

# SOUTHEAST 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

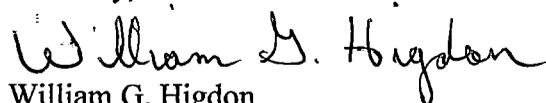
RE : Purchased Water Adjustment

To Whom It May Concern,

At the regular meeting of the Board of Commissioners of the Southeast Daviess County Water District ("District") on October 18, 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

**RECEIVED****OCT 30 2018****PUBLIC SERVICE  
COMMISSION**

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

Name of Utility	SOUTHEAST DAVIESS COUNTY WATER DISTRICT		
Date	10-18-2018		
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.	\$ 1.665 / 1,000 GAL.	\$ 1.850 / 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.

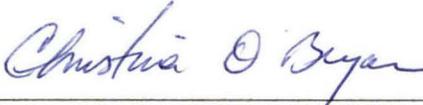
Supplier(s)	Gallons Purchased during 12 month period
OWENSBORO MUNICIPAL UTILITIES	682,347,600
<b>TOTAL PURCHASES</b>	682,347,600
4. Total gallons sold for the 12 month period	598,809,280
5. Increased water cost	\$ 126,234.31
<p>The increased water cost is the cost difference between purchases at base (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	\$ .21 / 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 B

Southeast 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	52,073,890	56,845,300
Nov		45,465,360	50,299,500
Dec		43,707,420	45,968,700
Jan	2018	46,661,790	60,636,000
Feb		45,472,270	48,055,000
Mar		39,104,500	48,668,100
Apr		42,415,390	54,340,000
May		45,046,690	64,149,000
Jun		59,393,490	62,286,600
Jul		59,580,500	70,398,400
Aug		61,228,370	65,270,800
Sep		58,659,610	55,430,200
		<u>598,809,280</u>	<u>682,347,600</u>

Current Wholesale Rate		1.665	
% increase	x	<u>1.1111</u>	11.11%
New Wholesale Rate		1.850	

Water cost at changed rate  
682,347,600 x 1.85 per 1,000 gallons = \$ 1,262,343.06

Water cost at base rate  
682,347,600 x 1.665 per 1,000 gallons = \$ 1,136,108.75

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Increased water cost \$ 126,234.31

**Calculation for Purchased Water Adjustment Factor**

Increase of water cost divided by total gallons sold divided by 1,000  
\$ 126,234.31 / 598,809,280 / 1000 gallons  
= 0.21 per 1,000 gallons

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

P.S.C. KY. No. 1

2nd Revised Sheet No. 1

Southeast Daviess County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. No. 2018-00144

1st Revised Sheet No. 1

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RATES AND CHARGES

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**A. MONTHLY RATES:**

Customer Charge

5/8" x 3/4" Meters	\$ 2.53 per month
1" Meters	\$ 3.54 per month
1 1/2" Meters	\$ 4.55 per month
2" Meters	\$ 7.34 per month
3" Meters	\$ 27.83 per month
4" Meters	\$ 35.42 per month
6" Meters	\$ 53.13 per month
8" Meters	\$ 73.37 per month

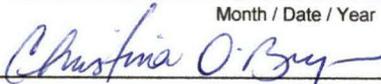
Usage Charge

First 20,000 gallons	\$ 3.83 per 1,000 gallons (l)
Over 20,000 gallons	\$ 2.98 per 1,000 gallons (l)

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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 : Southeast Daviess County, Kentucky  
Community, Town or City

P.S.C. KY. No. 1

2nd Revised Sheet No. 5

Southeast Daviess County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. No. 2018-00144

1st Revised Sheet No. 5

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RATES AND CHARGES

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E. PURCHASED WATER RATES:

	<u>Rate</u>
Owensboro Municipal Utilities	\$ 1.85 per 1,000 Gallons (l)

F. WHOLESALE WATER RATES:

	<u>Rate</u>
City of Whitesville	\$ 2.24 per 1,000 Gallons (l)
East Daviess County Water Association	\$ 2.24 per 1,000 Gallons (l)
Owensboro Municipal Utilites	\$ 2.24 per 1,000 Gallons (l)

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ISSUED BY   
Signature of Officer

TITLE Board Chairman

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

Exhibit C

Southeast Daviess County Water District

Current and Proposed Rates

<u>Description</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>% Increase</u>
<b>Residential, Apartments, Commercial, &amp; Farmstead</b>			
<u>Usage Charge</u>			
First 20,000 gallons (per 1,000 gallons)	3.62	3.83	5.80%
Over 20,000 gallons (per 1,000 gallons)	2.77	2.98	7.58%
<b>Wholesale</b>			
<u>Usage Charge</u>			
Per 1,000 gallon	2.03	2.24	10.34%

Exhibit D

**SOUTHEAST DAVIESS COUNTY WATER DISTRICT**

**MINUTES OF MEETING**

A regular meeting was held at Noon, October 18, 2018 at the Ole South Restaurant, attended by Christina O'Bryan, John Bell, Hugh Bittel, William Higdon, and Keith Krampe.

Hugh Bittel made a motion to approve the minutes of the regular meeting on September 7, 2018. John Bell seconded the motion and it carried unanimously.

Keith Krampe reported on the financial and statistical condition of the District. John Bell made a motion to accept the September 2018 list of expenditures. Hugh Bittel seconded the motion and it carried unanimously. John Bell made a motion to accept the financial and statistical report as presented. Hugh Bittel seconded the motion and it carried unanimously. John Bell made a motion to renew the health insurance under the current plan. Christina O'Bryan seconded the motion and it carried unanimously.

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

06-1275-04	Justin M Alexander	6178 Sutter Loop W	16.77
08-6400-09	Seth & Sarah Greer	2287 Wilson Ln	47.19
10-0560-11	Eric S Nunn	5401 Gulf Stream Ct	17.57
10-0585-07	Billy J Blake	2211 Arlington Pk Blvd	36.60
10-0815-12	Melissa A Oliver	2005 Arlington Pk Blvd	22.41
10-0840-09	Joel A Harker	2339 Keenland Pkwy	45.27
10-0960-13	Christopher S Williams	5420 Red Mile Lp	94.68
13-1250-14	Kelly A Brown	3817 Bordeaux Lp S	74.02
15-0095-06	Raymond B Maslen	2215 Emerald Ct	19.63
16-1384-21	Misty Harrison	4443-A Countryside Dr	86.47
19-6150-05	Wesley Horton	3372 Reid Rd	33.41

Manager Higdon reported on the water loss percentage for September 2018.

Keith Krampe reported on the Office Staff meetings and cross training.

The Board discussed the wholesale rate increase from OMU where the District will increase from \$ 1.665 to \$ 1.85 per 1,000 gallons. The proposed Public Service Commission application calculation increases the customer's water rate by \$ 0.21 per 1,000 gallons. John Bell made a motion to proceed with the submittal of the purchased water rate adjustment to the Public Service Commission. Christina O'Bryan seconded the motion and it carried unanimously.

The Board discussed the shared cost division for expenses combined with the West District. The Board asked District Staff to submit a secondary 2019 budget on a 59 / 41 basis in November comparable to the regular budget based on a 55 / 45 split.

The Board reviewed a reply letter from a Kight Lumber representative stating Kight's permit to install the sign had been approved by the planning commission. The Board then reviewed the October 15<sup>th</sup> rebuttal letter produced by Daviess County Attorney Claud Porter to Kight Lumber stating that the permit for the sign did not allow the installation in the District's easement and the fact that the sign was installed directly over the water line represented the cause of the water leak. The District awaits Kight Lumber's response.

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

Manager Higdon reported he contacted the hospital director of maintenance, Joe Taylor, to get a status update on the hospital's plan for a backup water supply. He stated Mr. Taylor said they are still gathering information on the decision.

The letter to OMU chairman and Board regarding the TTHM issue is still being formulated with revisions to the first draft.

The Board heard an update on the AMI project. The installer has completed 3,200 radio activations amongst the Southeast and West District. 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.

Hugh Bittel made a motion to adjourn. John Bell seconded the motion and it passed unanimously. The meeting adjourned at 2:45 pm.

  
Hugh Bittel  
Secretary