

WEST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd.
Owensboro, KY 42301
Phone: (270) 685-5594
Fax: (270) 683-6324

RECEIVED

OCT 30 2018

**PUBLIC SERVICE
COMMISSION**

October 25, 2018

To : Executive Director
Public Service Commission

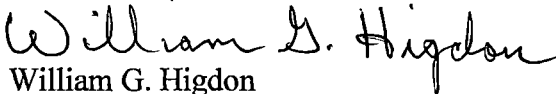
RE : Purchased Water Adjustment

To Whom It May Concern,

At the regular meeting of the Board of Commissioners of the West Daviess County Water District on October 16, 2018, it was decided to file with the Public Service Commission a purchased water adjustment due to our supplier, Owensboro Municipal Utilities, increasing our wholesale rate. Attached you will find the original and 10 copies of the application along with supplemental information requested by the Public Service Commission.

If you have any questions concerning this request or need additional information, please contact our office. Thank You.

Sincerely,


William G. Higdon
Manager

Purchased Water Adjustment Form 1
July 2014**RECEIVED**

OCT 30 2018

PUBLIC SERVICE
COMMISSIONPURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)

Name of Utility	WEST DAVIESS COUNTY WATER DISTRICT		
Date	10-16-2018		
Address	3400 BITTEL RD		
City, State, Zip	OWENSBORO, KY 42301		
Telephone Number	270-685-5594		
Email Address	kkrampe@oolwireless.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
OWENSBORO MUNICIPAL UTIL.	\$ 1.64 / 1,000 GAL.	\$ 2.20 / 1,000 GAL.

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	OCTOBER 2017	through	SEPTEMBER 2018
	(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.

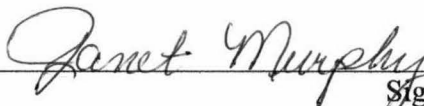
Supplier(s)	Gallons Purchased during 12 month period
OWENSBORO MUNICIPAL UTILITIES	438,669,100
TOTAL PURCHASES	438,669,100
4. Total gallons sold for the 12 month period	357,907,050
5. Increased water cost	\$ 245,654.70
<p>The increased water cost is the cost difference between purchases at base (current 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 B</p>	
6. Purchased water adjustment factor	\$.69 / 1,000 GAL
<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 C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	DECEMBER 1, 2018
	
Signature of Utility Officer	
BOARD CHAIRMAN	
Title	



Exhibit A

October 1, 2018

Mr. William Higdon, Manager
West Daviess County Water District
3400 Bittel Road
Owensboro, KY 42301

Re: Wholesale Water Rate Increase

Dear Billy:

We have made the required rate calculations for the fiscal year 2018-2019 interim rate, pursuant to Section 8.10 of our contract. This new rate includes the Debt Service for the Expanded Treatment Facility. A copy of these calculations is enclosed, as well as a copy of the fiscal year 2017-2018 true-up calculations.

Based on these calculations, the rate charged to the West Daviess County Water District will increase to a rate of \$2.200 per thousand gallons, effective December 1, 2018.

The ultimate per unit cost to West District is dependent upon annual water usage and the costs contractually allocated to your district. Future year calculations may result in fluctuations in the rate per thousand gallons. The formal calculation will continue to be prepared annually.

Please contact me with any questions, or if you need further information.

Sincerely,

Kevin D. Frizzell
Interim General Manager

Cc: Kentucky Public Service Commission
L. Holland, B. Howton, T. Lyons, J. Potts

Enclosures

Exhibit B

West Daviess County Water District

Increased Water Cost and Purchased Water Adjustment Factor

Calculation for Increased Water Cost

		<u>Sales</u>	<u>Gallons Purchased</u>
Oct	2017	29,658,320	35,780,200
Nov		25,994,530	31,075,500
Dec		24,676,450	28,975,100
Jan	2018	28,630,550	42,252,000
Feb		30,628,840	28,997,200
Mar		22,649,910	29,762,100
Apr		25,632,570	35,866,000
May		30,002,820	41,803,300
Jun		36,474,650	40,299,700
Jul		35,781,520	46,844,800
Aug		36,163,150	41,459,700
Sep		31,613,740	35,553,500
		<u>357,907,050</u>	<u>438,669,100</u>

Current Wholesale Rate		1.640	
% increase	x	<u>1.3412</u>	34.12%
New Wholesale Rate		2.200	

Water cost at changed rate
 438,669,100 x 2.20 per 1,000 gallons = \$ 965,072.02

Water cost at base rate
 438,669,100 x 1.64 per 1,000 gallons = \$ 719,417.32

Increased water cost \$ 245,654.70

Calculation for Purchased Water Adjustment Factor

Increase of water cost divided by total gallons sold divided by 1,000
 \$ 245,654.70 / 357,907,050 / 1000 gallons
 = 0.69 per 1,000

