

Big Sandy Water District
18200 State Route 3
Catlettsburg, KY 41129
(606) 928-2075 or (800) 354-2933
Fax (606) 928-8454
bdistrict@windstream.net

RECEIVED

December 2, 2016

DEC 6 2016

Public Service
Commission

Ms. Talina R. Mathews
Executive Director
Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort, KY 40602

Dear Ms. Mathews:

2016-423

Big Sandy Water District has experienced a rate increase from two of our suppliers, City of Ashland and Cannonsburg Water, and we are asking approval to increase rates through the Purchase Water Adjustment (807 KAR 5:068) to our customers. As you can see from Exhibit-3, we changed from City of Ashland \$2.08 per thousand to \$2.19 per thousand and from Cannonsburg Water \$4.25 per thousand to \$4.42 per thousand. A notice to our customers will be published in the Daily Independent. Our total expenses and revenue have been furnished to the PSC in our annual report. We have enclosed a copy of our unsigned minutes that will be signed at our next meeting on December 19, 2016. We will send a copy of our signed minutes at that time. If you have any questions, please call (606) 928-2075.

Sincerely,



James H. Blanton
Manager

Enclosures

jb/tb

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

Name of Utility	Big Sandy Water District	
Date	December 2, 2016	
Address	18200 State Route 3	
City, State, Zip	Cattlettsburg, KY	41129
Telephone Number	(606) 928-2075	
Email Address	bdistrict@windstream.net	

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
Kenova	2.55 per 1,000 gallons	2.55 per 1,000 gallons
Louisa	3.06 per 1,000 gallons	3.06 per 1,000 gallons
Ashland	2.08 per 1,000 gallons	2.19 per 1,000 gallons
Cannonsburg	4.25 per 1,000 gallons	4.42 per 1,000 gallons
Rattlesnake Ridge	3.82 per 1,000 gallons	3.82 per 1,000 gallons

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit-3.

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	October 2015	through	September 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.

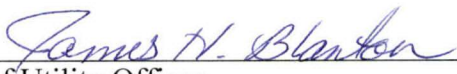
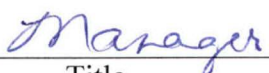
Supplier(s)	Gallons Purchased during 12 month period
Kenova	136,070,100
Louisa	97,187,600
Ashland	93,178,000
Cannonsburg	46,890,400
Rattlesnake Ridge	5,739,700
TOTAL PURCHASES	379,065,800
4. Total gallons sold for the 12 month period	
	246,507,600
5. Increased water cost (see Exhibit-1 for calculation)	
	\$18220.95
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor (see Exhibit-1)	
	8-cents per 1,000 gallons
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit-2	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit-4	
9. Proposed effective date	
	January 1, 2017
 Signature of Utility Officer	
 Title	

EXHIBIT-1

SUPPLIER	PURCHASES	COST AT OLD RATE	COST AT NEW RATE	DIFFERENCE
Kenova	136,070,100	No Change	No Change	No Change
Louisa	97,187,600	No Change	No Change	No Change
Ashland	93,178,000	193,810.24	204,059.82	10,249.58
Cannonsburg	46,890,400	199,284.20	207,255.57	7,971.37
Rattlesnake Ridge	5,739,700	No Change	No Change	No Change
Total Change in Water Costs				\$18220.95
Divided by the Total Volume of Water Sold During the 12-month Period				246,507,600
Equals Purchased Water Adjustment Factor				0.000073916374
Factor adjusted to a per 1,000 gallon rate				0.073916374
Rounded up to the nearest penny				8-cents

Big Sandy WD 12/15

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Cannonsburg	\$4.4200	\$4.2500
Kenova	\$2.5500	\$2.5500
Louisa	\$3.0600	\$3.0600
Ashland	\$2.1900	\$2.0800
Rattlesnake Ridge	\$3.82000	\$3.8200

TWELVE MONTH TEST PERIOD:

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Cannonsburg	46,890,400
Kenova	136,070,100
Louisa	97,187,600
Ashland	93,178,000
Rattlesnake Ridge	5,739,700
TOTAL	379,065,800

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	
Cannonsburg	\$207,255.57	\$199,284.20	
Kenova	\$346,978.76	\$346,978.76	INCREASED
Louisa	\$297,394.06	\$297,394.06	
Ashland	\$204,059.82	\$193,810.24	WATER COST
Rattlesnake Ridge	\$21,925.65	\$21,925.65	
TOTAL	\$1,077,613.85	\$1,059,392.91	= \$18,220.9480

TOTAL GALLONS SOLD FOR THE TEST PERIOD : **246,507,600**

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

$$\begin{array}{rclclcl}
 \$18,220.95 & / & 246,507,600 & /1000 & = & 0.073916374 \\
 & & & & & \text{ROUNDED} & \mathbf{0.08}
 \end{array}$$

	<u>Sold</u>	<u>Purchased</u>	<u>Sold</u>	<u>Purchased</u>
January	-		-	
February	-		-	
March	-		-	
April	-		-	
May	-		-	
June	-		-	
July	-		-	
August	-		-	
September	-		-	
October	-		-	
November	-		-	
December	-		-	
TOTAL	-		-	



EXHIBIT-2

COMPARISON OF MONTHLY RATES AT CURRENT RATES AND PROPOSED RATES

DIVISION 1

5/8" x 3/4" METER

		<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
First	2,000 Gallons	\$16.86 Minimum Bill	\$17.02 Minimum Bill
Next	8,000 Gallons	8.59 Per 1,000 Gallons	8.67 Per 1,000 Gallons
Next	20,000 Gallons	5.99 Per 1,000 Gallons	6.07 Per 1,000 Gallons
Next	20,000 Gallons	5.57 Per 1,000 Gallons	5.65 Per 1,000 Gallons
Over	50,000 Gallons	5.34 Per 1,000 Gallons	5.42 Per 1,000 Gallons

1" METER

		<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
First	10,000 Gallons	\$94.17 Minimum Bill	\$94.97 Minimum Bill
Next	10,000 Gallons	5.99 Per 1,000 Gallons	6.07 Per 1,000 Gallons
Next	20,000 Gallons	5.57 Per 1,000 Gallons	5.65 Per 1,000 Gallons
Over	40,000 Gallons	5.34 Per 1,000 Gallons	5.42 Per 1,000 Gallons

1-1/2" METER

		<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
First	20,000 Gallons	\$154.07 Minimum Bill	\$155.67 Minimum Bill
Next	20,000 Gallons	5.57 Per 1,000 Gallons	5.65 Per 1,000 Gallons
Over	40,000 Gallons	5.34 Per 1,000 Gallons	5.42 Per 1,000 Gallons

2" METER

		<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
First	40,000 Gallons	\$265.47 Minimum Bill	\$268.67 Minimum Bill
Over	40,000 Gallons	5.34 Per 1,000 Gallons	5.42 Per 1,000 Gallons

3" METER

		<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
First	100,000 Gallons	\$585.87 Minimum Bill	\$593.87 Minimum Bill
Over	100,000 Gallons	5.34 Per 1,000 Gallons	5.42 Per 1,000 Gallons

4" METER

		<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
First	200,000 Gallons	\$1,119.87 Minimum Bill	\$1,135.87 Minimum Bill
Over	200,000 Gallons	5.34 Per 1,000 Gallons	5.42 Per 1,000 Gallons

Wholesale Rate

		\$5.04 Per 1,000 Gallons	\$5.12 Per 1,000 Gallons
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Exhibit 2

DIVISION 2

5/8" x 3/4" METER

First	2,000	Gallons
Next	8,000	Gallons
Next	20,000	Gallons
Next	20,000	Gallons
Over	50,000	Gallons

CURRENT RATES

\$25.32	Minimum Bill
9.93	Per 1,000 Gallons
8.15	Per 1,000 Gallons
7.21	Per 1,000 Gallons
6.31	Per 1,000 Gallons

PROPOSED RATES

\$25.48	Minimum Bill
10.01	Per 1,000 Gallons
8.23	Per 1,000 Gallons
7.29	Per 1,000 Gallons
6.39	Per 1,000 Gallons



Engineering & Utilities

P.O. Box 1839
Ashland, KY 41105-1839

Phone: (606) 327-2008
Fax: (606) 327-2060

November 15, 2016

Mr. Jimmy Blanton
Manager
Big Sandy Water District
18200 Kentucky 3
Catlettsburg, KY 41129

RE: Wholesale Water Rate Adjustment for Big Sandy Water District

Dear Mr. Blanton:

The City of Ashland is proposing an increase in the rate to wholesale water purchasers. The increase from \$2.83 / thousand gallons to \$2.94 / thousand gallons becomes effective January 1, 2017 to all wholesale water purchasers from The City of Ashland including Big Sandy Water District. Therefore, all water passing through the meter on or after January 1, 2017, shall be billed at the new rate.

Please respond indicating that you have received this letter. Please do not hesitate to contact me should you have any questions regarding this filing.

Sincerely;
CITY OF ASHLAND KENTUCKY

A handwritten signature in black ink, appearing to read "Ryan S. Eastwood", is written over a horizontal line.

Ryan S. Eastwood, P.E.
Director of Engineering and Utilities

Enclosure(s)

cc: Public Service Commission
File

CANNONSBURG WATER DISTRICT
1606 CANNONSBURG ROAD
ASHLAND, KY 41102
606-928-9808
FAX# 606-928-4788

November 21, 2016

Jimmie Blanton
Big Sandy Water District
18200 St Rt 3
Catlettsburg, KY 41129-9325

RE: Wholesale Water Rate Adjustment for Big Sandy Water District

We have received notification that the City of Ashland will increase our water rate. We will be passing this increase to our customers. Based on our contract for your water use, we will be increasing the cost from \$4.25 to \$4.42 per 1000 gallon. Therefore, all water passing through the meter on or after January 1, 2017 shall be billed at the new rate. We are submitting this notice simultaneously to the Kentucky Public Service Commission.

Enclosed is a copy of the letter from the City of Ashland.

Sincerely,



Tim Webb
Manager

TW/sph
enclosures

BIG SANDY WATER DISTRICT
COMMISSIONERS' MEETING

MINUTES OF NOVEMBER 21, 2016

REGULAR MEETING

A regular meeting of the Board of Commissioners of the Big Sandy Water District was held on Monday, November 21, 2016. The meeting was called to order by Paul Thomas, Chairman, at 9:05 a.m. in the District Office at 18200 State Route 3, Catlettsburg, Ky.

PRESENT COMMISSIONERS:

Paul Thomas
Charles Shockey
Bill Hardin
Larry Shockey
David Salisbury

OTHERS:

James Blanton-BSWD
Teresa Brown-BSWD
Roger Hall-Attorney
Joe Sisler-Sisler-Maggard Engineering

PUBLIC PARTICIPATION

George Phillip Smith said he was not satisfied with motion made at last meeting and BSWD owes him 3 taps.

Tim Webb with Cannonsburg Water stated he would like BSWD to start using Cannonsburg Water again, they now have their chlorine levels up. They would also like us to evaluate the cost of pumping, treating water and water quality verses buying water from Cannonsburg to see which is cheaper.

MINUTES APPROVED

The minutes of the October 17, 2016 regular meeting were approved as mailed. The motion was made by Charlie Shockey, seconded by Larry Shockey. Motion carried.

BILLS

Motion made by David Salisbury, seconded by Larry Shockey to approve and pay the monthly bills. Motion carried.

REPORTS

Motion made by Bill Hardin, seconded by David Salisbury to approve treasurer's report. Motion carried.

Commissioners discussed water loss. Motion made by Larry Shockey, seconded by Charlie Shockey to acknowledge water loss report. Motion carried.

Motion made by Bill Hardin, seconded by Larry Shockey to approve monthly billing, collections on accounts and adjustments on accounts. Motion carried.

OLD BUSINESS

Jimmy reported that Liquid Engineering had cleaned and inspected all tanks except Donithon, Buchannan (couldn't get to) and Arland Delong Tank (has a leak and they cannot go into a confined space without water in tank). Currens Construction will be here today to give estimate on repairing Arland Delong Tank.

Teresa informed commissioners that insurance company will be assuming responsibility for slip at P & A Engineering. The insurance company will be getting a quote to repair and they will let us know.

Motion made by Bill Hardin, seconded by Charlie Shockey to go into executive session for pending litigation. Motion carried.

Motion made by Bill Hardin, seconded by Larry Shockey to come out of executive session with no action taken. Motion carried.

Motion made by Charlie Shockey, seconded by Larry Shockey for the District to pay to the R & J Development Company, LLC the sum of Thirty Thousand Dollars (\$30,000.00) for a release of any and all present and future claims that could be made by R & J as a result of conditions set out in item number (4) in that certain deed between the parties dated March 18, 2013, of record in Deed Book 752, Page 727 in the Boyd County Clerk's Office of Kentucky. The sum is also in consideration of any costs that may have been incurred as a result of the District having to exercise its right of condemnation under the eminent domain laws of Kentucky and giving Paul Thomas authority to sign any necessary documents. Motion carried. David Salisbury opposed.

NEW BUSINESS

Motion made by Bill Hardin, seconded by Larry Shockey to approve 2017 Budget. Motion carried.

Jimmy informed commissioners Cody Archer would like a raise since him and Bryan are the only two employees with CDL License. Commissioners stated they needed more information and would address raises for employees at December meeting.

Commissioners told Jimmy to information and costs on mini-excavator and UTV.

City of Ashland is raising our rate from \$2.08 to \$2.19 per thousand gallon and Cannonsburg Water is raising our rate from \$4.25 to \$4.42 per thousand gallon. Motion made by Charlie Shockey, seconded by Larry Shockey to do pass-thru increase. Motion carried.

Motion made by Larry Shockey, seconded by Charlie Shockey to put dash-cams and flashing light on all trucks. Motion carried.

Motion made by Charlie Shockey, seconded by Larry Shockey to give all employees a \$300.00 incentive pay. Motion carried.

Motion made by Charlie Shockey, seconded by Larry Shockey to recess meeting at 10:50 a.m. Motion carried.

BY: _____
David Salisbury, Secretary
Big Sandy Water District

Date Approved: _____

BY: _____
Paul Thomas, Chairman
Big Sandy Water District

Cannonsburg				Rattlesnake Ridge			
Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased	Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased
2015	OCT	\$ 15,523.55	3,652,600	2015	OCT	\$ 1,570.40	411,100
2015	NOV	\$ 10,360.65	2,437,800	2015	NOV	\$ 1,442.05	377,500
2015	DEC	\$ 23,026.93	5,418,100	2015	DEC	\$ 1,799.98	471,200
2016	JAN	\$ 17,243.95	4,057,400	2016	JAN	\$ 1,723.58	451,200
2016	FEB	\$ 18,697.45	4,399,400	2016	FEB	\$ 1,937.89	507,300
2016	MAR	\$ 18,393.15	4,327,800	2016	MAR	\$ 1,969.21	515,500
2016	APR	\$ 17,742.90	4,174,800	2016	APR	\$ 1,868.74	489,200
2016	MAY	\$ 18,244.40	4,292,800	2016	MAY	\$ 1,916.11	501,600
2016	JUNE	\$ 19,249.95	4,529,400	2016	JUNE	\$ 1,816.79	475,600
2016	JULY	\$ 18,412.70	4,332,400	2016	JULY	\$ 2,288.94	599,200
2016	AUG	\$ 11,421.88	2,687,500	2016	AUG	\$ 2,103.29	550,600
2016	SEPT	\$ 10,966.70	2,580,400	2016	SEPT	\$ 1,488.65	389,700
	12 month total	\$ 199,284.21	46,890,400		12 month total	\$ 21,925.63	5,739,700
Kenova				Louisa			
Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased	Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased
2015	OCT	\$ 40,537.35	15,897,000	2015	OCT	\$ 23,099.80	7,516,800
2015	NOV	\$ 21,377.67	8,383,400	2015	NOV	\$ 25,187.92	8,228,600
2015	DEC	\$ 24,283.91	9,523,100	2015	DEC	\$ 28,055.13	9,165,600
2016	JAN	\$ 27,288.57	10,701,400	2016	JAN	\$ 25,850.10	8,445,000
2016	FEB	\$ 29,499.93	11,568,600	2016	FEB	\$ 26,888.53	8,787,100
2016	MAR	\$ 27,949.53	11,320,600	2016	MAR	\$ 21,691.73	7,088,800
2016	APR	\$ 24,313.23	9,781,600	2016	APR	\$ 21,257.82	6,947,000
2016	MAY	\$ 27,942.14	10,957,700	2016	MAY	\$ 23,849.34	7,793,900
2016	JUNE	\$ 29,677.41	11,638,200	2016	JUNE	\$ 22,069.94	7,212,400
2016	JULY	\$ 32,879.96	12,894,100	2016	JULY	\$ 24,149.82	7,892,100
2016	AUG	\$ 29,935.47	11,739,400	2016	AUG	\$ 30,327.05	9,910,800
2016	SEPT	\$ 29,745.75	11,665,000	2016	SEPT	\$ 25,090.48	8,199,500
	12 month total	\$ 345,430.92	136,070,100		12 month total	\$ 297,517.66	97,187,600

CUSTOMER USAGE

DATE	USAGE
Oct-15	19,750,600
Nov-15	17,376,300
Dec-15	21,879,600
Jan-16	18,413,000
Feb-16	19,459,800
Mar-16	20,005,300
Apr-16	19,672,500
May-16	21,569,900
June-16	21,841,600
July-16	21,153,700
Aug-16	22,434,600
Sept-16	22,950,700
TOTAL	246,507,600