

351 Almo Rd
Almo, KY 42020
Phone (270) 753-9101
Fax (270) 759-0199
E-mail dawdoffice@gmail.com

DEXTER-ALMO HEIGHTS WATER DISTRICT

RECEIVED

MAY 31 2017

Public Service
Commission

May 24, 2017

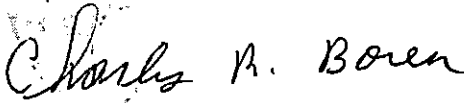
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Formal Application for a Purchase Water Adjustment

To whom it may concern:

Enclosed with this letter is the original and 10 copies of the application for a purchase water adjustment from the Dexter-Almo Heights Water District. The adjustment is necessary to recover an increase in the cost of water attributable to the City of Murray new wholesale price.

Sincerely,



Charles Boren

Commissioner

EXHIBIT 1

Purchased Water Adjustment Form

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

| | | |
|------------------|------------------------------------|--|
| Name of Utility | Dexter-Almo Heights Water District | |
| Date | 5/24/2017 | |
| Address | 351 Almo Rd | |
| City, State, Zip | Almo, Kentucky 42020 | |
| Telephone Number | 270-753-9101 | |
| Email Address | dawdoffice@gmail.com | |

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 |
|----------------------|-----------|--------------|
| Murray Water & Sewer | \$2.43 | \$2.67 |
| | | |
| | | |

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

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 2016 | through | April 2017 |
| | (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.

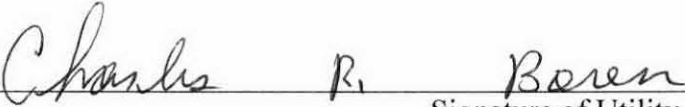
| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Supplier(s) | Gallons Purchased during 12 month period |
| Murray Water & Sewer | 42,982,500 |
| | |
| | |
| TOTAL PURCHASES | |
| 4. Total gallons sold for the 12 month period | 37,661,800 |
| 5. Increased water cost | \$10,315.80 |
| 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 2 | |
| 6. Purchased water adjustment factor | 0.27 |
| 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 3 | |
| 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 July 1, 2017 | |
|  Signature of Utility Officer | |
| Commissioner | |
| Title | |

EXHIBIT 2

Purchased Water Adjustment Calculation Sheet

Dexter-Almo Heights Water District

| SUPPLIER | NEW RATE (per 1,000) | OLD RATE (per 1,000) |
|---------------------|-------------------------|-------------------------|
| Murray Water | \$2.6700 | \$2.4300 |
| | | |
| | | |

TWELVE MONTH TEST PERIOD:

May 2016-April 2017

| SUPPLIER | GALLONS PURCHASED DURING TEST PERIOD |
|---------------------|-----------------------------------------|
| Murray Water | 42,982,500 |
| | |
| | |
| TOTAL | 42,982,500 |

| SUPPLIER | COST AT NEW RATE | COST AT OLD RATE | INCREASED WATER COST |
|--------------|---------------------|---------------------|-------------------------|
| Murray Water | \$114,763.28 | \$104,447.48 | |
| | | | |
| TOTAL | \$114,763.28 | \$104,447.48 | = \$10,315.80 |

TOTAL GALLONS SOLD FOR THE TEST PERIOD : **37,661,800**

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

| | | | | | |
|-------------|---|------------|-------|---------|-------------|
| \$10,315.80 | / | 37,661,800 | /1000 | = | 0.273906186 |
| | | | | ROUNDED | 0.27 |

EXHIBIT 3

**Letter from City of Murray Purchased
Water Adjustment Increase**



Murray Municipal Utilities

104 N 5th Street, Suite A

P O Box 466

Murray KY 42071

270-762-0300

October 5, 2016

Dexter Almo Water District

Re: Rate increase effective July 2017

To Whom It May Concern:

Effective July 1, 2017 Water Districts will be charged at a rate of \$2.67 per 1000 gallons of water in accordance with City of Murray Ordinance.

