

RECEIVED

JUL 21 2014

PUBLIC SERVICE
COMMISSION

REID VILLAGE WATER DISTRICT
903 WINCHESTER RD
P O BOX 610
MT STERLING KY 40353
PHONE 859-498-0062
FAX 859-497-9984

June 26, 2014

Jeff Derouen
Executive Director
KY Public Service Commission
P O 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 Reid Village Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective August 1, 2014.

Sincerely,



Rachel Cartmill
Office Manager

Enclosure

REID VILLAGE WATER DISTRICT
903 WINCHESTER RD
P O BOX 610
MT STERLING KY 40353
859-498-0062
QUARTERLY MINUTES

RECEIVED

JUL 21 2014

PUBLIC SERVICE
COMMISSION

DATE: July 15, 2014

TIME: 5:15

Location: 903 Winchester Rd

Those Present: Don Crabtree , Calvin Hunt , Rachel Cartmill, George Tackett, Jr

Guests: None

Rachel presented the minutes from last meeting and the check registers for review. Don made motion to approve both and Calvin agreed.

Don ask about some checks made to Dutch's and George presented the maintenance manual to show what maintenance was done on the trucks.

Earlier in the week Rachel sent a copy of the Audit home with the commissioners to review, along with a Related Party Transaction form for each to sign and be notarized. The form was required for the Rate Increase process. Don and Calvin returned these to Rachel at the meeting. Shannon brought his in earlier because he could not attend tonight. She explained that the Rate Increase is in process and that would help the financial loss. Also it was brought up that the medicare tax and social security should be withheld from commissioners pay if they are receiving W-2's. Or they could opt to have no taxes withheld and receive a 1099. The commissioners decided that they would rather receive a 1099 at the end of the year with no taxes withheld.

Don inquired about the training that George attended in May. George said he did not pass the exam this time but will re-schedule and try again.

Rachel presented a letter from Mt. Sterling Water & Sewer concerning a rate increase. Calvin suggested we file the paperwork with the PSC to begin a pass-thru rate increase to absorb the increase. Don agreed. Rachel ask for Don's signature on the application for the pass thru rate increase. Don signed.

Rachel told the commissioners that Brad Pelfrey at 401 Hollow Creek has inquired about getting a fire hydrant in there neighborhood. Don says to get a price for the hydrant and let him know that the price of the hydrant and the installation would be at their expense, if they decide to proceed. Also any requirements of the line size would need to be looked into.

Rachel also informed the commissioners that in the future if any reports were lengthy she would distribute them a few days ahead of the Board Meeting for review.

Motion to Adjourn: Calvin 1st
Meeting adjourned at 6:00

2nd Don

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

Name of Utility	Reid Village Water District	
Date	June 26, 2014	
Address	903 Winchester Rd	
City, State, Zip	Mt. Sterling	KY 40353
Telephone Number	859-498-0062	

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.


Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water	2.46	2.77

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	June 2013	through	May 2014
	(month and year)		(month and year)

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.

Supplier(s)	Gallons Purchased during 12 month period
Mt. Sterling Water & Sewer	66,396,790
TOTAL PURCHASES	66,396,790
4. Total sales for the 12 month period	56,441,287
5. Increased water cost	\$20,583.00
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.37 per 1000 gallons
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	August 1, 2014
	
Signature of Utility Officer	
Chairman of the Board	
Title	

**REID VILLAGE WATER DISTRICT
903 WINCHESTER RD
P O BOX 61
MT STERLING KY 40353
859-498-0062
FAX 859-497-9984**

Current Rates

Proposed Rates

First 2000 gallons	18.53	19.27	Minimum Bill
Next 1000 gallons	6.02	6.39	Per 1000 gallons
Next 2000 gallons	5.56	5.93	Per 1000 gallons
Next 5000 gallons	5.09	5.46	Per 1000 gallons
Over 10000 gallons	4.61	4.98	Per 1000 gallons

Reid Village Water District is an equal opportunity provider and employer.

