

McKinney Water District

Case No. 2017-00310

2900 KY HWY 198, PO BOX 7, MCKINNEY, KY. 40448 (606) 346-2220
Assn72dist65@newwavecomm.net Fax (606) 346-5145

July 20, 2017

Public Service Commission
ATT: Purchased Water Adjustment
PO Box 615
Frankfort, Ky. 40602-0615

RECEIVED

JUL 24 2017

Public Service
Commission

Dear Public Service Commission:

Enclosed is the application for a "Purchased Water Adjustment" for the McKinney Water District. This is due to the City of Stanford increasing our water rates.

I have enclosed the original and ten copies of the application. If I have failed to include any information which is needed to complete the application or if you find an error in my calculations, please call me at 606-346-2220.

Thank you for all of your help with this application.

Sincerely,



NICKI BASTIN

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

JUL 24 2017

| | | |
|------------------|------------------------------|------------------------------|
| Name of Utility | McKinney Water District | Public Service Commission |
| Date | July 7, 2017 | |
| Address | 2900 Ky Hwy 198, P.O. Box 7 | |
| City, State, Zip | McKinney, Kentucky | 40448 |
| Telephone Number | 606-346-2220 | |
| Email Address | Assn72dist65@newwavecomm.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 |
|-----------------------------|--------------------------|--------------------------|
| City of Stanford Waterworks | \$2.80 per 1,000 gallons | \$2.99 per 1,000 gallons |
| Eubank Water System | No Increase | No Increase |
| | | |

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit D-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 | June 2016 | through | May 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 |
|---|--|
| City of Stanford Waterworks | 101,047,000 |
| City of Eubank Water System | 24,524,300 |
| | |
| TOTAL PURCHASES | 125,571,300 |
| | |
| 4. Total gallons sold for the 12 month period | 88,971,600 |
| | |
| 5. Increased water cost | 19,199 |
| <p>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 A-1, A-2, A-3 and A-4.</p> | |
| | |
| 6. Purchased water adjustment factor | .22/1000 |
| <p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <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.</p> | |
| | |
| 7. A schedule listing the current and proposed rates is attached as Exhibit B-1. | |
| | |
| 8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit C-1 | |
| | |
| 9. Proposed effective date | August 15, 2017 |
| | |
|  Signature of Utility Officer | |
| Chairman | |
| Title | |

McKinney Water District
Purchased Water Adjustment
Exhibit A-1

| | |
|--|------------------|
| Gallons purchased from City of Stanford Waterworks - June 2016 to May 2017 | 101,047,000 |
| Difference between City of Stanford Waterworks Base Rate and Changed Rate per 1,000 gallons | <u>0.19</u> |
| Increased Water Cost | <u>\$ 19,199</u> |

PURCHASED WATER FROM CITY OF STANFORD

| | | |
|------------------|-------------|--------------------|
| JUNE 2016 - | \$21,817.60 | 7,792,000 GALLONS |
| JULY 2016 - | \$24,463.60 | 8,737,000 GALLONS |
| AUGUST 2016 - | \$21,562.80 | 7,701,000 GALLONS |
| SEPTEMBER 2016 - | \$26,499.20 | 9,464,000 GALLONS |
| OCTOBER 2016 - | \$23,660.00 | 8,450,000 GALLONS |
| NOVEMBER 2016 - | \$19,028.80 | 6,796,000 GALLONS |
| DECEMBER 2016 - | \$23,458.40 | 8,378,000 GALLONS |
| JANUARY 2017 - | \$18,454.80 | 6,591,000 GALLONS |
| FEBRUARY 2017 - | \$19,140.80 | 6,836,000 GALLONS |
| MARCH 2017 - | \$27,692.28 | 9,813,000 GALLONS |
| APRIL 2017 - | \$29,201.20 | 10,429,000 GALLONS |
| MAY 2017 - | \$28,344.73 | 10,060,000 GALLONS |

TOTALS = \$283,324.21 101,047,000 GALLONS

*Gallons purchased
from STANFORD Waterworks
SUBMIT A-7*

PURCHASED WATER FROM EUBANK WATER SYSTEM

| | | |
|------------------|-------------|-------------------|
| JUNE 2016 - | \$8,505.63 | 2,064,300 GALLONS |
| JULY 2016 - | \$9,715.54 | 2,359,400 GALLONS |
| AUGUST 2016 - | \$10,057.89 | 2,442,900 GALLONS |
| SEPTEMBER 2016 - | \$9,247.32 | 2,245,200 GALLONS |
| OCTOBER 2016 - | \$9,055.03 | 2,198,300 GALLONS |
| NOVEMBER 2016 - | \$10,130.46 | 2,460,600 GALLONS |
| DECEMBER 2016 - | \$7,787.31 | 1,889,100 GALLONS |
| JANUARY 2017 - | \$7,622.08 | 1,848,800 GALLONS |
| FEBRUARY 2017 - | \$7,652.42 | 1,856,200 GALLONS |
| MARCH 2017 - | \$6,444.15 | 1,561,500 GALLONS |
| APRIL 2017 - | \$7,999.69 | 1,940,900 GALLONS |
| MAY 2017 - | \$6,836.11 | 1,657,100 GALLONS |

