$70
4	Monthly Depreciation on One Time Items (5 years)	N/A	N/A	\$28	\$25
5	Monthly Transaction Fees (Estimated using 1,233/month)	N/A	N/A	\$661	\$587
6	TOTAL Monthly Expense	N/A	N/A	\$696	\$618

Item 5 would be a new monthly expense for the \$1.00 transaction fee. Since it is an optional, non-recurring charge, we can add this to our tariff as a new charge for "Web Payment Processing Fee". We could make it equal

IWEB MS for inHANCE Utility Solutions  
Continued

June 15, 2010

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the transaction fee, plus the other one time costs (as monthly depreciation expense). This would make the rounded fee = \$1.20/transaction

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Website to vendor;  
<http://transactionwarehouse.net/iwebms>

Here is utility using their system (Click on Pay Your Bill On-Line option)  
<http://www.ncwd.org>

**RECOMMENDATION:**

Due to the increasing use of web based payments, and the increasing number of complaints we are getting on our web payment site, staff recommends changing our web based payments to using the iWEB MS for inHance Utility Solutions®, and to expend the needed funds to implement the change, and also to authorize staff to file a tariff change to add a new fee of \$1.20 for each web payment processed.

**Suggested Motion Language:**

*"Motion to authorize the purchase of the iWEB MS for inHance Utility Solutions, for a total not to exceed \$3,300 and to authorize staff and legal counsel to submit a tariff change for a new non-recurring charge for Web Site Payment Processing for \$1.20 to the Public Service Commission, at the earliest convenience"*

**Hardin County Water District No. 1  
Minutes of Regular Meeting  
of the Board of Commissioners**

**June 15, 2010**

Chairman Bill Rissel called the meeting to order at 5:30 p.m. with Commissioners William Gossett, John Tindall, Ron Hockman, and Steve Walton attending. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance and Accounting Manager; Stephanie Brown, Accountant; Christie Campbell, Administrative Clerk and attorneys David Wilson and Derrick Staton. Dinner was provided for the Board and staff.

Chairman Rissel opened the floor for public comment. There were no public comments offered and the public comment portion of the meeting was closed.

Chairman Rissel asked the Board's comments on using a "consent agenda" for this and future meetings. He explained that a consent agenda is an item which combines several non-controversial or non discussion items under one vote. This would allow more discussion time on other items. If any Board member wanted to discuss one of the consent agenda items then that member could require it be removed from the consent agenda for discussion. The Board agreed to using the consent agenda for this and future meetings.

**Consent Agenda:** Chairman Rissel then asked for a motion to approve a consent agenda which included Item 4 (authorizing staff to receive additional proposals for liability & workers compensation insurance), Item 5 (Approving \$3,300 to purchase the IWEB MS web payment system and approve a new non-recurring fee of \$1.20 for web payments and submit tariff to Public Service Commission), Item 6 (Authorizing staff to award bid to lowest qualified bidder for the Highway 313 Water Main Relocation Project) and Item 6A (Approving \$3,400 as emergency purchase for Server Room dedicated air conditioner unit). Commissioner Walton made a motion to approve the consent agenda which was seconded by Treasurer Gossett and was passed.

**May 18, 2010 Minutes:** Chairman Rissel asked for a motion to accept the May 18, 2010 Regular Board Minutes. Commissioner Walton noted he had two changes to the minutes before accepting them. Commissioner Walton made a motion to accept the May 18, 2010 minutes with the noted changes. Treasurer Gossett seconded the motion and motion passed.

**May Treasurers Report:** Mr. Schmuck presented the financial statements for May. He explained the reasoning and method for the re-allocation of certain general administrative and overhead expenses for the months of January through April for all four funds. This change required a one time added expense to the water fund of \$65,000 and crediting same to other funds resulting in the Radcliff Sewer fund showing a Net Income year to date. Commissioner Hockman questioned some account balances with a negative balance. Mr. Schmuck noted that this is a result of the January through April reclassification.

Chairman Rissel questioned how higher temperatures and high rainfall contributed to the Water fund expenses being more this month. Mr. Schmuck explained that higher temperatures caused more water consumption for pools, drinking and watering lawns, resulting in the District having to purchase additional water from Ft. Knox. The heavy rainfall required higher amounts of treatment chemicals as well.

