

RECEIVED

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

JUN 17 2019
PUBLIC SERVICE
COMMISSION

Phone: (859) 498-0521

Fax: (859) 498-0872

June 03, 2019

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY. 40602

RE: Formal Application for a Purchased Water Agreement

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective July 01, 2019.

The District will publish the notice of the new rates in the local newspaper no later than the issuance of the first bill at the increased rate.

Sincerely;



enclosure

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JUN 17 2019

PUBLIC SERVICE
COMMISSION

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

Name of Utility	Montgomery County Water District #1	
Date	June 03, 2019	
Address	4412 Camargo Road	
City, State, Zip	Mt. Sterling, Ky. 40353	
Telephone Number	(859) 498-0521	

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
Mt. Sterling Water & Sewer	3.11	3.17

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	May 2018	through	April 2019
	(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
Mt. Sterling Water & Sewer	39,321,291
TOTAL PURCHASES	39,321,291
4. Total gallons sold for the 12 month period	33,612,430
5. Increased water cost	2359.28
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.07
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	July 01, 2019
	
Signature of Utility Officer	
Title Chairman	

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: 859-498-0521

Fax Phone 859-498-0872

Minutes
June 11, 2019

The meeting of the Montgomery County Water District #1 was called to order at 5:00 P.M. at the water office by Treasurer DeWayne Williams.

Roll Call:

Staff members present at meeting were DeWayne Williams, Kevin Shackelford and Sandra Cole.

Approval of May 14, 2019 Minutes:

DeWayne Williams made a motion to approve the minutes for May 14, 2019 meeting. Kevin Shackelford seconded the Motion. Motion carried.

Guests Present:

None

Comments:

Old Business:

A. Rural Development Loan and Rate Increase

Sandra let Commissioner's know that the application and everything for the first step has been completed and sent in.

New Business:

A. Approve Managers Report, Financial Report, Adjustments, Billing summary, Account Write Offs, Budget Variances, Cash Receipt Report, and Pay Bills

Kevin Shackelford made the motion to approve the Managers/Treasurers Report. DeWayne Williams seconded the Motion. Motion carried.

B. Pass-Thru Rate Increase

DeWayne Williams made a Motion to approve the Rate Increase Pass-Thru. Kevin Shackelford seconded the Motion. Motion carried.

C. Additional Comments

Sandra let Commissioner's know that the gutters had been put up at the 4416 garage.

D. Adjourn

DeWayne Williams made a Motion to adjourn. Kevin Shackelford seconded the Motion. Motion carried. Time 5:15 P.M.

Water Purchased May 2018 - April 2019 $39,321.291$
 $\div 1000.$

39,321.30

Water Sold May 2018 - April 2019

$33,612,430$
 $\div 1000.$

33,612.43

Water purchased total

39,321.30

Old Rate $3.11 \times 39,321.30 = 122,289.25$

New Rate $3.17 \times 39,321.30 \Rightarrow 124,648.53$

Subtract

2359.28

Water Sold

33,612.43

$=$.07

Water ADS Factor

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

Exhibit A

May 24, 2019

Sandra Cole
Montgomery County Water District
4412 Camargo Road
Mt. Sterling, Kentucky 40353

Re: Wholesale Rate Increase

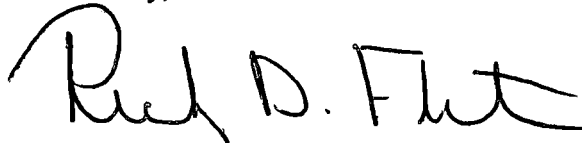
Sandra,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), has requested approval from the Kentucky Public Service Commission (PSC) to increase wholesale water rates charged to water districts/associations, served by our utility. This proposed increase is based on an increase of the inflationary rate of 3.6% as indicated by the Bureau of Labor Statistics, as well as several upcoming water projects slated for the 2019/2020 fiscal year. As a result, our water and sewer board of commissioners voted to increase water rates by a factor of 2% at the regular monthly board meeting held May 20, 2019.

Our utility has petitioned the Public Service Commission (PSC), to allow this increase be passed along to our wholesale customers. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$3.11/1,000 gallons, up to \$3.17. We have requested that this increase be effective July 1, 2019. Should this increase be approved it will be reflected in the August billing. This notice is being provided in order to comply with a PSC statute that requires affected wholesale customers to receive notice of any proposed rate increase a minimum of 30 days prior to the implementation of said increase. Included, please find a copy of notification of the proposed increase, notification to the PSC Executive Director, proposed tariff sheet, required PSC language, along with an excerpt from the Bureau of Labor Statistics web site indicating the previously referenced inflationary increase.

In closing, thank you for both your understanding and cooperation regarding this matter. Should you have questions, comments or concerns regarding this notice, please feel free to contact me at (859) 498-0166. Thanks.

