

Caldwell County Water District

118 West Market Street

Princeton, KY 42445

(270) 365-9381

Fax (270) 365-9591

February 10, 2011

RECEIVED

FEB 15 2011

Attention: Jeff Derouen
Kentucky Public Service Commission
211 Sower Blvd
P. O. Box 615
Frankfort, KY 40602-0615.

PUBLIC SERVICE
COMMISSION

Re: Case No. 2011-00034

Dear Mr. Derouen:

The Caldwell County Water District Board misunderstood the resolution concerning the effective date of the Purchased Water Adjustment. The Water District Board intended for the effective date to be for services rendered on and after January 25, 2011.

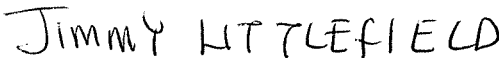
The Princeton Water and Wastewater Department's increase to the Caldwell County Water District went into effect January 1, 2011. Due to the Caldwell County Water District's billing cycle, we would like for the increase to our customers to begin on services rendered on and after January 25, 2011.

Sincerely,

JIMMY LITTLEFIELD

Jimmy Littlefield
Chairman

PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807 KAR 5:068)																							
Name of Utility	CALDWELL County Water District																						
Date	January 14, 2011																						
Address	118 West Market Street																						
City, State, Zip	Princeton, Kentucky	42445																					
Telephone Number	270.365.9381																						
<p>1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Supplier(s)</th> <th style="width: 30%;">Base Rate</th> <th style="width: 30%;">Changed Rate</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Princeton Water & Wastewater Dept.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>per 100 cf.</td> <td style="text-align: center;">\$ 1.77</td> <td style="text-align: center;">\$ 2.024</td> <td></td> </tr> <tr> <td>per 1000 gal.</td> <td style="text-align: center;">\$ 2.37</td> <td style="text-align: center;">\$ 2.71</td> <td></td> </tr> <tr> <td></td> <td>Increase per 100cf = \$0.254</td> <td>Increase per 1000gal = \$0.34</td> <td></td> </tr> </tbody> </table>				Supplier(s)	Base Rate	Changed Rate		Princeton Water & Wastewater Dept.				per 100 cf.	\$ 1.77	\$ 2.024		per 1000 gal.	\$ 2.37	\$ 2.71			Increase per 100cf = \$0.254	Increase per 1000gal = \$0.34	
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<p>1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit</p>																							
<p>2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">From</td> <td style="width: 35%;">December 2009</td> <td style="width: 10%;">through</td> <td style="width: 40%;">November 2010</td> </tr> <tr> <td></td> <td>(month and year)</td> <td></td> <td>(month and year)</td> </tr> </table>				From	December 2009	through	November 2010		(month and year)		(month and year)												
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	(month and year)		(month and year)																				
<p>3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.</p>																							

Supplier(s)	Gallons Purchased during 12 month period
Current 103704116 / 1000gal = 103704.12 103704.12 x \$2.37 per 1000gal = \$245,779.77	103704116
Increase 99564086 / 1000gal = 99564.086 103704.12 x \$2.71 per 1000gal = \$281,038.17	
New Cost - Current = Increase \$281,038.17 - \$245,778.77 = \$35,259.40	
TOTAL PURCHASES	103704116
4. Total sales for the 12 month period	77716727 / 1000 = 77716.727
5. Increased water cost	\$35,259.40
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
$\$35,259.40 / 77,716,727 = .45369$	
6. Purchased water adjustment factor	0.45
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	January 25, 2011
	
Signature of Utility Officer Board Chairman	
Title	

RE: CASE No. - 2011-00034

Caldwell County Water District

118 WEST MARKET STREET ♦ PRINCETON, KENTUCKY 42445

270-365-9381

January 26, 2011

Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Caldwell County Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district purchases all of its water from the City of Princeton Water and Wastewater. They increased their wholesale water rate from \$1.77 to \$2.024 per hundred cubic feet.