Commissioner Hockman asked why the payments for Bart's Lawn Service have increased and he suggested maybe its time to rebid the job to see what other competitive price we get. Mr. Bruce and Mr. Pyles both listed the jobs and responsibilities that Bart's Lawn Service has and was contracted to do, and the monthly amounts vary based on amount of square feet repaired in a given month. Mr. Pyles noted that

**Hardin County Water District No. 1  
Minutes of Regular Board of Commissioners Meeting**

June 15, 2010

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Gossett questioned if we would be keeping the Line of Credit (LOC) with Cecilian Bank. Mr. Bruce confirmed that we would be keeping the LOC and the APR would decrease from 4.5% to prime rate.

Secretary Tindall voiced concern on whether the Districts money and funds would be insured. Mr. Bruce reported that Kentucky law requires public funds to have collateralized investments to be pledged, plus the District's accounts are FDIC insured. Commissioner Hockman made a motion to authorize staff to facilitate and process all required banking and accounting changes to change the District's main business bank to Cecilian Bank, accepting the terms of their proposal submitted on May 28, 2010. Secretary Tindall seconded the motion and motion passed.

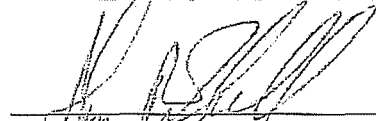
**Adjourn:** Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 6:24 p.m and it was seconded by Commissioner Walton and passed.

(Minutes submitted by Ms. Christie Campbell)

**APPROVAL OF MINUTES**

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1



Mr. John Tindall, Secretary

17 Aug 2010  
Date Approved

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Web / Internet Payment Charge

### 1. Miscellaneous Expense

License Fee / Software / Set-up_____ (\$3,200 one time, amortized 5 years)_	\$_640_____
iWEB annual support fees_____	\$_150_____
Transaction Warehouse, transaction Fees (\$1 / Transaction)	\$_14,856_____
Website design (\$2,600 amortized over 10 years)_____	\$_260_____
Depreciation on dedicated server For web-site (\$2,195.80 / 10 years)	\$_220_____
Comcast ISP subscription	\$_1,200_____
Iglou email hosting service (Required for .com registry)	\$_180_____
LexNet Server Offsite back-up service & Storage fee (\$5,283/year, divided by 4 Servers = \$1,321 / server)	\$_1,321_____
<b>Total Annual Miscellaneous Expense</b>	<b>\$_18,037_____</b>
<b>Divide by Est. Annual # Transactions</b>	<b>_14,856_____</b>
<b>Total Nonrecurring Charge / Transaction</b>	<b>\$_1.21_____</b>

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HARDIN COUNTY WATER DISTRICT No. 1

CLASSIFICATION OF SERVICE

Non-Recurring Charges and Miscellaneous Fees

procedures to the customer about payment of monthly charges and send a vehicle to the address to obtain the first meter reading and turn service on. The fee is charged for each new account established, regardless of whether the customer has other service address accounts existing with the District. The charge may be billed to the customer as part of their first bill.

a. **\$5.00 - Administrative Fee**

This fee is charged to an account when a customer requests to change the name on an account, and transfer a balance to another account or process a Final Bill. It may also be charged for other services which require office personnel to make changes to an account which are beyond a normal bill preparation or collection. This fee does not include any costs or services requiring a Field Service Call or sending a Representative to a service location and may be in addition to other charges.

b. **\$11.00 - Field Service Call Fee**

This fee is added anytime a customer requests service which requires a trip to the customers service location which would be in addition to a normal monthly meter reading for routine charges. The reasons may include but are not limited to; Obtain meter reading for final bill preparation, turn on or off service when requested by the customer, making additional visits to obtain a meter reading when access to the meter was denied for reasons beyond the control of the District, replacing or correcting a meter when it has been tampered with or modified by the customer, check for leak (not charged if leak is found on the District's side of the meter), pull water meter for requested test by customer or emergency turn off of service due to leak on customers plumbing. This fee may be charged in addition to other applicable charges listed on the District's tariff.

c. **\$46.00 - After Hours Service Call Fee**

This fee is added when a customer requests service after District offices are closed. The reasons may include but are not limited to; emergency valve locate and turn off, turn water on for new account, turn water on after reconnect fee and past due charges have been paid, check for plumbing leak and location of service lines or water mains for repairs or construction. The person requesting service must have an established account with the District and must be current on their payments.

d. **\$1.20 - Internet / Web Payment Fee**

(N)

A customer may choose to pay their pay their bill "on-line" through the District's website (or internet method) by credit card, debit card or an e-check (electronic draft directly from their checking account). When choosing to make an on-line payment a customer will be advised that they are leaving the District's website and entering a secure on-line account system hosted by a third party website, compliant with the Payment Card Industry Data Security Standard (PCI DSS). A customer will have to choose by positive option to continue with the payment process, or, cancel to return to the District's website.

This fee will be added to any outstanding balance (water and or sewer bill) or their requested payment amount, once they complete the website payment option. The fee recovers the costs to the District by the processing company to process each transaction, as well as web site development and support costs.

If on the bill due date an attempt to pay by a credit/debit card or an e-check is made and the transaction is declined for any reason, any payment due will still be un-paid on that date and will be considered late after close of business on that date. All late charges and penalties or service interruptions (turn off's) will be applied or carried out due to the un-paid balance. If a customer is paying on a disconnect day and the transaction is declined, the same rules as above apply.

DATE OF ISSUE October 29, 2010

DATE EFFECTIVE December 1, 2010

ISSUED BY Mr. Jim Bruce

TITLE General Manager, HCWD1

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO: \_\_\_\_\_ DATED \_\_\_\_\_



Hardin County Water District No. 1


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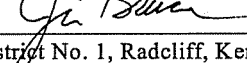
 CLASSIFICATION OF SERVICE:  
 RATES, SURCHARGES AND MONTHLY CHARGES
 

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- d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rate is as follows;
- I. All water used = \$1.92 per 1,000 gallons
  - ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement which a sample of which is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.
- e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional ten (10) percent as a late charge to the previous outstanding balance. Said late charge shall apply to all charges, fees or prior penalties included in the outstanding balance on the due date. In order to avoid a late penalties being added, the payment must be received at the District office on the due date shown on the customer's bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.
3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customers causes, the District may determine the customers water use and prepare a bill using an estimated use. The method of estimating will normally use a three (3) month average, however the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill.
- (N)
4. **Fire Protection & Fire Demand Capacity:** While the District's water system includes oversizing of many mains to provide flows for fire protection, and has fire hydrants installed along many of its water mains, the District is not obligated or required to provide fire protection from any portion of its water system. The District uses fire hydrants for flushing water mains and improving drinking water quality. For new water mains added, the District will require that the developer, or itself, size new mains to provide minimum flows and pressures required by the Public Service Commission and Division of Water, and shall be designed by a licensed professional engineer, and will require fire hydrants to be installed according to the District's current construction and design standards. Fire flows required by the developer or a new customer beyond these requirements may require additional investment and system improvements which costs must be borne by the party requesting the higher flows, unless the District and its Board authorize partial or full investment by the District.

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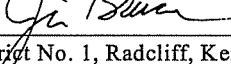
 DATE OF ISSUE October 29, 2010 DATE EFFECTIVE December 1, 2010

 ISSUED BY: , Mr. Jim Bruce, General Manager  
 Hardin County Water District No. 1, Radcliff, Kentucky

 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
 IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

5. **Free Water Use for Fire Departments;** Any city, county, fire protection district or volunteer fire protection district ("Department") may withdraw water from the District's water distribution system for fighting fires or training firefighters within the District's territory at no charge on the condition that the Department signs a written agreement with the District and maintains estimates of the amount of water used for fire protection and training during each calendar month and reports the amount of this water usage to the District no later than the 15th day of the following calendar month.
- a. Any Department that withdraws water and fails to submit the required report on water usage in a timely manner shall be assessed a penalty of \$100 for each failure to submit a report. If a Department fails to timely report its estimated water usage for two (2) consecutive months, then the District may also suspend the Department's privilege of using free water from the District's fire hydrants for any purpose other than fighting and controlling an actual fire event.
  - b. Should the District notify the Department after a declared stage for water reduction during a water shortage event or extended drought, the Department will take action to reduce or curtail any unnecessary water use, including water used for training, until such time the water restriction notice is lifted or cancelled.
  - c. Any Department which damages the utility's water distribution system or hydrant device or valves due to negligence or un-trained personnel shall reimburse the District for the repair costs, including materials, applicable administrative or billing fees, equipment and labor.
  - d. A Department shall not use this free water to wash vehicles, fill swimming pools, irrigate gardens or lawns, for construction of Department facilities or for other domestic use unrelated to the suppression of fires or in the training of the act of putting out fires. The only water which shall be provided for free without cost shall be as that described in this tariff and the written agreement between the parties.