TOTALS = \$101,053.63 24,524,300 GALLONS

*Gallons purchased
from City of Eubank
Exhibit A-3*

PWA 2017 GALLONS SOLD TO CUSTOMERS

| | |
|----------------------|---------------------------|
| JUNE 2016 = | 8,081,600 GALLONS |
| JULY 2016 = | 8,630,000 GALLONS |
| AUGUST 2016 = | 8,166,800 GALLONS |
| SEPTEMBER 2016 = | 7,687,600 GALLONS |
| OCTOBER 2016 = | 7,480,500 GALLONS |
| NOVEMBER 2016 = | 6,927,900 GALLONS |
| DECEMBER 2016 = | 7,262,600 GALLONS |
| | |
| JANUARY 2017 = | 6,298,600 GALLONS |
| FEBRUARY 2017 = | 6,288,700 GALLONS |
| MARCH 2017 = | 6,927,500 GALLONS |
| APRIL 2017 = | 7,325,700 GALLONS |
| MAY 2017 = | 7,894,100 GALLONS |
| TOTAL GALLONS | 88,971,600 GALLONS |

Gallons Sold
EXHIBIT A-4

For: Lincoln & Casey Counties

PSC KY Number: 1

7th revised Sheet No. 19

Cancelling PSC KY Number: 1

6th revised Sheet No. 19

McKinney Water District

(Name of Utility)

| Monthly Water Rates | Current Rate | Proposed Rate |
|----------------------|------------------------|------------------------|
| 5/8" X 3/4" meter: | | |
| First 1,000 gallons | \$14.20 Minimum Bill | \$14.42 Minimum Bill |
| Next 2,000 gallons | 8.67 per 1,000 gallons | 8.89 per 1,000 gallons |
| Next 7,000 gallons | 7.26 per 1,000 gallons | 7.48 per 1,000 gallons |
| Over 10,000 gallons | 6.58 per 1,000 gallons | 6.80 per 1,000 gallons |
| 1" meter: | | |
| First 5,000 gallons | \$46.06 Minimum Bill | \$47.16 Minimum Bill |
| Next 5,000 gallons | 7.26 per 1,000 gallons | 7.48 per 1,000 gallons |
| Over 10,000 gallons | 6.58 per 1,000 gallons | 6.80 per 1,000 gallons |
| 2" meter: | | |
| First 20,000 gallons | \$148.16 Minimum Bill | \$152.56 Minimum Bill |
| Over 20,000 gallons | 6.58 per 1,000 gallons | 6.80 per 1,000 gallons |

DATE OF ISSUE July 7, 2017

Month Day Year

DATE EFFECTIVE August 15, 2017

Month Day Year

ISSUED BY *Justin J. Nook*

(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

JUNE 13, 2017

PRESENT: Les Gooch, Tommy Messer, Bobby Hasty, Matt Rankin, Mike Reed, Punkin Brown, Ryan Owens, Nicki Bastin, and Donna Yocum

ABSENT: None

VISITORS: Carrie Brown (Jonathon Tyler), Linda Brown, Pat Walls, Gary Hill, and Johnny Brown (Jonathon Tyler)

The meeting was called to order by Chairman, Les Gooch.

Minutes of last meeting were reviewed, Mike made motion to approve, Tommy second the motion, all in favor, motion carried.

Financial Report from previous month, had been reviewed, Bobby made motion to accept, Mike seconded the motion, all in favor, motion carried.

Danny Coffman's bill of \$1641.72, was presented for approval of payment, Mike made motion to pay, Matt seconded the motion, all in favor, motion carried.

Discussed Water Loss of 44.6%, last month 37.8%. Stanford is estimating bills really high, not sure as to what they are going by. New master meter has been installed.

Resolution, to approve purchased rate increase, from Stanford. Matt made motion, Mike seconded, all in favor, motion carried.

Visitors: Carrie Brown, wants adjustment to bill, said there have been no leaks, and she doesn't know why so high. Meter has been checked and readings are correct. Les explained to her will do a once in a lifetime adjustment to our cost, and she can set up on payments.

Linda Brown states meter reader is not reading meters.

Pat Walls is here for support for neighbors, but she has had problems in the past.

Gary Hill states they are not reading his daughters (Jill Horn) every month.

Johnny Brown states there is no way his daughter (Carrie Brown) could have used that much water.

Discussion about meter readers, Mike says deduct from payment the number of rereads. Matt second the motion, all in favor, motion carried.