5,775,632.00 +
4,737,228.00 +
5,377,442.00 +
5,213,149.00 +
4,814,509.00 +
4,113,434.00 +
4,086,604.00 +
4,860,625.00 +
4,242,167.00 +
5,947,655.00 +
4,658,781.00 +
4,614,061.00 +
56,441,287.00G +

Reid Village Water District

Consumption Totals

June 2013	5775632
July	4737228
August	5377442
Sept	5213149
Oct	4814509
Nov.	4113434
Dec 2013	4086604
Jan 2014	4860625
Feb	4242167
March	3947655
April	4658781
May	4614061
	56,441,287

$$\begin{array}{r} \div \\ \hline 1000 \quad (\text{gallons}) \\ \hline = 56,441.29 \end{array}$$

$\frac{66,396,790}{\div 1000} = 66,396.79$	purchases at base (current 2.46)	163336.11
66,396.79	purchases at base (New Rate 2.77)	183919.11
		20583.00 \div 56,441.29 =
		.37¢

.37 per 1000 gallons = water adj. factor

5.401.520.00 +
5.343.190.00 +
7.150.510.00 +
7.489.600.00 +
5.360.440.00 +
5.480.810.00 +
5.158.320.00 +
4.713.900.00 +
5.206.640.00 +
5.464.160.00 +
4.640.400.00 +
4.987.300.00 +
66.396.790.0061

Customer History Report

Service Type All
 AR Code All
 Beginning Date 04/01/2013
 Ending Date 06/30/2014

Use Reading Factor
 Start Balance With Zero
 Print Breakdown By Transaction Service Taxes Totals Only

Print Transaction in Descending Order

History For Account 0019-00200-001 Water, Reid Village

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
04/09/13	04/09/13	WTR	Water Billing	WATER	02	\$11,047.30	\$0.00	\$0.00	\$0.00	\$11,047.30
	kayes				4,583,940	\$0.00	\$0.00	\$0.00	\$0.00	
04/22/13	04/22/13	PAY	Payment	WATER	02	(\$11,047.30)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
05/09/13	05/09/13	WTR	Water Billing	WATER	02	\$11,316.01	\$0.00	\$0.00	\$0.00	\$11,316.01
	kayes				4,696,440	\$0.00	\$0.00	\$0.00	\$0.00	
05/20/13	05/20/13	PAY	Payment	WATER	02	(\$11,316.01)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/07/13	06/07/13	WTR	Water Billing	WATER	02	\$13,017.66	\$0.00	\$0.00	\$0.00	\$13,017.66
	kayes				5,401,520	\$0.00	\$0.00	\$0.00	\$0.00	
06/20/13	06/20/13	PAY	Payment	WATER	02	(\$13,017.66)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/09/13	07/09/13	WTR	Water Billing	WATER	02	\$12,877.09	\$0.00	\$0.00	\$0.00	\$12,877.09
	kayes				5,343,190	\$0.00	\$0.00	\$0.00	\$0.00	
07/22/13	07/22/13	PAY	Payment	WATER	02	(\$12,877.09)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
08/09/13	08/09/13	WTR	Water Billing	WATER	02	\$17,590.25	\$0.00	\$0.00	\$0.00	\$17,590.25
	kayes				7,160,510	\$0.00	\$0.00	\$0.00	\$0.00	
08/20/13	08/20/13	PAY	Payment	WATER	02	(\$17,590.25)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
09/09/13	09/09/13	WTR	Water Billing	WATER	02	\$18,424.42	\$0.00	\$0.00	\$0.00	\$18,424.42
	llsam				7,489,600	\$0.00	\$0.00	\$0.00	\$0.00	
09/20/13	09/20/13	PAY	Payment	WATER	02	(\$18,424.42)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/09/13	10/09/13	WTR	Water Billing	WATER	02	\$13,186.68	\$0.00	\$0.00	\$0.00	\$13,186.68
	kayes				5,360,440	\$0.00	\$0.00	\$0.00	\$0.00	
10/21/13	10/21/13	PAY	Payment	WATER	02	(\$13,186.68)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11/08/13	11/08/13	WTR	Water Billing	WATER	02	\$13,482.79	\$0.00	\$0.00	\$0.00	\$13,482.79
	kayes				5,480,810	\$0.00	\$0.00	\$0.00	\$0.00	
11/20/13	11/20/13	PAY	Payment	WATER	02	(\$13,482.79)	\$0.00	\$0.00	\$0.00	\$0.00
	kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/09/13	12/09/13	WTR	Water Billing	WATER	02	\$12,689.47	\$0.00	\$0.00	\$0.00	\$12,689.47
	kayes				5,168,320	\$0.00	\$0.00	\$0.00	\$0.00	
12/19/13	12/20/13	PAY	Payment	WATER	02	(\$12,689.47)	\$0.00	\$0.00	\$0.00	\$0.00
	llsam				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01/09/14	01/09/14	WTR	Water Billing	WATER	02	\$11,598.19	\$0.00	\$0.00	\$0.00	\$11,598.19
	kayes				4,713,900	\$0.00	\$0.00	\$0.00	\$0.00	