Sincerely,



Rick Fletcher
Manager
Mt. Sterling Water and Sewer

MONTGOMERY COUNTY WATER DISTRICT #1

**4412 Camargo Road
Mt. Sterling, KY 40353**

Phone: (859) 498-0521

Fax: (859) 498-0872

Water Sold 2018-2019

May	2,698,460
June	3,240,680
July	3,482,570
August	2,577,070
September	2,769,440
October	2,775,450
November	2,407,450
December	2,528,280
January	3,160,640
February	2,749,580
March	2,429,950
April	2,792,860
TOTAL	33,612,430

Customer History Report

Service Type All **Use Reading Factor** **Print Transaction in Descending Order**
AR Code All **Start Balance With Zero**
Beginning Date 04/01/2018 **Print Breakdown By** Transaction Service Taxes Totals Only
Ending Date 05/31/2019

History For Account 0019-00400-001 Water, Montgomery County

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
04/09/18	04/09/18	lisam	WTR Water Billing	WATER	02 2,739,176	\$9,166.64 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$9,166.64
04/19/18	04/19/18	<input type="checkbox"/> Macid	PAY Payment	WATER	02 0	(\$9,166.64) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
05/09/18	05/09/18	lisam	WTR Water Billing	WATER	02 3,078,768	\$10,232.86 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$10,232.86
05/21/18	05/21/18	<input type="checkbox"/> Macid	PAY Payment	WATER	02 0	(\$10,232.86) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
06/07/18	06/07/18	lisam	WTR Water Billing	WATER	02 3,578,432	\$11,796.97 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$11,796.97
06/19/18	06/19/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$11,796.97) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
07/09/18	07/09/18	lisam	WTR Water Billing	WATER	02 3,520,088	\$11,581.69 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$11,581.69
07/19/18	07/19/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$11,581.69) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
08/09/18	08/09/18	lisam	WTR Water Billing	WATER	02 3,928,496	\$13,275.70 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$13,275.70
08/17/18	08/17/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$13,275.70) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
09/07/18	09/07/18	lisam	WTR Water Billing	WATER	02 3,297,184	\$11,242.62 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$11,242.62
09/19/18	09/19/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$11,242.62) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
10/09/18	10/09/18	lisam	WTR Water Billing	WATER	02 1,261,876	\$10,778.42 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$10,778.42
10/09/18	10/09/18	lisam	WTR Water Billing	WATER	02 0	\$145.91 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$10,924.33
10/19/18	10/19/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$10,778.42) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$145.91
10/19/18	10/19/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$145.91) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00
11/08/18	11/08/18	lisam	WTR Water Billing	WATER	02 0	\$17,396.19 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$17,396.19
11/19/18	11/19/18	jennifer	ADJ Billing Adjustm Billed Wrong	WATER	02 0	(\$5,069.71) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$12,326.48
11/19/18	11/19/18	<input type="checkbox"/> jennifer	PAY Payment	WATER	02 0	(\$12,326.48) \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	\$0.00

History For Account 0019-00400-001 Water, Montgomery County

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
12/06/18	12/06/18	WTR	Water Billing	WATER	02	\$10,794.91	\$0.00	\$0.00		
	lisam				3,471,031	\$0.00	\$0.00	\$0.00	\$0.00	\$10,794.91
12/19/18	12/19/18	PAY	Payment	WATER	02	(\$10,794.91)	\$0.00	\$0.00		
	<input type="checkbox"/> jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01/08/19	01/08/19	WTR	Water Billing	WATER	02	\$11,365.19	\$0.00	\$0.00		
	lisam				3,654,401	\$0.00	\$0.00	\$0.00	\$0.00	\$11,365.19
01/17/19	01/17/19	PAY	Payment	WATER	02	(\$11,365.19)	\$0.00	\$0.00		
	<input type="checkbox"/> jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02/08/19	02/08/19	WTR	Water Billing	WATER	02	\$12,655.76	\$0.00	\$0.00		
	lisam				4,069,377	\$0.00	\$0.00	\$0.00	\$0.00	\$12,655.76
02/19/19	02/19/19	PAY	Payment	WATER	02	(\$12,655.76)	\$0.00	\$0.00		
	<input type="checkbox"/> jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03/08/19	03/08/19	WTR	Water Billing	WATER	02	\$10,365.93	\$0.00	\$0.00		
	lisam				3,333,097	\$0.00	\$0.00	\$0.00	\$0.00	\$10,365.93
03/19/19	03/19/19	PAY	Payment	WATER	02	(\$10,365.93)	\$0.00	\$0.00		
	<input type="checkbox"/> jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04/09/19	04/09/19	WTR	Water Billing	WATER	02	\$10,540.93	\$0.00	\$0.00		
	lisam				3,389,365	\$0.00	\$0.00	\$0.00	\$0.00	\$10,540.93
04/19/19	04/19/19	PAY	Payment	WATER	02	(\$10,540.93)	\$0.00	\$0.00		
	<input type="checkbox"/> jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
05/09/19	05/09/19	WTR	Water Billing	WATER	02	\$12,548.49	\$0.00	\$0.00		
	lisam				4,034,883	\$0.00	\$0.00	\$0.00	\$0.00	\$12,548.49
05/17/19	05/17/19	PAY	Payment	WATER	02	(\$12,548.49)	\$0.00	\$0.00		
	<input type="checkbox"/> jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total For Selection						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00