Nicki discussed, last PSC inspection, we were written up about storage. Last 10 yrs we have had a deviation. Joe Burns was going to help, but PSC now requires an attorney to do it. Discussion about who to get in touch with, Mike suggested Carol Hill, Les suggested Jerry Wuetcher.

Discussion about CCR report.

Joe Burns, sent Nicki, about Compliance Check, \$1500.00 annually, or \$750.00 for ½ year. Board members are to take papers home and read, and vote on it next month.

There was no more business, Bobby made motion to adjourn, Matt seconded, all in favor, motion carried.

NOTICE:

The City of Stanford ("Stanford") is providing notice that it plans to file with the Public Service Commission, on or before June 15, 2017, to increase its wholesale rate to McKinney Water District effective for water service on and after July 15, 2017. The proposed rates are as follows:

| <u>Current Rate</u> | <u>Proposed Rate</u> | <u>\$ Difference</u> | <u>% Difference</u> |
|--------------------------|--------------------------|--------------------------|---------------------|
| \$2.80 per 1,000 gallons | \$2.99 per 1,000 gallons | \$0.19 per 1,000 gallons | 6.8% 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 McKinney Water District.

This filing may be examined at the offices of Stanford located at 842 East Main Street in Stanford, Kentucky.

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 Stanford 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.

FOR McKinney, Lincoln County, Kentucky
Name of Municipality

P.S.C. KY. NO. _____

_____ SHEET NO. _____

City of Stanford
(Name of Municipal Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

McKinney Water District

\$2.99 Per 1,000 Gallons (1)

NOTE: This tariff revises the previous rate of \$2.80 per 1,000 gallons.

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ N/A _____ DATED _____ N/A _____

Exhibit D-1 2/2

NOTICE TO MCKINNEY WATER DISTRICT CUSTOMERS

Due to our supplier, City of Stanford Waterworks, increasing our water rates by 6.8%, the McKinney Water District has filed a "Purchased Water Adjustment" with the Public Service Commission in Frankfort Ky. The proposed effective date for this increase is for "all water flowing through the meters on and after August 15, 2017". If approved by PSC these rates will reflect on the water bill you will receive and pay in October, 2017.

The current and proposed rates are:

| <u>CURRENT RATES</u> | <u>\$ DIFFERENCE</u> | <u>% DIFFERENCE</u> | <u>PROPOSED RATES</u> |
|--|----------------------|---------------------|------------------------|
| <u>5/8 X 3/4 INCH METER</u> | | | |
| First 1,000 gallons - \$14.20 Minimum Bill | \$0.22 | 1.5 % | \$14.42 Minimum Bill |
| Next 2,000 gallons - 8.67 per 1,000 gallons | \$0.22 | 2.5 % | 8.89 per 1,000 gallons |
| Next 7,000 gallons - 7.26 per 1,000 gallons | \$0.22 | 3.0 % | 7.48 per 1,000 gallons |
| Over 10,000 gallons - 6.58 per 1,000 gallons | \$0.22 | 3.3 % | 6.80 per 1,000 gallons |
| Average bill is 4,000 gallons at current cost of \$38.80 and proposed cost \$39.68 making an increase of \$0.88. | | | |
| <u>1 Inch meter</u> | | | |
| First 5,000 gallons - \$46.06 Minimum Bill | \$1.10 | 2.4 % | \$47.16 Minimum Bill |
| Next 5,000 gallons - 7.26 per 1,000 gallons | 0.22 | 3.0 % | 7.48 per 1,000 gallons |
| Over 10,000 gallons - 6.58 per 1,000 gallons | 0.22 | 3.3 % | 6.80 per 1,000 gallons |
| Average bill is 5,000 gallons at current cost of \$46.06 and proposed cost of \$47.16 making an increase of \$1.10. | | | |
| <u>2 Inch Meter</u> | | | |
| First 20,000 gallons - \$148.16 Minimum Bill | \$4.40 | 3.0 % | \$152.56 Minimum Bill |
| Over 20,000 gallons - 6.58 per 1,000 gallons | 0.22 | 3.3 % | 6.80 per 1,000 gallons |
| Average bill is 25,000 gallons at current cost of \$181.06 and proposed cost of \$186.56 making an increase of \$5.50. | | | |

You may obtain a copy of the "Purchased Water Adjustment" containing the current and proposed rates by calling the office at (606) 346-2220 or at the water office located at 2900 Ky. Hwy 198, McKinney, Ky. 40448. You can also go to PSC's web site at <http://psc.ky.gov> and view all of the District's documents and tariffs or at their location on 211 Sower Boulevard, Frankfort, KY, Monday through Friday 8:00 a.m. - 5:00 p.m. You may contact PSC at (502) 564-3940 or 1-800-772-4636.

*Notice in
Local Paper
& posted in
office*

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Crab Orchard

Call 606-355-7405

TDD 1-800-648-6056

Office hours:

Mon, Tues, & Thurs

8:30 a.m. to 5 p.m.



This Institution is
an Equal Opportunity
Provider



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