The district will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice along with an affidavit will be forwarded to you upon publication.

Sincerely,

JIMMY LITTLEFIELD

CHAIRMAN

enclosure

RE: CASE NO. - 2011-00034

NOTICE

Due to a rate increase from the City of Princeton, notice is hereby given that Caldwell County Water District has filed an Application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Customer rates will increase by 45 cents per 1,000 gallons used. The proposed change will be effective for all bills issued on and after February 25, 2011.

Monthly Rate:

	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
First 1,000 Gallons	\$20.26	\$20.71	2.22%
Next 3,000 Gallons	10.06	10.51	4.47%
Next 6,000 Gallons	8.01	8.46	5.62%
Next 20,000 Gallons	5.97	6.42	7.54%
Over 30,000 Gallons	5.10	5.55	8.82%

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$2.25 from \$58.45 to \$60.70 or 3.85%.

The rates contained in this Notice are the rates proposed by Caldwell County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates included in this notice.

Caldwell County Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 118 West Market Street in Princeton, Kentucky.

Caldwell County Water District
118 West Market Street
Princeton, Kentucky 42445
Telephone: 270-365-9381

Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
Telephone: 502-564-3940

RE: CASE NO. - 2011-00034

FOR Caldwell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Caldwell County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

A. MONTHLY RATES:

All Meter Sizes

First 1,000 Gallons	\$20.71	Minimum Bill
Next 3,000 Gallons	10.51	Per 1,000 Gallons
Next 6,000 Gallons	8.46	Per 1,000 Gallons
Next 20,000 Gallons	6.42	Per 1,000 Gallons
Over 30,000 Gallons	5.55	Per 1,000 Gallons
Leak Adjustment Rate	2.45	Per 1,000 Gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY JIMMY LITTLEFIELD _____
Month / Date / Year
(Signature of Officer)

TITLE CHAIRMAN _____

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



PRINCETON WATER & WASTEWATER

101 E. MARKET ST.
PRINCETON, KY 42445
PHONE 270-365-9301
FAX 270-365-4669

November 11, 2010

Caldwell County Water District
ATTN: Dixie Cayce, Manager
118 West Market
Princeton, KY 42445

RE: Water Rate Increase

Dear Dixie;

The (City of) Princeton Water and Wastewater Commission has adopted a new Regulation dated November 4, 2010 which reflects a rate schedule which will increase by 14.2% the rate which it currently charges the Caldwell County Water District for water purchased.

CURRENT RATE: \$1.77 / 100 CUBIC FEET (\$ 2.37 / 1,000 GALLONS)

NEW RATE: \$2.024 / 100 CUBIC FEET (\$ 2.706 / 1,000 GALLONS)

The rate will be effective for Water Usage during January 2011 and billed during the February 2011 billing cycle.

Although we discussed said increase at our meeting in September, please let this letter serve as the official thirty (30) day notice of the rate increase. Additionally, I am enclosing a copy of the regulation as adopted.

Sincerely,

Joseph W. Anderson
Superintendent

encl

Next	8,900 cubic ft. / month	\$ 3.42 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.83 / 100 CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall be as follows:

FLAT Cubic Feet per month	\$2.024 / 100 CF
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Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall be as follows:

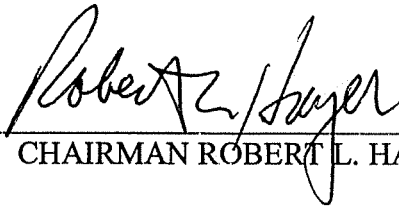
First	150 cubic ft. / month (min bill):	\$ 8.33
Next	950 cubic ft. / month	\$ 5.208 / 100 CF
Next	8,900 cubic ft. / month	\$ 5.154 / 100 CF
Over	10,000 cubic ft. / month	\$ 5.078 / 100 CF

Section 5. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 6. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective as of January 1, 2011.

