

**RECEIVED****JAN 29 2018****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 13, 2017	
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.

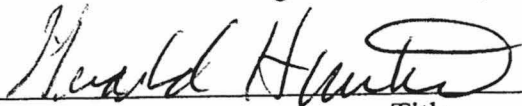
Supplier(s)	Base Rate	Changed Rate
CITY OF MORGANFIELD, KY	2.5891	2.5650

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 2016	through	October 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 MORGANFIELD, KY	363,575,800
TOTAL PURCHASES	363,575,800
4. Total gallons sold for the 12 month period	304,685,675
5. Increased water cost	\$ < 8,762.18 >
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	
6. Purchased water adjustment factor	\$ - .03
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
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.	
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, 2018
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

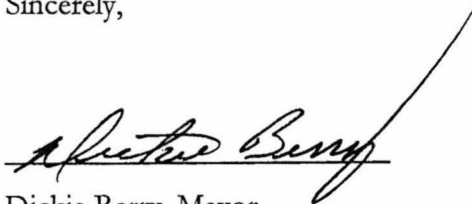
Gary Sheffer  
Manager, Union County Water District  
P. O. Box 146  
Morganfield, Kentucky 42437

December 12, 2017

Dear Gary:

Please find enclosed your revised water rates for the calendar year 2018. The rate has been computed using the criteria in the 1986 contract. The new rate is \$2.5650. 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 2018

Based on costs for fiscal year  
ended June 30, 2017

EXHIBIT A

Expenses-Breck Plant:		Gross earnings		Fy 6/17	Fy 6/16	Fy 6/15	Fy 6/14	
Salaries:								
John Coffman	Super	\$	57,235	100.00%	\$ 57,235	\$ 54,805	\$ 53,468	\$ 46,562
William K. Buckman	Mechanic		-	60.00%	-	-	-	21,801
James Greenwell	Labor		-	100.00%	-	1,600	-	9,379
Zachary Pierce	Labor		1,920	100.00%	1,920	1,088	-	23,824
J Baymon	Labor		7,500	100.00%	7,500	-	3,112	1,360
Ted Morse	Maintenance		43,368	100.00%	43,368	39,410	36,831	27,284
Thomas Horton	Operator		49,999	100.00%	49,999	49,234	41,970	35,091
Jeremy S. Martin	Operator		53,888	100.00%	53,888	55,228	52,364	41,923
Damian Alvey	Operator		-	100.00%	-	-	8,002	38,994
Timothy Hall	Operator		48,715	100.00%	48,715	47,688	46,821	31,507
David W. Tapp	Operator		51,118	100.00%	51,118	50,073	47,353	-
Mark Dickerson	Operator		48,705	100.00%	48,705	46,517	44,702	616
Total Salaries			362,448		362,448	345,643	334,623	278,341
Telephone					\$ 3,628	\$ 1,449	\$ 1,239	\$ 4,799
Office and postage					4,213	4,523	4,270	4,218
Rental/lease expense					1,400	80	-	224
Retirement/Payroll tax					96,392	90,872	88,071	78,343
Allocated Benefits					-	-	-	5,880
Advertising					811	935	34	681
Equip repairs					57,129	48,752	74,284	41,263
Insurance					36,009	32,197	26,975	24,141
Legal and accounting					4,900	2,611	2,611	2,611
Travel					-	126	577	1,919
Gas and Oil					3,055	2,886	3,544	7,022
Health & Disability					140,854	122,840	121,499	115,587
Chemicals					135,128	154,147	174,911	155,173
Electricity					125,191	126,527	117,799	135,555
Engineering/Consulting					9,344	12,698	12,243	12,100
Uniforms					6,330	5,504	4,579	4,354
Maint supplies					22,596	8,977	10,647	8,068
Other					10,334	18,242	14,042	9,337
Small capital items					5,796	6,812	-	15,437
					Orig Cost			
Cap recovery (incl interest)								
Equipment (1999)	A	Thru 2015	34,817	-	-	2,418	2,418	
2000 Raw water line; Bldg imp	B	Thru 2017	537,065	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, vehciles)	L	Thru 2031	232,889	18,922	18,922	18,922	18,922	
2015 Cap Exp (NE Trans Line & WTP Roof )	M	Thru 2032	487,742	37,963	37,963	37,963		
2017 Cap Exp (Brush Cutter/Hyd Breaker & Meters)	N	Thru 2034	28,518	2,151				
Debt service:								
Principal on bonds					-	-	-	-
Interest on bonds					-	-	-	-
Change in interest rate factor					(17,868)	(47,106)	(19,455)	(1,395)
Grand total					\$ 1,401,536	\$ 1,330,410	\$ 1,366,606	\$ 1,259,808
Water rate per 1000 gallon (Cost / Production)					2.5650	2.5891	2.1664	1.9279
Percentage change					-0.931%			
Production (000's omitted)								
Net Production					546,403	513,851	630,811	653,448



**Union County Water District  
Rate Change Calculation  
December-17**



**RECOPY**

		Gallons Purchased	Gallons Sold
2016			
November		28,253,200	23,829,682
December		27,046,900	24,015,009
2017			
October	YTD	308,275,700	256,840,984
	Total	363,575,800	304,685,675

**Rate per 1000 gallons**

		Purchased At
Old Rate	2.5891	941,334.10
New Rate	2.5650	932,571.93
Increased water costs		(8,762.18)

**Purchased water adjustment factor** -0.03

M:\Client Files\Un Co. Water District\Other\Rate Increase\Dec. 2017\[Water Adjustment calc.xlsx]2017

***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, 2018.

			<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Increase</u></b>	
<b><u>5/8" Meter</u></b>	First	2,000 gallons	\$13.43	\$13.37	-0.45%	minimum bill
	Next	3,000 gallons	6.71	6.68	-0.45%	per 1,000 gallons
	Next	5,000 gallons	6.31	6.28	-0.48%	per 1,000 gallons
	Next	15,000 gallons	5.96	5.93	-0.50%	per 1,000 gallons
	Next	25,000 gallons	5.66	5.63	-0.53%	per 1,000 gallons
	Next	50,000 gallons	5.26	5.23	-0.57%	per 1,000 gallons
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>3/4" Meter</u></b>	First	5,000 gallons	\$33.55	\$33.40	-0.45%	minimum bill
	Next	5,000 gallons	6.31	6.28	-0.48%	per 1,000 gallons
	Next	15,000 gallons	5.96	5.93	-0.50%	per 1,000 gallons
	Next	25,000 gallons	5.66	5.63	-0.53%	per 1,000 gallons
	Next	50,000 gallons	5.26	5.23	-0.57%	per 1,000 gallons
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>1" Meter</u></b>	First	10,000 gallons	\$65.10	\$64.80	-0.46%	minimum bill
	Next	15,000 gallons	5.96	5.93	-0.50%	per 1,000 gallons
	Next	25,000 gallons	5.66	5.63	-0.53%	per 1,000 gallons
	Next	50,000 gallons	5.26	5.23	-0.57%	per 1,000 gallons
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>1 1/2" Meter</u></b>	First	25,000 gallons	\$154.50	\$153.75	-0.49%	minimum bill
	Next	25,000 gallons	5.66	5.63	-0.53%	per 1,000 gallons
	Next	50,000 gallons	5.26	5.23	-0.57%	per 1,000 gallons
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>2" Meter</u></b>	First	50,000 gallons	\$296.00	\$294.50	-0.51%	minimum bill
	Next	50,000 gallons	5.26	5.23	-0.57%	per 1,000 gallons
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>2 1/2" Meter</u></b>	First	75,000 gallons	\$427.49	\$425.24	-0.53%	minimum bill
	Next	25,000 gallons	5.26	5.23	-0.57%	per 1,000 gallons
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>3" Meter</u></b>	First	100,000 gallons	\$558.99	\$555.99	-0.54%	minimum bill
	Next	100,000 gallons	4.86	4.83	-0.62%	per 1,000 gallons
	Next	100,000 gallons	4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	4.06	4.03	-0.74%	per 1,000 gallons
<b><u>4" Meter</u></b>	First	200,000 gallons	\$1,044.98	\$1,038.98	-0.57%	minimum bill
	Next	100,000 gallons	\$4.46	4.43	-0.67%	per 1,000 gallons
	All over	300,000 gallons	\$4.06	4.03	-0.74%	per 1,000 gallons
<b><u>6" Meter</u></b>	First	300,000 gallons	\$1,490.97	\$1,481.97	-0.60%	minimum bill
	All over	300,000 gallons	\$4.06	4.03	-0.74%	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.