Exhibit C

West Daviess County Water District

Current and Proposed Rates

<u>Description</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>% Increase</u>
Residential, Apartments, Commercial, & Farmstead			
<u>Usage Charge</u>			
First 20,000 gallons (per 1,000 gallons)	\$ 4.07	\$ 4.76	16.95%
Over 20,000 gallons (per 1,000 gallons)	\$ 2.99	\$ 3.68	23.08%
Wholesale			
<u>Usage Charge</u>			
Per 1,000 gallon	\$ 2.41	\$ 3.10	28.63%

FOR West Daviess County, Kentucky
Community, Town or City

P.S.C. KY. No. 1

1st Revised Sheet No. 1

West Daviess County Water District
(Name of Utility)

CANCELLING P.S.C. KY. No. 2014-00144

Sheet No. 1

RATES AND CHARGES

A. MONTHLY RATES:

Customer Charge

5/8" x 3/4" Meters	\$ 3.25 per month
1" Meters	\$ 4.55 per month
1 1/2" Meters	\$ 5.85 per month
2" Meters	\$ 9.43 per month
3" Meters	\$ 35.75 per month
4" Meters	\$ 45.50 per month
6" Meters	\$ 68.25 per month
8" Meters	\$ 94.25 per month

Usage Charge

First 20,000 gallons	\$ 4.76 per 1,000 gallons (l)
Over 20,000 gallons	\$ 3.68 per 1,000 gallons (l)

DATE OF ISSUE _____

Month / Date / Year

DATE EFFECTIVE December 1, 2018

Month / Date / Year

ISSUED BY 

Signature of Officer

TITLE Board Chairman

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

FOR : West Daviess County, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

1st Revised Sheet No. 5

West Daviess County Water District
(Name of Utility)

CANCELLING P.S.C. KY. No. 2014-00144

Sheet No. 5

RATES AND CHARGES

D. PURCHASED WATER RATES:

	<u>Rate</u>
Owensboro Municipal Utilities	\$ 2.20 per 1,000 Gallons (l)

E. WHOLESALE WATER RATES:

	<u>Rate</u>
McLean County Water District	\$ 3.10 per 1,000 Gallons (l)
Beech Grove Water Association	\$ 3.10 per 1,000 Gallons (l)

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE December 1, 2018
Month / Date / Year

ISSUED BY 
Signature of Officer

TITLE Board Chairman

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

WEST DAVIESS COUNTY WATER DISTRICT

MINUTES OF MEETING

A regular meeting was held at 8:00 am, October 16, 2018 at the District Office, attended by Janet Murphy, Scott Kuegel, Keith Krampe, and William Higdon.

Scott Kuegel made a motion to approve the minutes of the September 26, 2018 regular meeting. Janet Murphy seconded the motion and it carried unanimously.

The financial and statistical reports were reviewed. Scott Kuegel made a motion to approve the financial statements as presented. Janet Murphy seconded the motion and it carried unanimously. Scott Kuegel made a motion to approve the September 2018 expenditures. Janet Murphy seconded the motion and it carried unanimously. Scott Kuegel made a motion to renew the health insurance with the current plan. Janet Murphy seconded the motion and it carried unanimously.

The following bills, more than 60 days overdue, were approved for write off:

52-3920	William W Mcdaniel	7225 Julia Ave	49.28
52-4425-06	Bradley E Coppage	7169 Hwy 81	56.90
57-2080-05	Help At Home	755 Ashland Ave	62.59
57-8420-07	Samantha James	770 Berwyn Ave	57.22
61-2096-08	Tiffany M Jourdonais	1730-H Parrish Plaza Dr	100.99
64-3365-01	Wendell Warner Jr	5854 May Rd	17.47

Manager Higdon reported on the water loss percentage in September.

The Board discussed the wholesale rate increase from OMU where the District will increase from \$ 1.64 to \$ 2.20 per 1,000 gallons. The proposed Public Service Commission application calculation increases the customer's water rate by \$ 0.69 per 1,000 gallons. Scott Kuegel made a motion to proceed with the submittal of the purchased water rate adjustment to the Public Service Commission. Janet Murphy seconded the motion and it carried unanimously.

Manager Higdon reported A T & T is still interested in a lease agreement at the West Louisville tank site.


Manager Higdon reported that the leak detection equipment has been received with training scheduled and plans for implementation still being formulated.

The Board heard a report on the AMI project. Approximately 3,200 Southeast and West radios have been installed to date. The District has been reading those routes via a drive by system until the system analytics software can be integrated with the billing system. Operational training has been scheduled for November.

The Board reviewed the draft letter to OMU regarding the TTHM levels. Revisions are currently being made with a final version forthcoming.

The Board reviewed four bids for a new truck. Manager Higdon reported he would prefer to investigate the trucks in more detail before making a decision on which one to purchase. The Board agreed with Scott Kuegel making a motion to purchase a new truck not to exceed \$ 26,167.90. Janet Murphy seconded the motion and it carried unanimously.

Scott Kuegel made a motion to adjourn. Janet Murphy seconded the motion and it carried unanimously. The meeting adjourned at 9:15 am.


Paula Crabtree
Secretary