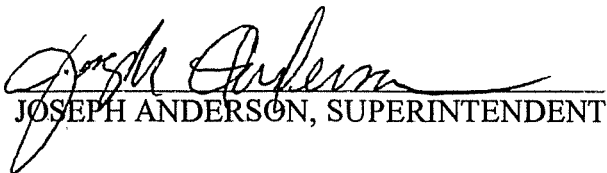
Given first reading on the 4th day of November, 2010.

Given second reading and duly passed by the City of Princeton Water and Sewer Commission on the 10th day of November, 2010.



CHAIRMAN ROBERT L. HAYES

ATTEST:



JOSEPH ANDERSON, SUPERINTENDENT

CALDWELL COUNTY WATER DISTRICT
Board Meeting Minutes
January 25, 2011

Board Members present were Patricia Fralick, Barbara DeAngelo, Jimmy Littlefield and Randall Long. Also, present were Board Attorney Bridgie Miller and District Manager Dixie Cayce.

Bridgie Miller, Attorney for Caldwell County Water District, informed Board that effective January 13, 2011, the resignation of James Wilson from all duties and responsibilities of the Caldwell County Water District Board. Attorney Miller speaking on behalf of the Board stated that we appreciate his service to this Board and also to the community as a whole for the work that he has done. Attorney Miller stated that James Wilson was not only a member of this Board he was also the Chairperson as well and with that being the case Attorney Miller advised that the first order of business is that we would need to have a Chairperson appointed. Attorney Miller asked on the floor for any nominations for Chairperson. Patricia Fralick nominated Jimmy Littlefield. Barbara DeAngelo seconded the motion. With no other nominations Attorney Miller asked for a motion for all nominations to cease. Randall Long made a motion for all nominations to cease. Patricia Fralick seconded the motion. Motion carried for all nominations to cease. Attorney Miller advised that there was also on the floor a motion and second for Jimmy Littlefield to be Chairperson of the Caldwell County Water District. Motion carried.

Chairman Littlefield recognized and welcomed visitors. (Perry Byrd, Stacy Boone and Bob Pickerill)

The Minutes of the December 9, 2010 meeting were reviewed. Patricia Fralick made a motion to approve the December Minutes as printed. Randall Long seconded the motion. Motion carried.

The Financial Reports for the month of December 2010 were reviewed. Randall Long made a motion to approve December Financial Reports as printed for filing and audit. Patricia Fralick seconded the motion. Motion carried.

Stacy Boone, Thurman Campbell Group, PLC, advised that we are working on the annual report for the audit. Mrs. Boone stated that when she got to the accounts receivable she started to question if all of it was collectible. She stated that as of December 31, 2010, there was \$19,000.00 in the over 90 category on the aging report. Also, she stated that she was most concerned with getting that asset to a realistic value. She said we probably need to look at writing part of that value off and discussed the amounts by each year. She mentioned that in the last three years we have done a much better job keeping bad debts under control. She said she thinks we need to look at collectability and what method we want to pursue collection of those accounts. Attorney Miller advised that he would check statute of limitations for collections. Mrs. Boone advised there were collection agencies that would pursue the accounts. She said the main thing she is concerned with is that she does not want the auditor to come in and state that this amount is not collectible and have it affect the audit in anyway. She said the auditor has every right to do that. Mrs. Boone mentioned that 20% of accounts receivable is over 90 days. Randall Long asked if we have a bad debt reserve. Mrs. Boone advised that we could do an allowance account, but generally Water Districts do not set up an allowance account. She said that was an alternative we could look at. Randall Long wanted to know if we went back to 2006 and prior would auditor be happy. Mrs. Boone said she thought if we were addressing the issue that the auditor would work with us.

Randall Long made a motion that we write off \$10,152.76, which is everything prior to 2007. Patricia Fralick seconded the motion. Motion carried.

