

Original

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: (859) 498-0521

Fax: (859) 498-0872

RECEIVED

June 01, 2016

JUN 21 2016

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

Public Service
Commission

Case No. 2016-00211

RE: Formal Application for a Purchased Water Agreement

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. 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 July 01, 2016.

The District will publish the notice of the new rates in the local newspaper no later than the issuance of the first bill at the increased rate.

Sincerely;



enclosure

RECEIVED

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

JUN 21 2016

Public Service
Commission

Phone: 859-498-0521

Fax Phone 859-498-0872

MINUTES
June 14, 2016

The meeting of the Montgomery County Water District #1 was called to order at 5:00 P.M. at the water office by Chairman Billy Kiser.

Roll Call:

Staff members present at meeting were Billy Kiser, Junior Holley, Steve Hall, and Sandra Cole.

Approval of May 10, 2016 Minutes:

Junior Holley made a motion to approve the minutes for May 10, 2016 meeting. Billy Kiser seconded the Motion. Motion carried.

Guests Present:

None

Comments:

None

Old Business:

A. Pole Barn

Sandra let Commissioner's know that the last item the state needs for approval on the Pole Barn is Chad Conlee's prove of insurance.

B. Commissioner's Salary

Sandra let Commissioner's know that the increase in their salaries was approved .The increase will go from \$150.00 monthly to \$200.00 monthly.

New Business:

A. Rate Increase Pass-thru

Billy Kiser made a Motion to approve the Rate Increase Pass-Thru from Mt. Sterling Water and Sewer. Steve Hall seconded the Motion. Motion carried.

B. Approve Managers Report, Financial Report, Adjustments, Billing Summary, Account Write Offs, Budget Variances, Cash Receipt Report, and Pay Bills

Junior Holley made the motion to approve the Managers/Treasurers Report. Steve Hall seconded the Motion. Motion carried.

C. Additional Comments:

Sandra let Commissioner's know that Dudley Stafford requested a load of rock on the drive, past the Water Tower. All agreed to having rock hauled.

Sandra let Commissioner's know that the water tower was drained, due to sanding and repairing inside.

D. Adjourn

Junior Holley made the Motion to adjourn. Billy Kiser seconded the Motion. Motion carried. Time 5:25P.M.

RECEIVED

Case No. 2016-00211

JUN 21 2016

Public Service
Commission

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

Name of Utility	Montgomery County Water District #1	
Date	May 24, 2016	
Address	4412 Camargo Road	
City, State, Zip	Mt. Sterling, Ky. 40353	
Telephone Number	(859) 498-0521	

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.

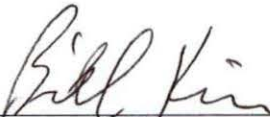
Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water & Sewer	2.85	2.96

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	May 2015	through	April 2016
	(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	39,646,715
TOTAL PURCHASES	39,646,715
4. Total gallons sold for the 12 month period	37,991,639
5. Increased water cost	4361.14
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.11
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	July 01, 2016
	
Signature of Utility Officer	
Title Chairman	

MT. STERLING WATER & SEWER SYSTEM

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

Exhibit
A

May 20, 2016

Sandra Cole
Montgomery County Water District
4412 Camargo Road
Mt. Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Sandra,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling) has requested approval from the Kentucky Public Service Commission (PSC) to increase wholesale water rates charged to water districts/associations, served by our utility under their purview. This proposed increase is based on the fact that the Consumer Price Index (CPI) rose by a factor of 3.9% over the period from April 2015 and April 2016 for goods and services identified as water, sewer and trash related. In addition to this inflationary increase Mt. Sterling also expects to experience a significant revenue decline in the amount of \$80,000.00 over our next budget cycle, \$30,000.00 water and \$50,000.00 sewer, due to the announced closure of two industrial facilities. These two factors, in combination, have resulted in a budgetary deficit for the 2016/2017 fiscal year. In an effort to offset this financial shortfall Mt. Sterling's board of commissioners found it necessary to approve a proposed budget at their regular monthly meeting, May 16, 2016, which included a 4% water rate increase.

Our utility has petitioned the PSC, to consider for approval, to allow this increase be passed along to our wholesale customers in that amount. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$2.85/1,000 gallons, up to \$2.96. We have requested that this increase be effective July 1, 2016, should this increase be approved it will be reflected in the August billing. This notice is being provided in order to comply with a PSC statute that requires effected wholesale customers receive notice of any proposed rate increase a minimum of 30 days prior to the implementation of said increase. Included please find a copy of the tariff sheet, notification of proposed increase with required PSC language, along with an excerpt from the Bureau of Labor Statistics report regarding the identified inflationary increase previously referenced.