History For Account 0019-00200-001 Water, Reid Village.....

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
01/21/14	01/21/14	PAY	Payment	WATER	02	(\$11,598.19)	\$0.00	\$0.00		
	<input type="checkbox"/> kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02/07/14	02/07/14	WTR	Water Billing	WATER	02	\$12,808.33	\$0.00	\$0.00		
	kayes				5,206,640	\$0.00	\$0.00	\$0.00	\$0.00	\$12,808.33
02/20/14	02/20/14	PAY	Payment	WATER	02	(\$12,808.33)	\$0.00	\$0.00		
	<input type="checkbox"/> kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03/07/14	03/07/14	WTR	Water Billing	WATER	02	\$13,441.83	\$0.00	\$0.00		
	connie				6,464,160	\$0.00	\$0.00	\$0.00	\$0.00	\$13,441.83
03/20/14	03/20/14	PAY	Payment	WATER	02	(\$13,441.83)	\$0.00	\$0.00		
	<input type="checkbox"/> kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04/09/14	04/09/14	WTR	Water Billing	WATER	02	\$11,415.38	\$0.00	\$0.00		
	kayes				4,640,400	\$0.00	\$0.00	\$0.00	\$0.00	\$11,415.38
04/21/14	04/21/14	PAY	Payment	WATER	02	(\$11,415.38)	\$0.00	\$0.00		
	<input type="checkbox"/> kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
05/09/14	05/09/14	WTR	Water Billing	WATER	02	\$12,268.76	\$0.00	\$0.00		
	connie				4,987,300	\$0.00	\$0.00	\$0.00	\$0.00	\$12,268.76
05/20/14	05/20/14	PAY	Payment	WATER	02	(\$12,268.76)	\$0.00	\$0.00		
	<input type="checkbox"/> kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/09/14	06/09/14	WTR	Water Billing	WATER	02	\$15,630.91	\$0.00	\$0.00		
	kayes				6,354,030	\$0.00	\$0.00	\$0.00	\$0.00	\$15,630.91
06/20/14	06/20/14	PAY	Payment	WATER	02	(\$15,630.91)	\$0.00	\$0.00		
	<input type="checkbox"/> kayes				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total For Selection						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Total 66,396,790

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 – 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

June 19, 2014

Rachael Cartmill
Reid Village Water District
P.O. Box 610
Mount Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Rachael,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), will soon request approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on both a Rate and Cost of Service study which was recently completed on our behalf, by a Louisville based company, Norbourne and Associates. The driving factor behind what prompted this study was the fact that Mt. Sterling has struggled to keep up with not only expenditures, but the depreciation of fixed assets as well. Being in the utility business yourself, I'm sure you can appreciate the fact that keeping up with rising costs are a struggle not to mention the enormous cost associated the upkeep and replacement of aging infrastructure. Although this study indicated a much greater increase was justifiable, 29.23%, after much debate and deliberation an increase of 12.6% was approved by our water and sewer board at our June 16th meeting. A rate modification request will soon be filed with the PSC, which will include a tariff asking for approval to alter our current wholesale rates from \$2.46/1,000 gallons to \$2.77. We have requested approval that this increase be effective August 1, 2014, should this increase be approved it will be reflected in the September billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers receive notice of any increase a minimum of 30 days prior to the implementation of said increase. Also included is a notice from PSC related to this request. In closing, thank you for your understanding as well as your cooperation concerning this matter, should you have questions or comments please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer