



6215 N. L & N Turnpike | Buffalo, KY 42716 | 270-325-3242
lcwd1@scrte.com | www.laruecountywater.com

September 9, 2019

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
PO Box 615 Frankfort, KY 40602

Ms. Pinson:

Enclosed is a completed Purchased Water Adjustment form. Also, enclosed are exhibits A, B, C, D, E, and F. Please contact the office if anything else is needed. Thank you.

Sincerely,

Tim Bartley General Manager

Enclosures

Board of Directors

Chairman: John M Detre
Secretary/Treasurer: Pat Eastridge
Commissioner: Bobby Garrison

Manager
Tim Bartley

"Equal Opportunity Provider"

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

Name of Utility	Larue County Water District No. 1	
Date	September 6, 2019	
Address	6215 North L&N Turnpike	
City, State, Zip	Buffalo, Ky	42716
Telephone Number	270-325-3242	
Email Address	Lcwd1@scrtc.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 Campbellsville	\$2.35	N/A
Green Taylor Water District	\$2.89	N/A
City of Bardstown	\$2.00	N/A
City of New Haven	\$2.33	N/A
Green River Valley Water District	\$2.14	2.59
City of Hodgenville	\$2.10	N/A

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

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	August 2018	through	July 2019
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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 Campbellsville	9,540,400
Green Taylor Water District	3,102,600
City of Bardstown	29,488,192
City of New Haven	11,731,150
Green River Valley Water District	89,198,992
City of Hodgenville	29,945,500
TOTAL PURCHASES	190,047,100
4. Total gallons sold for the 12 month period	
	161,913,551
5. Increased water cost	
	42,249.77
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	
6. Purchased water adjustment factor	
	.27 per 1,000 gallons
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	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	
	September 27 2019
Signature of Utility Officer	

Tim Bentley

General Manager

Exhibit A

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GREEN)	
RIVER VALLEY WATER DISTRICT)	
PURSUANT TO KRS 278.023 AND 807 KAR)	
5:069 FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE TO EXPAND ITS WATER)	CASE NO. 2019-00287
TREATMENT PLANT AND RELATED)	
WATERWORKS IMPROVEMENTS, AN)	
ADJUSTMENT OF ITS RATES FOR WATER)	
SERVICE; AND AUTHORIZATION TO ISSUE)	
CERTAIN SECURITIES)	

APPLICATION

Pursuant to KRS 278.023, and 807 KAR 5:069, Green River Valley Water District (“Green River District”) applies to the Public Service Commission for an Order granting a certificate of public convenience and necessity for the expansion of its water treatment plant and other waterworks improvements, approving an adjustment of its rates for water service, and authorizing the issuance of \$8,062,000 of revenue bonds.

In support of its Application,¹ Green River District provides the following:

1. The full name and post office address of Green River District is: Green River Valley Water District, Post Office Box 460, Horse Cave, Kentucky 42749-0460. Its e-mail address is grvwd@scrtd.com.

2. Green River District not a corporation, limited liability company or limited partnership. It has no articles of incorporation or partnership agreements.

¹ To facilitate the Public Service Commission’s initial review of this Application, Green River District has attached to this Application a Filings Requirements List that lists each statutory and regulatory requirement for a water district’s application for approval of a federally fund construction project and identifies the exhibit or paragraph that satisfies the requirement.

**GREEN RIVER VALLEY WATER DISTRICT
NOTICE OF PROPOSED RATE CHANGE**

On or about August 29, 2019, Green River Valley Water District will apply to the Kentucky Public Service Commission for an increase in its rates for water service. The United States Department of Agriculture, Rural Development (“RD”) has required a change in Green River Valley Water District’s rates as a condition to the award of a loan of \$8,062,000, which will be evidenced by waterworks revenue bonds, and a grant of \$3,563,000. RD requires that Green River Valley Water District assess the following rates:

	Present Rate	Proposed Rate	Change (\$)	Change (%)
<u>5/8 x 3/4-Inch Meter</u>				
First 2,000 Gallons	\$ 17.21 Minimum Bill	\$ 22.10 Minimum Bill	\$ 4.89	28.4
Next 8,000 Gallons	4.71 Per 1,000 Gallons	5.95 Per 1,000 Gallons	\$ 1.24	26.3
Next 10,000 Gallons	3.93 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 0.92	23.4
Next 10,000 Gallons	3.39 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 1.46	43.1
Next 20,000 Gallons	3.39 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.46	13.6
Next 50,000 Gallons	3.06 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.79	25.8
Over 100,000 Gallons	2.96 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.89	30.1
<u>1-Inch Meter</u>				
First 5,000 Gallons	\$ 31.34 Minimum Bill	\$ 39.95 Minimum Bill	\$ 8.61	27.5
Next 5,000 Gallons	4.71 Per 1,000 Gallons	5.95 Per 1,000 Gallons	\$ 1.24	26.3
Next 10,000 Gallons	3.93 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 0.92	23.4
Next 10,000 Gallons	3.39 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 1.46	43.1
Next 20,000 Gallons	3.39 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.46	13.6
Next 50,000 Gallons	3.06 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.79	25.8
Over 100,000 Gallons	2.96 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.89	30.1
<u>1.5-Inch Meter</u>				
First 10,000 Gallons	\$ 54.89 Minimum Bill	\$ 69.70 Minimum Bill	\$ 14.81	27.0
Next 10,000 Gallons	3.93 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 0.92	23.4
Next 10,000 Gallons	3.39 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 1.46	43.1
Next 20,000 Gallons	3.39 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.46	13.6
Next 50,000 Gallons	3.06 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.79	25.8
Over 100,000 Gallons	2.96 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.89	30.1
<u>2-Inch Meter</u>				
First 15,000 Gallons*	\$ 78.47 Minimum Bill	\$ 93.95 Minimum Bill	\$15.48	19.7
Next 5,000 Gallons*	3.93 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 0.92	23.4
Next 10,000 Gallons	3.39 Per 1,000 Gallons	4.85 Per 1,000 Gallons	\$ 1.46	43.1
Next 20,000 Gallons	3.39 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.46	13.6
Next 50,000 Gallons	3.06 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.79	25.8
Over 100,000 Gallons	2.96 Per 1,000 Gallons	3.85 Per 1,000 Gallons	\$ 0.89	30.1
Wholesale Rate	2.14 Per 1,000 Gallons	2.59 Per 1,000 Gallons	\$ 0.45	21.0

* Green River Valley Water District's current minimum bill for a two-inch meter provides for 16,000 gallons of water. The required rates will reduce the amount provided in the minimum bill to 15,000 gallons.

The proposed rates will have the following effect on an average customer's monthly bill:

Customer Class	Average Monthly Usage (gals.)	Average Bill Present Rates	Average Bill Proposed Rates	Increase (\$)	Increase (%)
5/8- x 3/4-Inch Meter	4,772	\$ 30.03	\$ 38.30	\$ 8.27	27.5
1-Inch Meter	22,451	\$ 102.50	\$ 130.09	\$ 27.59	26.9
1.5-Inch Meter	0	\$ 0.00	\$ 0.00	\$ 0.00	0.0
2-Inch Meter	27,420	\$ 119.79	\$ 154.19	\$ 34.40	28.7
Wholesale	7,988,667	\$17,095.75	\$20,690.65	\$3,594.90	21.3

The proposed rates shall be effective for water sold on and after the date of the order of the Public Service Commission approving those rates, which is expected to be no later than 30 days after the filing of the Application.

Any person may examine the application at Green River Valley Water District's office at 1180 East Main Street, Horse Cave, Kentucky, Monday through Friday, 7:30 a.m. to 4:00 p.m., Central Time, or at the Kentucky Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., Eastern Time, or through the Kentucky Public Service Commission's Web site at https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2019-00287.

Comments regarding the application may be submitted to the Kentucky Public Service Commission through the Commission's Web Site at <http://psc.ky.gov>, by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602 or by e-mail to psc.info@ky.gov. Green River Valley Water District's application is docketed as Case No. 2019-00287.

The proposed rates are required under the terms of an agreement between Green River Valley Water District and RD. KRS 278.023 does not grant the Public Service Commission any discretionary authority to modify or reject any portion of the agreement between Green River Valley Water District and RD, or to defer the issuance of all necessary orders to implement the terms of the agreement.

The proceeds of the RD loan and grant will be used to expand the capacity of Green River Valley Water District's water treatment plant from six million gallons per day to eight million gallons per day, to construct the following improvements: a new river water intake on the Green River for the water treatment plant, a secondary raw water pump station to pump water from Rio Verde Spring, a new chlorine building and feed equipment, two new two-staged flocculation basins and two sedimentation basins, two filters, and a 1,200,000 gallon clearwell. They will also be used for yard piping improvements, refurbishing an existing laboratory, and acquiring and installing a new SCADA system for the water treatment plant and water distribution system.

Exhibit B

Larue County Water District Purchase Water Adjustment Worksheet							
Month/Year	Purchased Water (gallons)					Hodgenville	Water Sold (gallons)
	Campbellsville	Green Taylor	Bardstown	New Haven	Green River		
Totals	11,791,000	3,266,100	27,217,700	11,279,300	93,888,400	42,604,600	161,913,551
TWELVE MONTH PURCHASED WATER COST							
Gallons Purchased	Current Rate	Cost		New Rate	Cost		
11,791,000	\$ 2.35	\$ 27,708.85		\$ 2.35	\$ 27,708.85		
3,266,100	\$ 2.89	\$ 9,439.03		\$ 2.89	\$ 9,439.03		
27,217,700	\$ 2.00	\$ 54,435.40		\$ 2.00	\$ 54,435.40		
11,279,300	\$ 2.33	\$ 26,280.77		\$ 2.33	\$ 26,280.77		
93,888,400	\$ 2.14	\$ 200,921.18		\$ 2.59	\$ 243,170.96		
42,604,600	\$ 2.10	\$ 89,469.66		\$ 2.10	\$ 89,469.66		
190,047,100		\$ 408,254.89			\$ 450,504.66		
Increased Cost		\$ 42,249.77		PWA Factor	\$ 0.261		
WATER RATE AJUSTMENT							
Rate Schedule		Current Rate		Increase	New Rate		
First	1,000 gal	\$ 15.05		\$ 0.27	\$ 15.32		
Next	4,000 gal	\$ 6.74		\$ 0.27	\$ 7.01		
Next	5,000 gal	\$ 5.98		\$ 0.27	\$ 6.25		
All Over	10,000 gal	\$ 4.81		\$ 0.27	\$ 5.08		
BILL CALCULATION							
Usage		Current Rate		Increase	New Rate		
5,000 gallons		\$ 42.01		\$ 1.35	\$ 43.36		

Exhibit C

<u>Current Rates</u>			<u>Proposed Rates</u>		
<u>Minimum Bills Based on Meter Size</u>			<u>Minimum Bills Based on Meter Size</u>		
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill
5/8x3/4 inch	1,000	\$ 15.05	5/8x3/4 inch	1,000	\$ 15.32
3/4 inch	3,000	\$ 28.52	3/4 inch	3,000	\$ 29.34
1 inch	5,000	\$ 42.00	1 inch	5,000	\$ 43.36
1 1/2 inch	10,000	71.88	1 1/2 inch	10,000	74.61
3 inch	20,000	119.96	3 inch	20,000	125.41
<u>Rates for Water Usage in Addition to Minimum</u>			<u>Rates for Water Usage in Addition to Minimum</u>		
No. of Gallons per Month		Charge per 1,000 gals.	No. of Gallons per Month		Charge per 1,000 gals.
First 1,000 Gallons (lump sum)	\$	15.05	First 1,000 Gallons (lump sum)	\$	15.32
Next 4,000 Gallons		6.74	Next 4,000 Gallons		7.01
Next 5,000 Gallons		5.98	Next 5,000 Gallons		6.25
Next 10,000 Gallons		4.81	Next 10,000 Gallons		5.08
Over 20,000 Gallons		4.81	Over 20,000 Gallons		5.08

Exhibit D

RESOLUTION NO. 2019-09-09

**A RESOLUTION OF LARUE COUNTY WATER DISTRICT NO.1
ADJUSTING ITS WATER RATES TO OFFSET THE GREEN RIVER
VALLEY WATER DISTRICT WHOLESALE RATE INCREASE**

WHEREAS, the Green River Valley Water District Valley Water District supplies potable water to Larue County Water District No.1 on a wholesale basis'

