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Public Service
Commission

CITY OF MADISONVILLE

Cory C. Alexander, CPA
Finance Director/Treasurer

David W. Jackson
Mayor

January 31, 2017

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FEB 6 2017

Public Service
Commission

Mr. Dennis Brent Kirtley
Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602

Dear Mr. Kirtley:

Enclosed you will find copies of the notice for a requested change in the rate of treated water for each of the entities that have an agreement with the City of Madisonville.

If you have any questions or need further information, please feel free to contact me.

Sincerely,

City of Madisonville

Cory C. Alexander
Finance Director/Treasurer

FOR Madisonville, Kentucky
Name of Municipality

P.S.C. KY. NO. _____

SHEET NO. _____

City of Madisonville
(Name of Utility)

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

SHEET NO. _____

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATES:

South Hopkins Water District	\$5.01 Per 1,000 Gallons
North Hopkins Water District	\$5.01 Per 1,000 Gallons
Nebo Water District	\$5.01 Per 1,000 Gallons

DATE OF ISSUE January 31, 2017
Month / Date / Year

DATE EFFECTIVE March 31, 2017
Month / Date / Year

ISSUED BY Cory C. A. [Signature]
(Signature of Officer)

TITLE Finance Director/Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ N/A _____ DATED N/A

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Public Service
Commission

NOTICE

The City of Madisonville, Kentucky is providing notice that it plans to file with the Public Service Commission, on or before February 28, 2017, to increase its wholesale rate to the North Hopkins Water District effective for water service on and after March 31, 2017. The proposed rates are as follows:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
\$4.13 per 1,000 gallons	\$5.01 per 1,000 gallons	\$.88 per 1,000 gallons	21.31% Increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the new rates.

In accordance with Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to both the Commission and the North Hopkins Water District.

This filing may be examined at the offices of the City of Madisonville located at 77 N. Main Street, Madisonville, Kentucky. Please contact Cory Alexander, Finance Director/Treasurer at 270-824-2100 regarding any questions related to the proposed rates.

The filing may also be examined at the offices of the 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>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by the City of Madisonville in its filing but the Public Service Commission may order rates that differ from the proposed rates.

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

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.



BerryKington & Utley PSC
Certified Public Accountants

2822 North Main Street ■ Madisonville, KY 42431
Phone 270-821-3355 ■ Fax 270-821-0101

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Public Service
Commission

January 19, 2017

Mr. Cory Alexander
City Finance Director/Treasurer
City of Madisonville, Kentucky
67 North Main Street
Madisonville, KY 42431

Dear Cory:

We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the North Hopkins Water District.

We prepared the Cost Review Formulas using June 30, 2016 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2016 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the North Hopkins Water District is \$5.01 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 31, 2017 to March 31, 2018.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kington, CPA

CITY OF MADISONVILLE, KENTUCKY
WATER RATE ANALYSIS
NORTH HOPKINS WATER DISTRICT
(PER 1,000 GALLONS)

	Amount	Percentage To Be Shared	Capital Costs To Be Shared	(B/C) 84,949 938,505 Allocation Percentage	Allocated Capital Costs	Cost Per 1,000 Gallons Of Water
CAPITAL COSTS						
Source of Supply	\$ 2,050,392.44	100.00	\$ 2,050,392.44	9.0515	\$ 185,591.27	
Water Treatment Plant	19,281,797.00	100.00	19,281,797.00	9.0515	1,745,291.86	
Storage Facilities	1,995,265.63	65.00	1,296,922.66	9.0515	117,390.95	
Transmission and Distribution	8,699,961.69	43.00	3,740,983.53	9.0515	338,615.12	
General	615,857.40	10.00	61,585.74	9.0515	5,574.43	
Customer and Administrative	4,358,082.79	0.10	4,358.08	9.0515	394.47	
Hydrants	201,960.13	-	-	9.0515	-	
Total	<u>\$ 37,203,317.08</u>		<u>\$ 26,436,039.45</u>		<u>\$ 2,392,858.10</u>	

**ALLOCATED CAPITAL COST X 2%
 DIVIDED BY WHOLESALE USER'S
 MOST RECENT ANNUAL BILLED
 GALLONS**

$$\$ 2,392,858.10 \times 2 \text{ Percent} = \$ 47,857.16 \times \frac{1}{84,949} = \$ 0.56336$$

**ALLOCATED CAPITAL COST X 6%
 DIVIDED BY WHOLESALE USER'S
 MOST RECENT ANNUAL BILLED
 GALLONS**

$$\$ 2,392,858.10 \times 6 \text{ Percent} = \$ 143,571.49 \times \frac{1}{84,949} = 1.69009$$

**CASH OPERATION AND MAINTENANCE
 EXPENSES**

	Amount	Percentage To Be Shared	Allocated Expenses	Billed Gallons	
Treatment	\$ 2,384,057.00	90.00	\$ 2,145,651.30	938,505	2.28624
Transmission and Distribution	\$ 884,217.00	45.00	397,897.65	938,505	0.42397
General	\$ 91,567.28	45.00	41,205.28	938,505	0.04391
Total	<u>\$ 3,359,841.28</u>		<u>\$ 2,584,754.23</u>		

**CUSTOMER COSTS DIVIDED BY
 WHOLESALE USER'S MOST RECENT
 ANNUAL BILLED GALLONS**

$$\$ 144.00 \times \frac{1}{84,949} = \underline{\underline{0.00170}}$$

CURRENT CALCULATED WATER RATE (\$5.01 Rounded)

$$\underline{\underline{\$5.00927}}$$

CITY OF MADISONVILLE, KENTUCKY
WATER RATE ANALYSIS
CAPITAL COSTS

	<u>COST</u>	
A. <u>SOURCE OF SUPPLY</u>		
Green River Pipeline	\$ 3,364,071.64	11
Land, Dams and Lakes	1,155,924.86	12
Lakes and Intake Sources	530,395.94	10
Sub Total	5,050,392.44	
Less: Grants	(3,000,000.00)	
Total	\$ 2,050,392.44	
B. <u>WATER TREATMENT PLANT</u>	\$ 19,281,797.00	14
C. <u>STORAGE FACILITIES</u>	\$ 1,995,265.63	6
D. <u>TRANSMISSION AND DISTRIBUTION</u>		
Water Mains	\$ 7,897,923.57	1
Filtration	651,987.03	13
Distribution	114,176.03	2
Easements	35,875.06	3
Total	\$ 8,699,961.69	
E. <u>GENERAL MAINTENANCE EQUIPMENT</u>		
Distribution	\$ 463,955.98	4
Filtration	151,901.42	5
Total	\$ 615,857.40	
F. <u>CUSTOMER AND ADMINISTRATIVE</u>		
Water Services	\$ 2,051,536.75	7
Meters	2,197,656.96	8
Filtration Office Equipment	50,489.15	9
Distribution Office Equipment	7,910.42	16
Utility Office Equipment - (201,958.02 x 25%)	50,489.51	
Total	\$ 4,358,082.79	
G. <u>HYDRANTS</u>	\$ 201,960.13	15
GRAND TOTAL	\$ 37,203,317.08	

CITY OF MADISONVILLE, KENTUCKY
WATER AND SEWER FUND
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Depreciation</u>	\$ 2,567,044	\$ 2,495,405
<u>Wastewater Collection</u>		
Maintenance	1,184,216	890,692
Materials and supplies	40,953	33,468
Fuel and power	130,436	107,281
Engineering/billing fees	2,897	124
Total	<u>1,358,502</u>	<u>1,031,565</u>
<u>Wastewater Treatment</u>		
Salaries and wages	424,370	473,281
Fuel and power	243,208	211,152
Sludge hauling	144,892	156,072
Employee benefits	83,890	95,837
Materials and supplies	137,346	148,462
Pension expense	54,363	38,320
Maintenance	59,879	61,046
Payroll taxes	31,375	34,949
Professional fees	32,759	36,326
Total	<u>1,212,082</u>	<u>1,255,445</u>
<u>Purification</u>		
Salaries and wages	474,951	523,244
Materials and supplies	424,892	403,794
Maintenance	814,083	179,419
Employee benefits	94,636	102,010
Pension expense	75,900	65,803
Filter water analysis	53,801	31,446
Payroll taxes	33,132	37,147
Small tools and work equipment	9,184	8,752
Engineering	69,822	67,119
Total	<u>2,050,401</u>	<u>1,418,734</u>
<u>Distribution Maintenance</u>		
Other	162,711	173,361
Hydrants	258,924	201,477
Water mains	462,582	385,977
Total	<u>884,217</u>	<u>760,815</u>
<u>Other</u>		
Billing and collection	254,000	254,000
Professional fees	88,400	88,400
Miscellaneous	58,792	44,738
Insurance	77,462	69,436
Uncollectible accounts	28,150	37,338
Total	<u>506,804</u>	<u>493,912</u>
<u>Power Purchased</u>	<u>333,656</u>	<u>346,307</u>
<u>Total Operating Expenses</u>	<u>\$ 8,912,706</u>	<u>\$ 7,802,183</u>

CITY OF MADISONVILLE, KENTUCKY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Table 15

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	254	239	231	204	192	215	194	194	202	191
Police										
Physical arrests	2,570	4,039	4,056	3,994	3,451	3,625	3,927	3,910	3,764	4,271
Traffic violations and warnings	5,481	8,620	7,135	6,939	5,959	6,112	10,548	9,250	7,380	8,615
Fire										
Emergency responses	400	502	654	497	531	481	467	478	489	1,302
Fires extinguished	124	121	158	127	142	157	123	144	144	102
Water										
Number of water consumers	10,179	10,222	10,196	10,095	10,131	10,121	10,161	10,128	10,149	10,140
Annual consumption (in 1,000 gallons)	1,038,850	1,046,376	1,024,043	987,194	1,046,522	1,037,355	1,016,999	1,010,423	986,022	938,505
Sewer										
Number of sewer consumers	8,622	8,670	8,642	8,535	8,898	8,985	9,017	9,014	9,054	9,031
Electric										
Number of electric consumers	8,562	8,588	8,516	8,407	8,436	8,406	8,438	8,369	8,407	8,397
Annual consumption (in 1,000 kwh)	358,323	363,448	329,832	310,166	328,822	316,682	316,543	308,941	298,446	290,880
Sanitation										
Number of sanitation customers	8,202	8,225	8,164	8,103	8,080	8,075	8,061	8,007	8,054	8,021

Data Source: City of Madisonville Planning & Zoning, Police, Fire Departments and Municipal Utilities Billing Office

CITY OF MADISONVILLE
ALLOCATION OF OTHER EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

<u>CAFR Description</u>	<u>Water</u>	<u>Sewer</u>	<u>CAFR Total</u>
Insurance	\$ 45,380.24	\$ 32,081.77	\$ 77,462.01
Uncollectible Accounts	9,088.15	19,062.00	28,150.15
Miscellaneous	23,163.75	4,927.07	28,090.82
Office Supplies	11,178.39	15,962.42	27,140.81
Dues and Subscriptions	2,756.75	803.44	3,560.19
Total	<u>\$ 91,567.28</u>	<u>\$ 72,836.70</u>	<u>\$ 164,403.98</u>

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NOTICE

Public Service
Commission

The City of Madisonville, Kentucky, is providing notice that it plans to file with the Public Service Commission, on or before February 28, 2017, to increase its wholesale rate to the Nebo Water District effective for water service on and after March 31, 2017. The proposed rates are as follows:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
\$4.13 per 1,000 gallons	\$5.01 per 1,000 gallons	\$0.88 per 1,000 gallons	21.31% Increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the new rates.

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BerryKington & Utley PSC
Certified Public Accountants

2822 North Main Street ■ Madisonville, KY 42431
Phone 270-821-3355 ■ Fax 270-821-0101

January 19, 2017

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Commission

Mr. Cory Alexander
City Finance Director/Treasurer
City of Madisonville, Kentucky
67 North Main Street
Madisonville, KY 42431

Dear Cory:

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We prepared the Cost Review Formulas using June 30, 2016 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2016 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the Nebo Water District is \$5.01 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 31, 2017 to March 31, 2018.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kington, CPA

CITY OF MADISONVILLE, KENTUCKY

WATER RATE ANALYSIS

NEBO WATER DISTRICT

(PER 1,000 GALLONS)

CAPITAL COSTS	Amount	Percentage To Be Shared	Capital Costs To Be Shared	(B/C)	Allocated Capital Costs	Cost Per 1,000 Gallons Of Water
				108,325 938,505 Allocation Percentage		
Source of Supply	\$ 2,050,392.44	100.00	\$ 2,050,392.44	11.5423	\$ 236,662.45	
Water Treatment Plant	19,281,797.00	100.00	19,281,797.00	11.5423	2,225,562.86	
Storage Facilities	1,995,265.63	65.00	1,296,922.66	11.5423	149,694.70	
Transmission and Distribution	8,699,961.69	43.00	3,740,983.53	11.5423	431,795.54	
General	615,857.40	10.00	61,585.74	11.5423	7,108.41	
Customer and Administrative	4,358,082.79	0.10	4,358.08	11.5423	503.02	
Hydrants	201,960.13	-	-	-	-	
Total	\$ 37,203,317.08		\$ 26,436,039.45		\$ 3,051,326.98	

ALLOCATED CAPITAL COST X 2% DIVIDED BY WHOLESALE USER'S MOST RECENT ANNUAL BILLED GALLONS

$$\$ 3,051,326.98 \times 2 \text{ Percent} = \$ 61,026.54 \times 1/108,325 = \$ 0.56337$$

ALLOCATED CAPITAL COST X 6% DIVIDED BY WHOLESALE USER'S MOST RECENT ANNUAL BILLED GALLONS

$$\$ 3,051,326.98 \times 6 \text{ Percent} = \$ 183,079.62 \times 1/108,325 = 1.69010$$

CASH OPERATION AND MAINTENANCE EXPENSES

	Amount	Percentage To Be Shared	Allocated Expenses	Billed Gallons	
Treatment	\$ 2,384,057.00	90.00	\$ 2,145,651.30	938,505	2.28624
Transmission and Distribution	884,217.00	45.00	397,897.65	938,505	0.42397
General	91,567.28	45.00	41,205.28	938,505	0.04391
Total	\$ 3,359,841.28		\$ 2,584,754.23		

CUSTOMER COSTS DIVIDED BY WHOLESALE USER'S MOST RECENT ANNUAL BILLED GALLONS

$$\$144.00 \times 1/108,325 = 0.00133$$

CURRENT CALCULATED WATER RATE (Rounded \$5.01)

$$\underline{\underline{\$ 5.00892}}$$

CITY OF MADISONVILLE, KENTUCKY
WATER RATE ANALYSIS
CAPITAL COSTS

	COST	
A. <u>SOURCE OF SUPPLY</u>		
Green River Pipeline	\$ 3,364,071.64	11
Land, Dams and Lakes	1,155,924.86	12
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Distribution	\$ 463,955.98	4
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Total	\$ 4,358,082.79	
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GRAND TOTAL	\$ 37,203,317.08	

CITY OF MADISONVILLE, KENTUCKY
WATER AND SEWER FUND
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
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<u>Total Operating Expenses</u>	<u>\$ 8,912,706</u>	<u>\$ 7,802,183</u>

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OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

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Number of water consumers	10,179	10,222	10,196	10,095	10,131	10,121	10,161	10,128	10,149	10,140
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Sanitation										
Number of sanitation customers	8,202	8,225	8,164	8,103	8,080	8,075	8,061	8,007	8,054	8,021

Data Source: City of Madisonville Planning & Zoning, Police, Fire Departments and Municipal Utilities Billing Office

CITY OF MADISONVILLE
ALLOCATION OF OTHER EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

<u>CAFR Description</u>	<u>Water</u>	<u>Sewer</u>	<u>CAFR Total</u>
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Uncollectible Accounts	9,088.15	19,062.00	28,150.15
Miscellaneous	23,163.75	4,927.07	28,090.82
Office Supplies	11,178.39	15,962.42	27,140.81
Dues and Subscriptions	2,756.75	803.44	3,560.19
Total	<u>\$ 91,567.28</u>	<u>\$ 72,836.70</u>	<u>\$ 164,403.98</u>

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Public Service
Commission

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The City of Madisonville, Kentucky is providing notice that it plans to file with the Public Service Commission, on or before February 28, 2017, to increase its wholesale rate to the South Hopkins Water District effective for water service on and after March 31, 2017. The proposed rates are as follows:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
\$4.13 per 1,000 gallons	\$5.01 per 1,000 gallons	\$0.88 per 1,000 gallons	21.31% Increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the new rates.

In accordance with Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to both the Commission and the South Hopkins Water District.

This filing may be examined at the offices of the City of Madisonville located at 77 N. Main Street, Madisonville, Kentucky. Please contact Cory Alexander, Finance Director/Treasurer at 270-824-2100 regarding any questions related to the proposed rates.

The filing may also be examined at the offices of the 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>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by the City of Madisonville in its filing but the Public Service Commission may order rates that differ from the proposed rates.

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

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.



BerryKington & Utley PSC
Certified Public Accountants

2822 North Main Street ■ Madisonville, KY 42431
Phone 270-821-3355 ■ Fax 270-821-0101

RECEIVED

January 19, 2017

FEB 6 2017

Public Service
Commission

Mr. Cory Alexander
City Finance Director/Treasurer
City of Madisonville, Kentucky
67 North Main Street
Madisonville, KY 42431

Dear Cory:

We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the South Hopkins Water District.

We prepared the Cost Review Formulas using June 30, 2016 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2016 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the South Hopkins Water District is \$5.01 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 31, 2017 to March 31, 2018.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kington, CPA

CITY OF MADISONVILLE, KENTUCKY

WATER RATE ANALYSIS

SOUTH HOPKINS WATER DISTRICT

(PER 1,000 GALLONS)

CAPITAL COSTS	Amount	Percentage To Be Shared	Capital Costs To Be Shared	(B/C) 6,009 938,505 Allocation Percentage	Allocated Capital Costs	Cost Per 1,000 Gallons Of Water
Source of Supply	\$ 2,050,392.44	100.00	\$ 2,050,392.44	0.6403	\$ 13,128.66	
Water Treatment Plant	19,281,797.00	100.00	19,281,797.00	0.6403	123,461.35	
Storage Facilities	1,995,265.63	65.00	1,296,922.66	0.6403	8,304.20	
Transmission and Distribution	8,699,961.69	43.00	3,740,983.53	0.6403	23,953.52	
General	615,857.40	10.00	61,585.74	0.6403	394.33	
Customer and Administrative	4,358,082.79	0.10	4,358.08	0.6403	27.90	
Hydrants	201,960.13	-	-	0.6403	-	
Total	\$ 37,203,317.08		\$ 26,436,039.45		\$ 169,269.96	

ALLOCATED CAPITAL COST X 2% DIVIDED BY WHOLESALE USER'S MOST RECENT ANNUAL BILLED GALLONS

$$\text{\$ } 169,269.96 \times 2 \text{ Percent} = \text{\$ } 3,385.40 \times 1/6,009 = \text{\$ } 0.56339$$

ALLOCATED CAPITAL COST X 6% DIVIDED BY WHOLESALE USER'S MOST RECENT ANNUAL BILLED GALLONS

$$\text{\$ } 169,269.96 \times 6 \text{ Percent} = \text{\$ } 10,156.20 \times 1/6,009 = 1.69016$$

CASH OPERATION AND MAINTENANCE EXPENSES

	Amount	Percentage To Be Shared	Allocated Expenses	Billed Gallons	
Treatment	\$ 2,384,057.00	90.00	\$ 2,145,651.30	938,505	2.28624
Transmission and Distribution	\$ 884,217.00	45.00	397,897.65	938,505	0.42397
General	\$ 91,567.28	45.00	41,205.28	938,505	0.04391
Total	\$ 3,359,841.28		\$ 2,584,754.23		

CUSTOMER COSTS DIVIDED BY WHOLESALE USER'S MOST RECENT ANNUAL BILLED GALLONS

$$\text{\$ } 144.00 \times 1/6,009 = 0.02396$$

CURRENT CALCULATED WATER RATE (Rounded to \$5.01)

\$5.03163

CITY OF MADISONVILLE, KENTUCKY
WATER RATE ANALYSIS
CAPITAL COSTS

	COST		
A. <u>SOURCE OF SUPPLY</u>			
Green River Pipeline	\$ 3,364,071.64	11	
Land, Dams and Lakes	1,155,924.86	12	
Lakes and Intake Sources	530,395.94	10	
Sub Total	5,050,392.44		
Less: Grants	(3,000,000.00)		
Total	\$ 2,050,392.44		
 B. <u>WATER TREATMENT PLANT</u>	\$ 19,281,797.00	14	
 C. <u>STORAGE FACILITIES</u>	\$ 1,995,265.63	6	
 D. <u>TRANSMISSION AND DISTRIBUTION</u>			
Water Mains	\$ 7,897,923.57	1	
Filtration	651,987.03	13	
Distribution	114,176.03	2	
Easements	35,875.06	3	
Total	\$ 8,699,961.69		
 E. <u>GENERAL MAINTENANCE EQUIPMENT</u>			
Distribution	\$ 463,955.98	4	
Filtration	151,901.42	5	
Total	\$ 615,857.40		
 F. <u>CUSTOMER AND ADMINISTRATIVE</u>			
Water Services	\$ 2,051,536.75	7	
Meters	2,197,656.96	8	
Filtration Office Equipment	50,489.15	9	
Distribution Office Equipment	7,910.42	16	
Utility Office Equipment - (201,958.02 x 25%)	50,489.51		
Total	\$ 4,358,082.79		
 G. <u>HYDRANTS</u>	\$ 201,960.13	15	
GRAND TOTAL	\$ 37,203,317.08		

CITY OF MADISONVILLE, KENTUCKY
WATER AND SEWER FUND
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Depreciation</u>	\$ <u>2,567,044</u>	\$ <u>2,495,405</u>
<u>Wastewater Collection</u>		
Maintenance	1,184,216	890,692
Materials and supplies	40,953	33,468
Fuel and power	130,436	107,281
Engineering/billing fees	2,897	124
Total	<u>1,358,502</u>	<u>1,031,565</u>
<u>Wastewater Treatment</u>		
Salaries and wages	424,370	473,281
Fuel and power	243,208	211,152
Sludge hauling	144,892	156,072
Employee benefits	83,890	95,837
Materials and supplies	137,346	148,462
Pension expense	54,363	38,320
Maintenance	59,879	61,046
Payroll taxes	31,375	34,949
Professional fees	<u>32,759</u>	<u>36,326</u>
Total	<u>1,212,082</u>	<u>1,255,445</u>
<u>Purification</u>		
Salaries and wages	474,951	523,244
Materials and supplies	424,892	403,794
Maintenance	814,083	179,419
Employee benefits	94,636	102,010
Pension expense	75,900	65,803
Filter water analysis	53,801	31,446
Payroll taxes	33,132	37,147
Small tools and work equipment	9,184	8,752
Engineering	<u>69,822</u>	<u>67,119</u>
Total	<u>2,050,401</u>	<u>1,418,734</u>
<u>Distribution Maintenance</u>		
Other	162,711	173,361
Hydrants	258,924	201,477
Water mains	<u>462,582</u>	<u>385,977</u>
Total	<u>884,217</u>	<u>760,815</u>
<u>Other</u>		
Billing and collection	254,000	254,000
Professional fees	88,400	88,400
Miscellaneous	58,792	44,738
Insurance	77,462	69,436
Uncollectible accounts	<u>28,150</u>	<u>37,338</u>
Total	<u>506,804</u>	<u>493,912</u>
<u>Power Purchased</u>	<u>333,656</u>	<u>346,307</u>
<u>Total Operating Expenses</u>	<u>\$ 8,912,706</u>	<u>\$ 7,802,183</u>

CITY OF MADISONVILLE, KENTUCKY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Table 15

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	254	239	231	204	192	215	194	194	202	191
Police										
Physical arrests	2,570	4,039	4,056	3,994	3,451	3,625	3,927	3,910	3,764	4,271
Traffic violations and warnings	5,481	8,620	7,135	6,939	5,959	6,112	10,548	9,250	7,380	8,615
Fire										
Emergency responses	400	502	654	497	531	481	467	478	489	1,302
Fires extinguished	124	121	158	127	142	157	123	144	144	102
Water										
Number of water consumers	10,179	10,222	10,196	10,095	10,131	10,121	10,161	10,128	10,149	10,140
Annual consumption (in 1,000 gallons)	1,038,850	1,046,376	1,024,043	987,194	1,046,522	1,037,355	1,016,999	1,010,423	986,022	938,505
Sewer										
Number of sewer consumers	8,622	8,670	8,642	8,535	8,898	8,985	9,017	9,014	9,054	9,031
Electric										
Number of electric consumers	8,562	8,588	8,516	8,407	8,436	8,406	8,438	8,369	8,407	8,397
Annual consumption (in 1,000 kwh)	358,323	363,448	329,832	310,166	328,822	316,682	316,543	308,941	298,446	290,880
Sanitation										
Number of sanitation customers	8,202	8,225	8,164	8,103	8,080	8,075	8,061	8,007	8,054	8,021

Data Source: City of Madisonville Planning & Zoning, Police, Fire Departments and Municipal Utilities Billing Office

CITY OF MADISONVILLE
ALLOCATION OF OTHER EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

<u>CAFR Description</u>	<u>Water</u>	<u>Sewer</u>	<u>CAFR Total</u>
Insurance	\$ 45,380.24	\$ 32,081.77	\$ 77,462.01
Uncollectible Accounts	9,088.15	19,062.00	28,150.15
Miscellaneous	23,163.75	4,927.07	28,090.82
Office Supplies	11,178.39	15,962.42	27,140.81
Dues and Subscriptions	2,756.75	803.44	3,560.19
Total	<u>\$ 91,567.28</u>	<u>\$ 72,836.70</u>	<u>\$ 164,403.98</u>