Cordially,

Murray Municipal Utilities

EXHIBIT 4

Current Rates

and

Proposed New Monthly Rates

Current Monthly Water Rates

| | | |
|-------|----------------|--------------------------|
| First | 2,000 gallons | \$13.51 Minimum Bill |
| Next | 3,000 gallons | \$5.13 per 1,000 gallons |
| Next | 5,000 gallons | \$4.43 per 1,000 gallons |
| Next | 10,000 gallons | \$4.13 per 1,000 gallons |
| Over | 20,000 gallons | \$3.13 per 1,000 gallons |

Proposed Monthly Water Rates

| | | |
|-------|----------------|--------------------------|
| First | 2,000 gallons | \$14.05 Minimum Bill |
| Next | 3,000 gallons | \$5.40 per 1,000 gallons |
| Next | 5,000 gallons | \$4.70 per 1,000 gallons |
| Next | 10,000 gallons | \$4.40 per 1,000 gallons |
| Over | 20,000 gallons | \$3.40 per 1,000 gallons |

EXHIBIT 5

Meeting Notes

DEXTER-ALMO WATER DISTRICT

April 6, 2017 6:00PM

The Dexter-Almo Water Dist. met 04-06-2017 at 6:00 with following present, Joe Dan Taylor, Pat Paschall, Charles Boren, Commissioners. Jasper Wyatt and Kathy Wyatt employees of the district.

The meeting was called to order by Joe Dan Taylor at 6pm.

The board approved the April Treasurer's Report and the minutes from the March meeting.

The board also approved to pay the following bills:

| | |
|------------------------|---------|
| 1. KY State W/H | 162.14 |
| 2. Jay Wyatt | 50.00 |
| 3. Regions Bank | 743.04 |
| 4. Howard D Happy | 185.85 |
| 5. Shell | 189.10 |
| 6. Quarterly Tax | 203.75 |
| 7. Franklin Templeton | 75.00 |
| 8. Calloway County Tax | 558.63 |
| 9. IRS (payroll tax) | 916.12 |
| 10. Microbac | 46.00 |
| 11. West KY RECC | 89.49 |
| 12. Shane Andrus | 2750.00 |
| 13. Murray Supply | 96.07 |
| 14. G&C Supply | 1697.62 |

The board agreed to have Jasper complete a PSC application for a 10% rate increase for the district. Jasper will present the application at the May meeting for final signing of all documents needed and final approval.

The board agreed to have Jasper complete a PSC application for a Tap —on fee rate increase for the district. The rate from 700.00 to 900.00 will be submitted to the PSC for approval.

Jasper reported on the process of repairing a fire hydrant on Ingram Lane. The total cost of repair was over \$5,000.00

Kathy reported that starting July 1, 2017 the City of Murray will be raising the PWA from 2.43 to 2.67 per 1, 000 gallon. The board voted to apply to the PSC for a PWA to offset the increase from the City. The new rates for the District will be effective July 1, .2017.

The board asked Jasper to check on pricing of marking flags for the fire hydrants and report back to board in May.

The board approved the purchase of recordkeeping package from KRWA to help prepare the CCR and other reports the DOW requires. Also adobe acrobat software to be able to convert files to send to PSC in electronic filings.

Kathy reported that QB 2014 will no longer be working as of May 31, 2017. The system will need to upgrade to QB pro 2017 at a cost of 200.00. The board approved the purchase of the upgrade.

Kathy reported that Pierce & Keller, district CPA, had completed the yearly financial audit and the PSC yearly audit. Copies of the financial audit were given to the board members.

The board approved for Jasper to get Shane Andrus to help with yard repair on Seth Lane and Candlelight Dr.

The board voted to change the meeting time to 7pm starting in May.

The meeting adjourned

9:30pm

Pat Paschall

Secretary