

Caldwell County Water District

118 West Market Street

Princeton, KY 42445

(270) 365-9381

Fax (270) 365-9591

RECEIVED

JUL 21 2014

PUBLIC SERVICE
COMMISSION

July 17, 2014

Kentucky Public Service Commission
P O Box 615
Frankfort, KY 40602

Re: 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 rate.

The District purchases water from Princeton Water and Wastewater. They increased their wholesale water rate from \$2.024 to \$2.2871 per hundred cubic feet.

Enclosed are original and ten (10) copies of the following items:

- Supplier's notice showing a change in the supplier's wholesale rate
- Purchased Water Adjustment Form 1
- Gallons Sold and Gallons Purchased for 12 months (June 2013 – May 2014)
- Schedule listing current and proposed rates
- Minutes of July 10, 2014 Board Meeting

Should you have any questions or need any additional information, please give us a call.

Sincerely,

JIMMY LITTLEFIELD

Jimmy Littlefield
Superintendent



June 30, 2014

PRINCETON WATER & WASTEWATER

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

Caldwell County Water District
ATTN: Jimmy Littlefield, Superintendent
118 West Market
Princeton, KY 42445

RE: Water Rate Increase

Dear Mr. Littlefield;

The (City of) Princeton Water and Wastewater Commission ("PW&W") will file a revised tariff with the Kentucky Public Service Commission ("PSC") on June 30, 2014. This will increase the PW&W wholesale water rate \$0.2631 from the existing \$2.0240 per 100 cubic feet to the new rate of \$2.2871 per 100 cubic feet. Converting the rates to gallons calculates to a \$0.3520 increase in the PW&W wholesale water rate from the existing \$2.7060 per 1000 gallons to the new rate of \$3.0580 per 1,000 gallons. The 13% rate increase will be effective for water used during August 2014 and billed in the September 2014 billing cycle.

This filing may be examined at the PW&W offices located at 101 East Market Street in Princeton, Kentucky. This filing may also be examined at the offices of the Kentucky Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <http://psc.ky.gov>.

Intervention may be requested by submitting a timely written request for intervention by mail to the Kentucky Public Service Commission, Post Office Box 615, Frankfort, KY 40602. Any request for intervention must establish the grounds for the request including the status and interest of the party.

Although we discussed said increase at our previous meeting, 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

FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

6th Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

5th Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

RATES AND CHARGES

Caldwell County Water District

Monthly Customer Service Charge
All Usage

\$4.00 per meter
\$2.2871 per 100 cubic feet

Lyon County Water District

Monthly Customer Service Charge
All Usage

\$4.00 per meter
\$2.2871 per 100 cubic feet

These rates/fees were approved by the City of Princeton Water and Sewer Commission in Regulation No. 06-26-2014, given first reading on June 26, 2014 and given second reading and passed on June 30, 2014 per authority granted by the City Council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE 06/30/14
Month / Date / Year

DATE EFFECTIVE 09/01/14 on usage of previous month
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 06-26-2014**

**A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO
BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF
THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND
PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM
EFFECTIVE SEPTEMBER 1, 2014**

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for servicing these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 8.60
Next	950 cubic ft. / month	\$ 3.0673 / 100 CF
Next	8,900 cubic ft. / month	\$ 2.6740 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.2871 / 100 CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton and shall increase from 1.4x the city base rates to 1.75x the city base rates. The new rates shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 15.05
Next	950 cubic ft. / month	\$ 5.3677 / 100 CF

Next	8,900 cubic ft. / month	\$ 4.6795 / 100 CF
Over	10,000 cubic ft. / month	\$ 4.0025 / 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 RATE - NO TIERS	\$ 2.2871 / 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):	\$ 9.73
Next	950 cubic ft. / month	\$ 6.1027 / 100 CF
Next	8,900 cubic ft. / month	\$ 6.1233 / 100 CF
Over	10,000 cubic ft. / month	\$ 6.1984 / 100 CF

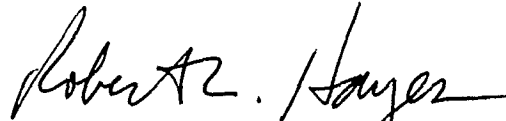
Section 5. All customers connected to both the water and sewer system will be charged a monthly customer service fee of \$5.00 per month per meter. Customers connected to only one system will be charged a customer service fee of \$4.00 per month per meter. These fees shall remain unchanged.

Section 6 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 7. 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 September 1, 2014.

Given first reading on the 26th day of June, 2014.

Given second reading and duly passed by the City of Princeton Water and Wastewater Commission on the 30th day of June 2014.



