

Wuetcher



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

April 29, 1997

RECEIVED

MAY 12 1997

GENERAL COUNSEL

Ms. Bessie Elliott
3981 U.S. Highway 68W
Benton, Kentucky 42025

Dear Ms. Elliot:

Commission Staff acknowledges receipt of your letter of April 14, 1997 concerning North Marshall Water District.

Neither KRS Chapter 278 nor Title 807 of the Kentucky Administrative Regulations place any limits on the amount of funds which a water district may invest or place into restricted funding accounts.

Without reference to the North Marshall Water District's outstanding bond issuances, which are not required to be filed with the Commission, Commission Staff is unable to determine if the water district is placing excessive amounts into its restricted accounts. If a water district has issued revenue bonds, the ordinance by which the bonds are issued specifies the allocation of revenues for debt service, depreciation, and operation and maintenance. See KRS 74.300. A water district's failure to comply with these provisions would render that water district in default of its bond covenant and make it subject to possible receivership. See KRS 74.310.

Assuming that North Marshall Water District was placing excessive amounts into its restrictive accounts, neither KRS Chapter 278 nor Title 807 of the Kentucky Administrative Regulations require the refund of such amounts to the water district's ratepayers at the end of each year. KRS Chapter 278.260, however, permits the Commission to investigate the water district's rates and, if they are excessive, to reduce them prospectively. See KRS 278.270.

For your reference, I am enclosing copies of all statutes to which I have referred in this letter.

J:\LETTERS\N\MARSHAL\042997.LTR

Ms. Bessie Elliott
April 29, 1997
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Questions regarding this letter should be directed to Gerald Wuetcher,
Commission counsel, at (502) 564-3940, Extension 259.

Sincerely,

A handwritten signature in black ink that reads "Don Mills". The signature is written in a cursive style with a large, sweeping initial "D".

Don Mills
Executive Director

gw
Enclosures

97-008

4-14-97

1/2
Mrs Don Mills
Executive Director
Public Service Commission
730 Schenckle Lane
Frankfort Ky

NOISSIMMO
PUBLIC SERVICE
COMMISSION

APR 22 1997

RECEIVED

Dear Mrs Mills:

In closed is
of North Marshall Rural Water District Marshall
Co.

This sheet has no address on it. How ever
I have a sheet for every mo. of 1996.
Didn't think I needed to send them all.

I have three (3) questions I would
appreciate your answer to.

1. Is there a limit on how much our District
can put back in Savings & Investments?
(we are none Profit as you kn)
2. If they are taking in more than allowed
as a none Profit orgz. —
3. Will P.S.C. Regulations let the District Lower the
Rates or return the Surplus to the Consumers
at end of the year?

291

North Marshall Rural Water Dist
Marshall Co.

4-14-97

Sincerely

Miss Bessie Elliott

3981 U.S. Hwy 68W

Benton Ky 42025

Ph. 502-527-1232

Bank of B...
W

AS OF 12 31 96

	TVA BONDS	BOMC	REPUBLIC LQ/CD	CALVERT	PEOPLES	TR BONDS	BOB ACCTS	REPUBLIC C/D	OFFICE CASH	TOTALS
RESTRICTED										
Bond & Int Sink Fund			\$55,976.15	\$9,072.87	\$16,719.03		\$26,923.67			\$108,691.72
Debt Service Fund	\$30,000.00					\$100,000.00	\$70,500.00			\$200,500.00
Mand Sinking Fund			\$100,392.02					\$53,168.49		\$153,560.51
Depreciation Fund		\$30,000.00		\$50,875.67						\$80,875.67
Escrow Account - Deposits							\$9,817.72			\$9,817.72
UNRESTRICTED										
Revenue Account							\$109,121.10			\$109,121.10
Operation Account							\$37,685.51			\$37,685.51
Cash on Hand									\$450.00	\$450.00
Petty Cash									\$50.00	\$50.00
TOTALS	\$30,000.00	\$30,000.00	\$156,368.17	\$59,948.54	\$16,719.03	\$100,000.00	\$254,048.00	\$53,168.49	\$500.00	\$700,752.23
Total Restricted Funds										
Total Unrestricted Funds										

Bond & Interest Sinking Fund — "B" Bonds Interest & principal + KIA (No Ceiling)

Debt Service — 1 year principal & interest on KIA & "B" Bonds (can accumulate) KIA 140
"B" 50

Mandatory sinking Fund — Early Recall of Bonds 190

Depreciation Fund — Capital improvement & extraordinary maintenance

UNAUDITED

AS OF MARCH 31, 1997

	TVA BONDS	BOMC	REPUBLIC LQ/CD	CALVERT	PEOPLES	TR BONDS	BOB ACCTS	CALVERT C/D	OFFICE CASH	TOTALS
RESTRICTED										
Bond & Int Sink Fund				\$42,650.85	\$107,595.73		\$26,923.67			\$177,170.25
Debt Service Fund	\$30,000.00					\$100,000.00	\$68,000.00			\$198,000.00
Mand Sinking Fund			\$69,905.77					\$50,000.00		\$119,905.77
Depreciation Fund		\$106,112.74		\$51,453.65						\$157,566.39
Escrow Account - Deposits							\$8,699.66			\$0.00
										\$8,699.66
										\$0.00
UNRESTRICTED										
Revenue Account							\$157,157.90			\$157,157.90
Operation Account							\$19,868.92			\$19,868.92
Cash on Hand									\$450.00	\$450.00
Petty Cash									\$50.00	\$50.00
TOTALS	\$30,000.00	\$106,112.74	\$69,905.77	\$94,104.50	\$107,595.73	\$100,000.00	\$280,650.15	\$50,000.00	\$500.00	\$838,868.89
Total Restricted Funds										
Total Unrestricted Funds										

Bond & Interest Sinking Fund — "B" Bonds Interest & principal + KIA (No Ceiling)

Debt Service — 1 year principal & interest on KIA & "B" Bonds (can accumulate) KIA 140

"B" 50

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