

# **Fountain Run Water District**

226 Main St., P.O. Box 118 Fountain Run, Kentucky 42133

270-434-4080

RECEIVED  
JUL 23 2011  
PUBLIC SERVICE  
COMMISSION

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

RE: Formal Application for a Purchased Water Adjustment


Dear Mr. Derouen:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Fountain Run Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our suppliers' new wholesale rates.

The District will publish the enclosed public notice of the requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice and an affidavit verifying publication will be forwarded to you upon publication.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

Sincerely,



Joe Cornwell, Chairman

Enclosure

cc: Melissa A. Melton, KY RCAP

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

Name of Utility	Fountain Run Water District No. 1	
Date	July 19, 2011	
Address	P.O. Box 118	
City, State, Zip	Fountain Run, KY 42133	
Telephone Number	270.434.4080	

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
Glasgow Water Co.	\$ 1.75/1000 Gallons	\$ 1.95/1000 Gallons
Monroe Co Water Dist	\$ 1.49/1000 Gallons	\$ 1.67/1000 Gallons

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 - Glasgow Water Company's and Exhibit B - Monroe County Water District's

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	July 2010	through	June 2011
	(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
Glasgow Water Company	46,055,700
Monroe County Water District	909,900
<b>TOTAL PURCHASES</b>	46,965,600
4. Total sales for the 12 month period:	42,224,400 gallons sold
5. Increased water cost:	\$ 9,374.92
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	$\frac{\$9,374.92}{42,224,400 \div 1000G} = 23\text{¢}/1000G$
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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:	September 1, 2010
	
Signature of Utility Officer	
Chairman, Fountain Run Water District	
Title	

Southwestern Monroe County and Portions  
FOR of Allen & Barren Counties, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Fountain Run Water District

\_\_\_\_\_  
(Name of Utility)

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RATES AND CHARGES

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MONTHLY WATER RATES

The following rates and charges are prescribed for the customers in the area served by Fountain Run Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this order.

	2000	gallons	16.72	minimum
Next	3000	gallons	5.84	per thousand
Next	5000	gallons	5.43	per thousand
Next	10,000	gallons	4.66	per thousand
All Over	20,000	gallons	3.98	per thousand

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DATE OF ISSUE \_\_\_\_\_

Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY \_\_\_\_\_

Month / Date / Year

(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**SCOTT YOUNG, MANAGER**  
**BILLY R. CARVER, JR., ASSISTANT MANAGER**  
**PHONE: (270) 651-3727**  
**FAX: (270) 651-1651**  
**P.O. BOX 819**  
**GLASGOW, KENTUCKY 42142-0819**



Attachment "A"

BOARD OF COMMISSIONERS: pg 1 of 4  
**JERRY A. BOTTS, CHAIRMAN**  
**BUDDY UNDERWOOD, VICE CHAIRMAN**  
**WOODFORD L. GARDNER, JR., SECRETARY-TREASURER**  
**JIM MARION, COUNCIL REPRESENTATIVE**  
**DARRELL G. PICKETT, MEMBER-MAYOR**

Glasgow Water and Sewer Commission

May 16, 2008

Fountain Run Water District  
P.O. Box 118  
Fountain Run, KY 42133

**RE: Wholesale Rate Increase**

Dear Wholesale Customer:

Due to increased operating expenses the Glasgow Water and Sewer Commission has determined that our wholesale water rate must be increased. The current wholesale rate of \$1.40 per one thousand gallons has been in effect for over five years. The new rate will be an increase of 55 cents per one thousand gallons. However, the new rate will be phased over a two year period as follows: On July 1, 2008, the wholesale rate to be charged for water purchased on and after that date shall be \$1.75 per one thousand gallons. On July 1, 2009, the wholesale rate to be charged for water purchased on and after that date shall be \$1.95 per one thousand gallons.

The rate change will be effective July 1, 2008, however it will not appear on your bill until August, because it will apply only to water used after July 1, 2008.

A detailed rate analysis was performed to determine the necessary rate increase. The analysis addresses both wholesale and retail rates independently and examines expenses attributed to the wholesale rate. Approximately 34% of all water sold by the Glasgow Water Company provides service to our wholesale customers. The rate analysis indicates that the current rate is among the lowest in the state of Kentucky while the proposed rate is below the \$1.97 average of wholesale rates available on the Public Service Commission's website.