CHAIRMAN ROBERT L. HAYES

ATTEST:



JOSEPH ANDERSON, SUPERINTENDENT

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

Name of Utility	Caldwell County Water District	
Date		
Address	118 West Market Street	
City, State, Zip	Princeton	KY 42445
Telephone Number	270-365-9381	

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
Princeton Water & Wastewater		
Per 100 cubic feet	\$2.024	\$2.2871
Per 1000 gallon	\$2.71	\$3.06

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

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
Current 96884798 / 1000 gallons = 96884.798 96884.798 x \$2.71 per 1000 gallons = <u>\$262,557.802</u>	96884798
Increase 96884798 / 1000 gallons = 96884.798 96884.798 x \$3.06 per 1000 gallons = <u>\$296,467.481</u>	
New Cost - Current = Increase \$296,467.481 - \$262,557.802 = \$33,909.679	
TOTAL PURCHASES	96884798
4. Total gallons sold for the 12 month period	77066443 / 1000 = 77066.443
5. Increased water cost	\$33,909.679
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
$\$33,909.679 / 77066.443 = .440005$	
6. Purchased water adjustment factor	0.44
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
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.	
7. Proposed effective date	08/01/14
<i>Patricia B. Fradick</i>	
Signature of Utility Officer	
Chairperson	
Title	

Caldwell County Water District
118 W Market Street
Princeton, KY 42445

Month Billed & Month Due	Usage Month	Gallons Sold	Gallons Purchased from Princeton Water
JUL/AUG 2013	JUNE 2013	6701925	7760956
AUG/SEPT 2013	JULY 2013	7094218	8982680
SEPT/OCT 2013	AUGUST 2013	6814618	8647471
OCT/NOV 2013	SEPTEMBER 2013	6261364	7613249
NOV/DEC 2013	OCTOBER 2013	5709114	7946886
DEC 2013/JAN 2014	NOVEMBER 2013	6034491	7903675
JAN/FEB 2014	DECEMBER 2013	5707443	8506929
FEB/MAR 2014	JANUARY 2014	6921641	9173262
MAR/APR 2014	FEBRUARY 2014	6563562	8812808
APR/MAY 2014	MARCH 2014	5305733	8161128
MAY/JUN 2014	APRIL 2014	6477541	7684428
JUN/JUL 2014	MAY 2014	7474793	8691326
TOTALS		77066443	99884798

**Caldwell County Water District
118 West Market Street
Princeton, KY 42445**

Current Purchased Water Rates

Princeton Water & Wastewater

All Usage Rate **\$ 2.024** Per 100 Cubic Feet

Proposed Purchased Water Rates

Princeton Water & Wastewater

All Usage Rate **\$ 2.2871** Per 100 Cubic Feet

Current Monthly Rates

All Size Meters

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
Next 30,000 Gallons **\$ 5.55** Per 1,000 Gallons

Proposed Monthly Rates

All Size Meters

First 1,000 Gallons **\$ 21.15** Minimum Bill
Next 3,000 Gallons **\$ 10.95** Per 1,000 Gallons
Next 6,000 Gallons **\$ 8.90** Per 1,000 Gallons
Next 20,000 Gallons **\$ 6.86** Per 1,000 Gallons
Next 30,000 Gallons **\$ 5.99** Per 1,000 Gallons

CALDWELL COUNTY WATER DISTRICT
Board Meeting Minutes
July 10, 2014

The regular monthly Board meeting was called to order by Chairperson Patricia Fralick. Other Commissioners present were Randall Long, Shelley Schultz and Chris Noel. Also, in attendance were Board Attorney James "Bridgie" Miller and Superintendent Jimmy Littlefield.

There were no visitors present.

The Minutes of the June 12, 2014 meeting was reviewed. Randall Long made a motion to approve Minutes as printed. Chris Noel seconded the motion.

Superintendent Jimmy Littlefield advised that a Michigan based company had agreed to remove water tank that is out of service on Jones Keeney Road for \$6,300.00 and will take all the steel off of the property. Chairperson Patricia Fralick said we would table this until next meeting.

Motion approving the June 12, 2014 Minutes carried.

The Financial Reports for the month of June 2014 were reviewed. Shelley Schultz made a motion to accept June 2014 Financial Reports as printed for filing and audit. Randall Long seconded the motion. Motion carried.

Superintendent Littlefield advised that he had met with Joey Anderson from Princeton Water. He said they have submitted a proposal for a 13% increase in our water rates to Public Service Commission, which will be effective August 1, 2014. To pass this increase along to our customers it will be a \$0.44 increase per 1,000 gallons based on the Purchased Water Adjustment Rate. Superintendent Littlefield recommended that we pass this increase on.

Randall Long made a motion to pass on the Purchased Water Adjustment from Princeton Water & Wastewater to Caldwell County Water District to our customers. Shelley Schultz seconded the motion. Motion carried.

Chairperson Fralick mentioned that we have two employees out, due to having new babies. Commissioners were given a copy of a page out of the Employee Handbook regarding Leave of Absence and Sick Leave. After discussion, Attorney Miller said he could probably have an opinion by the next meeting.

Jimmy Littlefield discussed items listed on Superintendent's Report.

Randall Long made a motion to declare 2007 Chevrolet 2500 Truck as surplus equipment and to advertise for sealed bids, which will be opened at our August 14, 2014 meeting.

Attorney Miller advised Commissioners that Bradly Byarly, a former employee, had filed for Unemployment Insurance and that we are opposing it.

Chris Noel made a motion to adjourn. Shelley Schultz seconded the motion. Motion carried.

Randall Long, Secretary/Treasurer

APPROVAL OF MINUTES

I hereby certify that the foregoing Minutes were duly approved by the Board of Commissioners of the Caldwell County Water District at a meeting held on the date shown below:

CALDWELL COUNTY WATER DISTRICT

By: _____
Patricia Fralick, Chairperson

Date Approved: _____