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Public Service
Commission

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

Name of Utility	UNION COUNTY WATER DISTRICT	
Date	DECEMBER 16, 2016	
Address	P.O. BOX 146 409 NORTH COURT STREET	
City, State, Zip	MORGANFIELD, KY	42437
Telephone Number	270-389-3868	
Email Address	ucwdgarysheffer@yahoo.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.

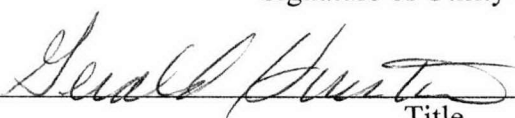
Supplier(s)	Base Rate	Changed Rate
CITY OF MORGANFIELD, KY	2.1664	2.5891

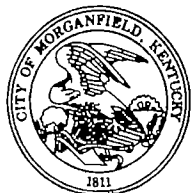
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A

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	November 2015	through	October 2016
	(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 MORGANFIELD, KY	294,429,700
TOTAL PURCHASES	294,429,700
4. Total gallons sold for the 12 month period	269,363,053
5. Increased water cost	\$124,455.43
<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	\$0.46
<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	JANUARY 1, 2017
Signature of Utility Officer	
CHAIRMAN	
	Title



CITY OF MORGANFIELD

130 East Main Street
P.O. Box 420
Morganfield, Kentucky 42437-0420

Tel. (270)389-2525
Fax (270)389-2157
e-mail cityadm@att.net

Gary Sheffer
Manager, Union County Water District
P. O. Box 146
Morganfield, Kentucky 42437

December 16, 2016

Dear Gary:

Please find enclosed your revised water rates for the calendar year 2017. The rate has been computed using the criteria in the 1986 contract. The new rate is \$2.5891. I have enclosed a copy of the calculation, if you have any questions regarding this matter, please feel free to contact me or Gary Vetter.

Sincerely,

Dickie Berry, Mayor

Union County Water District
Schedule of water production costs and rates
For the period beginning Jan 2017