Enclosed you will find a Public Service Commission tariff sheet, a copy of the wholesale water rate ordinance, and a copy of the cost study analysis used to determine the new wholesale rate.

The Glasgow Water Company appreciates the great working relationship with your utility and will always work diligently with you in the supply of water to your customers. If you have any questions regarding the matter please contact me anytime.

Respectfully,

A handwritten signature in black ink, appearing to read "S. Young", is written over a horizontal line.

Scott Young, Manager  
Glasgow Water Company

CITY OF GLASGOW

ORDINANCE NO. 2633

**AN ORDINANCE ESTABLISHING NEW RATES FOR THE GLASGOW WATER AND SEWER COMMISSION FOR WHOLESALE WATER RATE**

**THAT, WHEREAS,** increasing operating expenses and capital demands have rendered the existing schedule of rates inadequate to properly provide for the operation, maintenance and expansion of the Glasgow Water and Sewer Commission; and

**WHEREAS,** the Glasgow Water and Sewer Commission has unanimously recommended that the wholesale water rate be increased, over a two (2) year period, to properly provide for the operation, maintenance and expansion of the Glasgow Water and Sewer Commission, a copy of the Commission's Resolution relating to same is attached hereto as **Exhibit A**;

**NOW, THEREFORE, BE IT HEREBY ORDAINED** by the City of Glasgow, Kentucky, as follows:

**SECTION 1.** The wholesale water rate set forth in Section 2 of this Ordinance shall become effective, and applied to, all bills rendered by the Glasgow Water and Sewer Commission for wholesale water purchases described in this Ordinance on and after July 1, 2008.

**SECTION 2.** On and after July 1, 2008, the wholesale water rate to be charged for wholesale water purchases are as follows:

All used: \$1.75 – [~~\$1.40~~] per one thousand (1000) gallons.

**SECTION 3.** The wholesale water rate set forth in Section 4 of this Ordinance shall become effective, and applied to, all bills rendered by the Glasgow Water and Sewer Commission for wholesale water purchases described in this Ordinance on and after July

FOR Glasgow, Kentucky  
Name of Municipality

P.S.C. KY. NO. 1

1<sup>st</sup> Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 1

Glasgow Water Company  
(Name of Municipal Utility)

RATES AND CHARGES

WHOLESALE WATER RATE:

Effective July 1, 2008

Allen County Water District	\$1.75 per 1000 gallons
Fountain Run Water District	\$1.75 per 1000 gallons
Green River Valley Water District	\$1.75 per 1000 gallons
Warren County Water District	\$1.75 per 1000 gallons

Effective July 1, 2009

Allen County Water District	\$1.95 per 1000 gallons
Fountain Run Water District	\$1.95 per 1000 gallons
Green River Valley Water District	\$1.95 per 1000 gallons
Warren County Water District	\$1.95 per 1000 gallons

NOTE: This tariff page revises the rate of \$1.40 per 1000 gallons listed on the tariff page stamped effective by the PSC on May 1, 2003.

DATE OF ISSUE June 1, 2008  
Month / Date / Year

DATE EFFECTIVE July 1, 2008  
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

Fountain Run Water Commission met May 19, 2008, for a regular meeting. Those present were: Chairman, Joe Cornwell, Raven Propes, Ronnie Smith, Joan Isenberg, John Downing, Engineer Blankenship, Ricky Ross, Kenneth Jackson Chris and Louise Veach.

Meeting was called to order by Chairman Cornwell. Engineer Blankenship updated us on the 100,000 dollar project, telling of the desired location of the pump station and giving the cost estimate for the project. He also told of plans and the desired site for the new 200,000 gallon tank.

Minutes were read and approved by motion by Isenberg and second by Downing.. Motion carried.

Motion by Smith and second by Isenberg to approve financial reports as presented. Motion carried.

Att. A

Due to to Glasgow Water Co increase in their wholesalel water, a motion was made by Smith and second by Isenberg to adjust our water rates according to Public Service recommendations. Motion Passed.

South Central RTC, printer of our water bills has asked that we change the format for our bills as cards are causing problems having to be printed on both sides and the post office complains as so many of them tear apart and get lost. They recommended going to one in an envelope, simular to Glasgows and the Electric bills. Motion by Smith and second by Propes to get cost of the new bill and include it in the new rate increase. Motion Carried.