In closing thank you for both your understanding and cooperation regarding this matter. Should you have questions, comments or concerns regarding this notice, please feel free to contact me at (859) 498-0166. Thanks.

Sincerely,



Rick Fletcher
Manager
Mt. Sterling Water and Sewer

**MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353**

Phone: (859) 498-0521

Fax: (859) 498-0872

MONTHLY WATER RATES

CURRENT

\$22.85 Minimum Bill

Next 3,000 Gal. \$7.28 Per 1000 Gal

Next 5,000 Gal. \$6.56 Per 1000 Gal.

Over 10,000 Gal. \$5.84 Per 1000 Gal

Wholesale Customer \$3.09 Per 1,000 Gal

PROPOSED

\$23.07 Minimum Bill

\$7.39 Per 1,000 Gallon

\$6.67 Per 1,000 Gallon

\$5.95 Per 1,000 Gallon

\$3.20 Per 1,000 Gallon

Customer History Report

Service Type All **Use Reading Factor** **Print Transaction In Descending Order**
R Code WTR Water Billing - Charge **Start Balance With Zero**
Beginning Date 05/01/2016 **Print Breakdown By** Transaction Service Taxes Totals Only
Ending Date 04/30/2016

History For Account 0019-00400-001 Water, Montgomery County

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
05/08/15	05/08/15	WTR	Water Billing	WATER	02	\$7,649.26	\$0.00	\$0.00	\$0.00	\$7,649.26
	kayes				2,761,466	\$0.00	\$0.00	\$0.00	\$0.00	
06/09/15	06/09/15	WTR	Water Billing	WATER	02	\$10,892.29	\$0.00	\$0.00	\$0.00	\$10,892.29
	connie				3,932,236	\$0.00	\$0.00	\$0.00	\$0.00	
07/09/15	07/09/15	WTR	Water Billing	WATER	02	\$8,959.98	\$0.00	\$0.00	\$0.00	\$8,959.98
	kayes				3,234,851	\$0.00	\$0.00	\$0.00	\$0.00	
08/07/15	08/07/15	WTR	Water Billing	WATER	02	\$8,850.58	\$0.00	\$0.00	\$0.00	\$8,850.58
	kayes				3,195,157	\$0.00	\$0.00	\$0.00	\$0.00	
09/09/15	09/09/15	WTR	Water Billing	WATER	02	\$10,099.61	\$0.00	\$0.00	\$0.00	\$10,099.61
	lisam				3,543,724	\$0.00	\$0.00	\$0.00	\$0.00	
10/09/15	10/09/15	WTR	Water Billing	WATER	02	\$9,032.01	\$0.00	\$0.00	\$0.00	\$9,032.01
	lisam				3,169,126	\$0.00	\$0.00	\$0.00	\$0.00	
11/09/15	11/09/15	WTR	Water Billing	WATER	02	\$9,234.32	\$0.00	\$0.00	\$0.00	\$9,234.32
	lisam				3,240,112	\$0.00	\$0.00	\$0.00	\$0.00	
12/09/15	12/09/15	WTR	Water Billing	WATER	02	\$9,143.08	\$0.00	\$0.00	\$0.00	\$9,143.08
	lisam				3,208,097	\$0.00	\$0.00	\$0.00	\$0.00	
01/08/16	01/08/16	WTR	Water Billing	WATER	02	\$8,917.53	\$0.00	\$0.00	\$0.00	\$8,917.53
	lisam				3,128,959	\$0.00	\$0.00	\$0.00	\$0.00	
02/09/16	02/09/16	WTR	Water Billing	WATER	02	\$9,120.48	\$0.00	\$0.00	\$0.00	\$9,120.48
	lisam				3,200,169	\$0.00	\$0.00	\$0.00	\$0.00	
03/09/16	03/09/16	WTR	Water Billing	WATER	02	\$9,541.51	\$0.00	\$0.00	\$0.00	\$9,541.51
	lisam				3,347,899	\$0.00	\$0.00	\$0.00	\$0.00	
04/08/16	04/08/16	WTR	Water Billing	WATER	02	\$10,502.53	\$0.00	\$0.00	\$0.00	\$10,502.53
	lisam				3,885,097	\$0.00	\$0.00	\$0.00	\$0.00	
Total For Selection						\$111,943.18	\$0.00	\$0.00	\$0.00	\$111,943.18
Ending Balance						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

39,644,715

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: (859) 498-0521

Fax: (859) 498-0872

Water Sold 2015-2016

May	3,795,875
June	3,235,773
July	3,305,711
August	3,428,682
September	3,301,896
October	3,289,030
November	3,168,752
December	3,164,190
January	2,426,340
February	3,200,680
March	2,455,740
April	3,218,970
TOTAL	37,991,639