Based on costs for fiscal year
ended June 30, 2016

Exhibit A

Expenses-Breck Plant:		Gross earnings		Fy 6/16	Fy 6/15	Fy 6/14	Fy 6/13
Salaries:							
John Coffman	Super	\$ 54,805	100.00%	\$ 54,805	\$ 53,468	\$ 46,562	\$ 45,201
William K. Buckman	Mechanic	-	60.00%	-	-	21,801	27,403
James Greenwell	Labor	1,600	100.00%	1,600	-	9,379	37,230
Zachary Pierce	Labor	1,088	100.00%	1,088	-	23,824	30,918
J Baymon	Labor	-	100.00%	-	3,112	1,360	-
Ted Morse	Maintenance	39,410	100.00%	39,410	36,831	27,284	25,989
Thomas Horton	Operator	49,234	100.00%	49,234	41,970	35,091	33,662
Jeremy S. Martin	Operator	55,228	100.00%	55,228	52,364	41,923	37,415
Damian Alvey	Operator	-	100.00%	-	8,002	38,994	33,275
Timothy Hall	Operator	47,688	100.00%	47,688	46,821	31,507	-
David W. Tapp	Operator	50,073	100.00%	50,073	47,353	-	-
Mark Dickerson	Operator	46,517	100.00%	46,517	44,702	616	-
Total Salaries		345,643		345,643	334,623	278,341	271,093
Telephone				\$ 1,449	\$ 1,239	\$ 4,799	\$ 4,140
Office and postage				4,523	4,270	4,218	7,613
Rental/lease expense				80	-	224	2,245
Retirement/Payroll tax				90,872	88,071	78,343	78,932
Allocated Benefits				-	-	5,880	2,984
Advertising				935	34	681	613
Equip repairs				48,752	74,284	41,263	87,465
Lake dredging/cleaning				-	-	-	-
Insurance				32,197	26,975	24,141	22,324
Legal and accounting				2,611	2,611	2,611	2,611
Travel				126	577	1,919	974
Gas and Oil				2,886	3,544	7,022	12,570
Health & Disability				122,840	121,499	115,587	116,769
Chemicals				154,147	174,911	155,173	137,235
Electricity				126,527	117,799	135,555	119,934
Engineering/Consulting				12,698	12,243	12,100	10,001
Uniforms				5,504	4,579	4,354	3,541
Maint supplies				8,977	10,647	8,068	15,682
Other				18,242	14,042	9,337	7,801
Small capital items				6,812	-	15,437	23,818
Cap recovery (incl interest)			Orig Cost				
Equip ment (1999)	A	Thru 2015	34,817	-	2,418	2,418	2,418
2000 Raw water line; Bldg imp	B	Thru 2017	513,897	49,527	49,527	49,527	49,527
2001 Collector well,	C	Thru 2018	272,683	24,370	24,370	24,370	24,370
2002 Cap exp	D	Thru 2019	42,082	3,815	3,815	3,815	3,815
2004 Cap exp (equipment)	E	Thru 2021	32,531	2,785	2,785	2,785	2,785
2004 Cap exp (Raw water line net UCFC grant)	F	Thru 2022	617,839	49,756	49,756	49,756	49,756
2010 Cap exp (generator net of UCFC grant)	G	Thru 2027	73,762	5,998	5,998	5,998	5,998
2010 Cap exp (wash valves)	H	Thru 2027	18,895	1,536	1,536	1,536	1,536
2011 Cap Exp (build improv, equip, truck)	I	Thru 2028	89,008	7,325	7,325	7,325	7,325
2012 Cap Exp (build improv, equip)	J	Thru 2029	270,371	21,253	21,253	21,253	21,253
2013 Cap Exp (elevated tank, pumps, valves)	K	Thru 2030	2,086,592	168,445	168,445	168,445	168,445
2014 Cap Exp (SCADA upgrade, vehicles)	L	Thru 2031	232,889	18,922	18,922	18,922	
2015 Cap Exp ()	M	Thru 2032	487,742	37,963	37,963		
Debt service:							
Principal on bonds				-	-	-	-
Interest on bonds		Not Incl amort		-	-	-	-
Change in interest rate factor				(47,106)	(19,455)	(1,395)	(3,933)
Grand total				\$ 1,330,410	\$ 1,366,606	\$ 1,259,808	\$ 1,261,640
Water rate per 1000 gallon (Cost / Production)				2.5891	2.1664	1.9279	2.0378
Percentage change				19.512%			
Production 000's							
Total gallons produced				517,435	634,966	657,882	625,852
Less: Used for plant operation				(3,584)	(4,155)	(4,434)	(6,726)
Net Production				513,851	630,811	653,448	619,126

**Union County Water District
Rate Change Calculation
December-16**

		<u>Gallons Purchased</u>	<u>Gallons Sold</u>
2015			
November		25,182,700	24,069,168
December		20,586,100	19,220,497
2016			
October	YTD	<u>248,660,900</u>	<u>226,073,388</u>
	Total	<u><u>294,429,700</u></u>	<u><u>269,363,053</u></u>

Rate per 1000 gallons

		<u>Purchased At</u>
Old Rate	2.1664	637,852.50
New Rate	2.5891	<u>762,307.94</u>
Increased water costs		<u><u>124,455.43</u></u>

Purchased water adjustment factor 0.46

M:\Client Files\Un Co. Water District\Other\Rate Increase\Dec. 2016\[Water Adjustment calc.xlsx]2016

Amounts taken from monthly utility bill reconciliation.

NOTICE

Exhibit C

Union County Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is January 1, 2017.