**MINUTES OF THE MEETING OF THE UNION COUNTY WATER DISTRICT**

A meeting of the Union County Water District was held on **January 9, 2018 beginning at 5:00p.m.**, in the Union County Fiscal Court room, at the Union County Courthouse in Morganfield, Kentucky.

The following persons were in attendance:

- Gerald Hunter, Chairman
- Gary Sheffer, Manager
- Andrew Arnold, Board Member
- Joyce Greenwell, Board Member
- Stephen M. Arnett, Attorney
- Robbie Baird, Accountant
- Shaun Sheffer, UC Planning Commissioner

The meeting was called to order. The minutes from the December 12, 2017 meeting were presented. Minutes were approved upon motion by Andrew Arnold and second by Joyce Greenwell, with no objections.

Gary Sheffer presented monthly expenses.

**Expenses of the Water District are as follows, per the attached Expense Reports:**

Expenses for October 30 through November 28, 2017	\$116,305.46
<u>Expenses for November 29 through December 29, 2017</u>	<u>\$ 90,244.35</u>

Gary stated expenses are reduced this month, however we have not received the Ricketts bill yet.

Home Oil and Gas topped off all the generators in preparation for winter.

Frontline was for equipment for repairs of all the leaks.

Motion by Andrew Arnold, seconded by Joyce Greenwell, with no objections to pay expenses.

Robbie Baird presented a calculation for rates for 2018. Decrease .931%, \$0.93/1000 gallons. Expenses are pretty much the same. Water production levels went down with closing of coal mines. Accepting the pass through rate from the City of Morganfield. Rate was reduced .931% to 2.5650.

Motion by Joyce Greenwell, seconded by Andrew Arnold to adopt the above new rates effective January 1, 2018.

Gary Sheffer presented the financial report.

**Current Balances of the Water District are as follows, per the attached Reports:**

SINKING FUND: #396660597 (ONB)	\$ 23,990.32
<u>RESERVE FUND: #396660586 (ONB)</u>	<u>\$ 38,307.70</u>
OPERATIONS & MAINTENANCE: #80137180 (UCB)	\$158,716.24
<u>DEVELOPMENT ACCOUNT: #80180175(UCB)</u>	<u>\$ 73,707.84</u>
<u>OUTSTANDING ACCOUNTS RECEIVABLE</u>	<u>\$128,343.31</u>

Motion by Andrew Arnold, seconded by Joyce Greenwell, with no objections to financial report.

Gary Sheffer made the Manager's report:

- 27,951,300 gallons of water purchased
- 23,387,000 gallons of water sold
- 165,582 gallons of water due to customer leaks
- 813,000 gallons due to district leaks
- 985,080 gallons flushed
- 2,600,618 gallons due to line loss
- 9.30% line loss due

Gary Sheffer stated they had been busy chasing leaks.

Pump Station matter on Hite Speece and Minerva Limp Road. It is too large of an area to tie them in. Looked at the possibility of putting a pump at Raleigh. PR station was reviewed by John Timmons who felt that approximately \$19,500 cost projected. This affects approximately 25 homes. It would run from Steward Farms to Woodland Church. Gary Sheffer recommends to proceed with the project.

Motion by Andrew Arnold, seconded by Joyce Greenwell to approve this project with no objections.

Gary Sheffer continued the Manager's Report. State has allowed us to take extra samples during the quarter, The City of Madisonville has purchased a TTHM machine and they have agreed to read our samples. City of Madisonville took sample on December 29, 2017 and we are now in compliance. Next quarter, they may take samples from two different testing sites and compare the results.

Gerald Hunter asked if Shaun Sheffer, Stephen Arnett or Joyce Greenwell had anything. They had nothing to add.

Andrew Arnold asked if Gary Sheffer had checked on Gary Thornsberry. Gary Sheffer responded he checked the pressure said he had 50 pounds of pressure. He will dig up this regulator and advise.

Andrew Arnold asked about Uniontown project. Shaun Sheffer said he had not heard anything but he will check on it.

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

  
GERALD HUNTER, CHAIRMAN  
Union County Water District

ATTEST

  
Andrew Arnold, Secretary