Attorney Miller stated that if we had gone as far as we think we can that we might want to look at a collection agency. Patricia Fralick asked if we turned over to a collection agency would our current procedure still stand. Attorney Miller stated he had rather a collection agency do our collections.

Randall Long made a motion that we turn everything over to a collection agency after 90 days. Patricia Fralick seconded the motion. Motion carried.

Bob Pickerill, Bell Engineering, advised that he did not have anything to report that he was here if we had any questions.

Manager Dixie Cayce presented to the Board three different packages for construction of the maintenance building. Manager Cayce stated that personally he would feel more comfortable if we did it all as one project, let a contractor come in and Bob Pickerill be responsible for the bid process. Chairman Littlefield asked if there was a standard procedure usually involved in doing this. Mr. Pickerill advised that if we go with a complete package where the general contractor bids it all and responsible for everything that in their original quote given to the board they had \$1,000.00 included for their bidding cost. This would be putting the documents out, taking the bids and recommending an award. Attorney Miller asked Mr. Pickerill if we went by turn key, etc. and bid the whole project out with no subcontractors had he done the drawings for that. Mr. Pickerill advised that the drawings are finished and approved by the State. He said all we would have to do is pay the fee to get a building permit. Attorney Miller suggested that if the board wants to go that route he would like to look at the bidding documents and go over the process with Mr. Pickerill before the next Board Meeting.

Manager Cayce presented Board Members with a copy of the Purchased Water Rate Adjustment and advised that it ran in Saturday's newspaper. He advised that he needed Board approval to send the letter to Public Service Commission. Also, he stated that this was just simply passing on the rate increase we received from Princeton Water.

Randall Long made a motion to send Purchased Water Rate Adjustment request to Public Service Commission. Patricia Fralick seconded the motion. Motion carried.

Manager Cayce advised that we were inspected by the Division of Water on January 6, 2011, and no violations were reported.

Manager Cayce reported that the Transportation Department had hit one of our water lines and that he had given a deposition with Attorney Miller present. He advised that there was a telephone conference scheduled. Attorney Miller advised that the Transportation Cabinet was questioning the bill and it goes to the Board of Claims. He stated they have their own attorney and a Hearing Officer out of Paducah and that the telephone conference is set up for February 11, 2011.

Caldwell County Water District
January 25, 2011 – Board Meeting
Page three

Manager Cayce discussed automatic meter readers and presented figures for a loan from Rural Development. He discussed the advantages of automatic meter readers.

Randall Long made a motion to adjourn. Barbara DeAngelo seconded the motion. Motion carried.

Patricia Fralick, Secretary

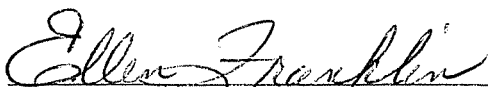
NOTARIZED PROOF OF PUBLICATION

STATE OF KENTUCKY

COUNTY OF CALDWELL

Before me, a Notary Public, in and for said County and State, this 24 day of January, 2011, came John S. Hutcheson III, personally known to me, who, being duly sworn, states as follows: That he is publisher of The Times Leader and that said publication of dates January 22, 2011, carried the advertising of Caldwell Co Water District re Notice rate increase.


John S. Hutcheson III, Publisher


(Notary Public)

My Commission expires: Sept 11, 2011

Phone: 270-365-5588

toll Free: 877-4NEWERA (877-463-9372)

Fax: 270-365-7299

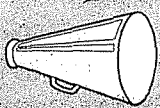




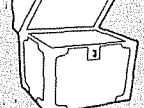

Email: classifieds@timesleader.net

or classifieds@clickforads.com

www.clickforads.com

THE TIMES LEADER

www.timesleader.net

						
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Public Notice

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 118 West Market Street
 Princeton, Kentucky 42445
 Telephone: 270-365-9381

Public Service Commission
 211 Sower Boulevard
 Frankfort, Kentucky 40601
 Telephone: 502-564-3940