DATE OF ISSUE October 29, 2010 DATE EFFECTIVE December 1, 2010ISSUED BY: , Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, KentuckyBY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Hardin County Water District No. 1CLASSIFICATION OF SERVICE:  
RATES, SURCHARGES AND MONTHLY CHARGES

(SPECIMEN AS APPROVED BY PSC)

**FIRE DEPARTMENT FREE WATER USE AGREEMENT**

(Pursuant to KRS 278.170)

1. **Applicability:** This agreement shall be required to be signed and entered into between any City, county, fire protection district or volunteer fire protection district ("Department") which has a formally recognized organization created to suppress and prevent fires, and which has a station or equipment at any location which generally may need to withdraw water from the water system, hydrants or tanks owned by Hardin County Water District No. 1 ("District"). This agreement shall apply to full or part-time employees of each Department and active, volunteers providing services to any Department.
2. **Term:** The Department which has agreed to the conditions and terms of this agreement may continue to do so until such time the District withdraws its approval, the District has its tariff revised and approved by the Public Service Commission, or, until such time that free water use for Fire Departments is no longer allowed by Kentucky Statute or regulation of the Public Service Commission or Division of Water.
3. **General District Policy:** It is the policy of the District that it is expressly forbidden for any person or entity to tap, convert, steal, or utilize water without prior authorization from District though any fire line, fire hydrant, water main, meter, or other equipment or lines of the District, unless occurring in compliance with the terms of this agreement. Uses of water from any hydrant or part of the District system not allowed under the terms of this agreement will be considered unlawful taking of water or theft of service subject to fine and penalties under KRS 514.060.
4. **Fire Protection & Fire Demand:** While the District's water system includes oversizing of many mains to provide flows for fire protection, and has fire hydrants installed along many of its water mains, and, portions of the District's system provide some level of fire protection, the District is not obligated or required to provide fire protection from any portion of its water system. The District uses fire hydrants for flushing water mains and improving drinking water quality. For new water mains added, the District will require that the developer, or itself, size new mains to provide minimum flows and pressures required by the Public Service Commission and Division of Water, and shall be designed by a licensed professional engineer. Fire flows required by the developer or a new customer beyond these requirements may require additional investment and system improvements which costs must be borne by the party requesting the higher flows, unless the District and its Board authorize partial or full investment by the District
5. **The District Agrees;**
  - a. To provide the Department free water with no meter charges or volume charge as long as the Department complies with the terms of this agreement.
  - b. To notify the Department within 24 hours of any hydrant that is out of service or not useable, for those caused by District activity, or, when the District becomes aware of an unuseable hydrant caused by an event beyond the District's control. Notification shall be by phone call, electronic mail or facsimile to nearest Police / Public Safety Dispatch office.
  - c. To notify the Department after it has failed to receive monthly water use reports from the Department and also to provide thirty (30) days notice before it starts to charge the Department the \$100 monthly penalty fee for failure to report.
  - d. To provide training to the Department once annually (or more often based on number of requests) for no charge on the proper use for opening and closing a fire hydrant, the risks of

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Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:  
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improper operation and other training regarding the District's water system and fire fighting capabilities.

- e. To notify the Department anytime that the District has issued notice to curtail or restrict water use due to a water shortage event or drought conditions.

6. **The Department Agrees;**

- a. That before a new tanker truck is put into service, to allow the District to inspect and advise the Department of any modifications or devices needed to provide cross-connection protection of the water system to prevent back-siphonage of water from the tank into the water system.
- b. To provide the District monthly reports showing the amount of water used during that month by the Department for fire suppression or fire fighting training. Report shall be made to the District no later than the fifteenth (15<sup>th</sup>) day of each month, for water used during the previous month. Report shall include daily use on forms provided by the District (if available). Water use shall be metered or when meters are not in place, shall be estimated based on size of tanks used or estimated water flow from hydrant and period used.
- c. To only use water for the intended and allowed purpose for free fire department water use. The Department agrees and understands that any other use not provided free that it will be responsible to pay for that water under the District's current approved tariff rates.
- d. To provide training annually to all its personnel, and for new volunteers or fire fighters within six (6) months of joining the Department on the proper operation of a fire hydrant.
- e. To notify the District of any hydrants it finds to be inoperable or broken which require service or repairs.

- 7. **Signatures and Certification;** The following representatives certify that they are authorized by their Department to enter into this agreement and will notify other employees and members of the Department the requirements of this agreement, and will cause the reporting and other notifications to begin within thirty (30) days after execution of this agreement;

Department Information;

\_\_\_\_\_ Date of Signature

\_\_\_\_\_ Name of Fire Department

\_\_\_\_\_ Street Address (Main Station / Business Office)

\_\_\_\_\_ Printed Name - Authorized Individual

\_\_\_\_\_ City, State, ZIP

\_\_\_\_\_ Title

\_\_\_\_\_ Signature

(NOTARY FOLLOWS)

DATE OF ISSUE October 29, 2010

DATE EFFECTIVE December 1, 2010

ISSUED BY: *Jim Bruce*, Mr. Jim Bruce, General Manager  
Hardin County Water District No. 1, Radcliff, Kentucky

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