Motion by Propes and second by Downing that Lebanon Church Road project be done in house during normal working hours. Should they need help, Rick agreed to help complete the project. This was unanimously approved.

Propes asked for a closed meething. There was no action taken. meeting adjourned.

ATTEST:

Louise Veach  
Louise Veach, Clerk

Joe Cornwell  
Joe Cornwell, Chairman

CERTIFICATION

I, Louise Veach, Clerk for the Fountain Run Water District hereby certify this to be a true copy of the minuted taken during a regular meeting May 19, 2008, . Theses minutes ar in my custody and under my control.

WITNESS MY HAND THIS 16th DAY OF JUNE 2008.

Louise Veach  
Louise Veach, Clerk



## Monroe County Water District

205 Capp Harlan Road  
Tompkinsville, Ky 42167  
Phone: 270-487-8131  
Fax: 270-487-0932

November 29, 2010

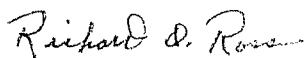
Louise Veach  
Fountain Run Water District  
P.O. Box 118  
Fountain Run, Kentucky 42133

RE: Purchase Water Adjustment – Wholesale Water Rate Increase

Ms. Veach:

Due to a rate increase from the City of Tompkinsville, notice is hereby given that Monroe County Water District has filed an application for a Purchase Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Wholesale rate will increase by 18 cents per thousand gallons. The proposed wholesale cost will change from \$1.49 to \$1.67. The proposed change will be effective on January 1, 2011. If you have any questions, please contact me at the office.

Sincerely,



Richard O. Ross  
General Manager  
Monroe County Water District

# FRWD MINUTES

December 21, 2010

Fountain Run Water District met December 21, 2010 for a regular meeting with the following present: Chairman Cornwell, Brenda Steenbergen, Raven Propes, Ronnie Smith, Melissa Melton with RCAPP, Kenneth Jackson, Chris and Louise Veach. Commissioner Downing and Ricky Ross were absent. Meeting was called to order by Chairman Cornwell.

Melissa told about non re-occurring fees for the tariff ,the water walk through increase, and the PSC meeting with Jenny Smith.

Motion by Propes and second by Steenbergen to approve financial reports as presented. Motion carried. Motion by Smith and second by Steenbergen to approve minutes of November meeting. Motion carried.

Motion by Smith and second by Propes to get another estimate on roof repair along with the one from Boles. Motion unanimously passed. It was brought to the Commissioners attention about the backhoe having no brakes and needing mechanical repair. There was no action taken.

There being no further business to come before the Commission, it was moved by Smith and second by Propes to adjourn.

Attest: Louise Veach  
Louise Veach

Joe Cornwell  
Joe Cornwell, Chairman

### Certification

I, Louise Veach clerk for the Fountain Run Water District hereby certify this to be a true copy of the minutes taken during a regular meeting held December 21, 2010. These minutes are in my custody and under my control. Witness my hand this 30th day of December, 2010.

Louise Veach

Louise Veach

Tville to  
MCWD to  
FRWD

**Suppliers**

**GALLONS SOLD**

	<b>Glasgow Water Company</b>		<b>Monroe County Water District</b>		
	<b>Gallons Purchased</b>	<b>Sales</b>	<b>Gallons Purchased</b>	<b>Sales</b>	
Jul-10	4,535,800	\$28,539.50	39,300		5,451,200
Aug-10	5,465,700	\$23,606.68	376,500		4,225,600
Sep-10	4,360,000	\$25,451.91	183,100		4,664,400
Oct-10	4,521,800	\$21,573.19	310,000		3,631,000
Nov-10	3,954,000	\$19,434.26	1,000		3,147,800
Dec-10	3,170,000	\$19,033.28	0		3,047,300
Jan-11	4,007,000	\$18,170.94	0		2,888,100
Feb-11	2,919,000	\$18,813.01	0		2,972,500
Mar-11	3,128,000	\$16,817.60	0		2,528,300
Apr-11	2,736,000	\$17,229.13	0		2,517,200
May-11	3,627,000	\$18,690.02	0		3,002,600
Jun-11	3,631,400	\$23,714.34	0		4,148,400
	46,055,700	\$251,073.86	909,900	\$0.00	42,224,400
		Total Sales			