			<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>	
<u>5/8" Meter</u>	First	2,000 gallons	\$12.51	\$13.43	7.35%	minimum bill
	Next	3,000 gallons	6.25	6.71	7.36%	per 1,000 gallons
	Next	5,000 gallons	5.85	6.31	7.86%	per 1,000 gallons
	Next	15,000 gallons	5.50	5.96	8.36%	per 1,000 gallons
	Next	25,000 gallons	5.20	5.66	8.85%	per 1,000 gallons
	Next	50,000 gallons	4.80	5.26	9.58%	per 1,000 gallons
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>3/4" Meter</u>	First	5,000 gallons	\$31.25	\$33.55	7.36%	minimum bill
	Next	5,000 gallons	5.85	6.31	7.86%	per 1,000 gallons
	Next	15,000 gallons	5.50	5.96	8.36%	per 1,000 gallons
	Next	25,000 gallons	5.20	5.66	8.85%	per 1,000 gallons
	Next	50,000 gallons	4.80	5.26	9.58%	per 1,000 gallons
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>1" Meter</u>	First	10,000 gallons	\$60.50	\$65.10	7.60%	minimum bill
	Next	15,000 gallons	5.50	5.96	8.36%	per 1,000 gallons
	Next	25,000 gallons	5.20	5.66	8.85%	per 1,000 gallons
	Next	50,000 gallons	4.80	5.26	9.58%	per 1,000 gallons
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>1 1/2" Meter</u>	First	25,000 gallons	\$143.00	\$154.50	8.04%	minimum bill
	Next	25,000 gallons	5.20	5.66	8.85%	per 1,000 gallons
	Next	50,000 gallons	4.80	5.26	9.58%	per 1,000 gallons
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>2" Meter</u>	First	50,000 gallons	\$273.00	\$296.00	8.42%	minimum bill
	Next	50,000 gallons	4.80	5.26	9.58%	per 1,000 gallons
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>2 1/2" Meter</u>	First	75,000 gallons	\$392.99	\$427.49	8.78%	minimum bill
	Next	25,000 gallons	4.80	5.26	9.58%	per 1,000 gallons
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>3" Meter</u>	First	100,000 gallons	\$512.99	\$558.99	8.97%	minimum bill
	Next	100,000 gallons	4.40	4.86	10.45%	per 1,000 gallons
	Next	100,000 gallons	4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	3.60	4.06	12.78%	per 1,000 gallons
<u>4" Meter</u>	First	200,000 gallons	\$952.98	\$1,044.98	9.65%	minimum bill
	Next	100,000 gallons	\$4.00	4.46	11.50%	per 1,000 gallons
	All over	300,000 gallons	\$3.60	4.06	12.78%	per 1,000 gallons
<u>6" Meter</u>	First	300,000 gallons	\$1,352.97	\$1,490.97	10.20%	minimum bill
	All over	300,000 gallons	\$3.60	4.06	12.78%	per 1,000 gallons

The rates contained in this notice are the rates proposed by the Union County Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at 409 N Court St in Morganfield, KY 42437. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

Union County Water District

Page 2
January 10, 2017
Union County Water District

Gary Sheffer presented a proposal from Nexbill pay:

Proposal - \$150 set up fee, 299.99 annual fee. Union County Water District has had numerous requests to pay bill online, there will be a charge to the customer for their use.

Union County Water District looked at three different systems and this was the best of those reviewed.

Stephen M. Arnett will review and report at the next meeting.

Kerry Odle met with the Labor Cabinet last Monday. The director has not gotten back with Mr. Odle. No call backs.

Right to work Bill was signed by Governor on Monday and did away with prevailing wage rate in Kentucky.

Shaun Sheffer stated our local representative had called and advised Fiscal Court if they had any outstanding bids to rebid because law went into effect immediately. This change in the law should take care of the Water Districts concern.

Motioned by Andrew Arnold, seconded by Gerald Hunter with no objections to rebid the joint project with the City of Morganfield.

Odle said hopefully we will have the bids for next month's meeting. Will advertise January 18th and 25th. The anticipated additional engineering fee will be approximately \$2,000.00.

Gerald Hunter turned it over to Robbie Baird. Robbie presented the new water rate proposed by the City of Morganfield, current rate of 2.1664 is proposed to increase to 2.5891. Increased water cost would be \$. 46 per 1,000 gallons. The increase is due to the volume of water being produced is down therefore costs of production is increased.

Motioned by Andrew Arnold, seconded by Gerald Hunter with no objections.

Robbie Baird presented proposed budget for 2017 based upon 1% inflationary increase for materials. 2% increase in labor expenses.

Motioned by Andrew Arnold, seconded by Gerald Hunter with no objections.

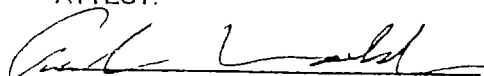
Gerald Hunter asked Shaun Sheffer, Stephen M. Arnett or Andrew Arnold if they had anything to add. No one had anything to add.

The next meeting was tentatively scheduled for February 7, 2017 at 5:00 pm in the Union County Fiscal Court room.

There being no further business, upon motion by Andrew Arnold, seconded by Gerald Hunter the meeting was adjourned with no objections.


GERALD HUNTER, CHAIRMAN
Union County Water District

ATTEST:


Andrew Arnold, Secretary