WHEREAS, on August 30, 2019 the Green River Valley Water District filed an application with the Kentucky Public Service Commission ("PSC") seeking to increase the wholesale water rate that the Green River Valley Water District charges the Larue County Water District No.1 from \$2.14 to \$2.59 per 1,000 gallons (See PSC Case 2019-00287);

WHEREAS, based upon the water purchases from the Green River Valley Water District during the previous 12 months, the estimated annual increased cost to Larue County Water District No. 1 will be \$ **42,249.77**;

WHEREAS, prudent financial management dictates that Larue County Water District take action to adjust its retail rates commensurate with the Green River Valley Water District's wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provides the legal

mechanism for Larue County Water District No. 1 to increase its water rates to commensurate with the Green River Valley Water District's wholesale rate increase via a Purchased Water Adjustment ("PWA")

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF LARUE COUNTY WATER DISTRICT NO.1 DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is **\$.27** per 1,000 gallons;

Section 3. All tiers of water usage and the wholesale water rate set forth in Larue County Water District No. 1's existing tariff shall be increased by **\$.27** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of Larue County Water District No.1 shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly

rates shall be in effect for all water service rendered on and after September 27, 2019 upon PSC approval.

Section 5. The Chairman and the General Manager are hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.


Section 6. The Chairman, General Manager, and all appropriate Larue County Water District No. 1 Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

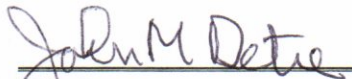
Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE BOARD OF COMMISSIONERS OF LARUE COUNTY

WATER DISTRICT NO.1 at a meeting held on September 09, 2019, signed by the Chairman, and attested by the Secretary.

ATTEST:


Secretary


Chairman

CERTIFICATION

This is to certify that I have supervised the preparation of the Larue County Water District No.1's Response to the Commission's Request for Information. The response submitted on behalf of the Larue County Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: September 09, 2019


Secretary

Exhibit E

CUSTOMER NOTICE

Due to an increase from one of its suppliers, Larue County Water District No.1 received approval from the Public Service Commission to adjust its rates effective September 27, 2019.

MONTHLY WATER RATES

<u>Meter Size</u>	<u>Minimum Bills Based on Meter Size</u>				
	<u>Gals. Incl'd. in Minimum</u>	<u>Minimum Bills</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
5/8 x 3/4 inch	1,000	\$15.05	\$15.32	\$0.27	1.79%
3/4 inch	3,000	28.52	29.34	.82	2.88
1 inch	5,000	42.00	43.36	1.36	3.24
1 1/2 inch	10,000	71.88	74.61	2.73	3.80
2 inch	20,000	119.96	125.41	5.45	4.54

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
First 1,000 Gallons	\$15.05	\$15.32	\$0.27	1.79%
Next 4,000 Gallons	6.74	7.01	.27	4.01
Next 5,000 Gallons	5.98	6.25	.27	4.52
Next 10,000 Gallons	4.81	5.08	.27	5.61
Over 20,000 Gallons	4.81	5.08	.27	5.61

The monthly bill for an average customer using 5,000 gallons per month will increase from \$42.01 to \$43.36 this is an increase of 3.24%.

Larue County Water District No. 1 has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Larue County Water District No.'s office located at 6215 North L&N Turnpike Road, Buffalo, KY 42716. You may contact the office at 270-325-3242.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>.

Exhibit F

FOR LaRue County, Kentucky
Community, Town or City

P.S.C. KY. NO. 4
Original SHEET NO. 4

LaRue County Water District No. 1
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3
SHEET NO. _____

SECTION I. RATES AND CHARGES:

A. MONTHLY RATES

5/8 x 3/4 Meter

First	1,000 gallons	\$15.32 minimum bill
Next	4,000 gallons	7.01 per 1,000 gallons
Next	5,000 gallons	6.25 per 1,000 gallons
All over	10,000 gallons	5.08 per 1,000 gallons

3/4 Meter

First	3,000 gallons	\$29.34 minimum bill
Next	2,000 gallons	7.01 per 1,000 gallons
Next	5,000 gallons	6.25 per 1,000 gallons
Over	10,000 gallons	5.08 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$43.36 minimum bill
Next	5,000 gallons	6.25 per 1,000 gallons
All over	10,000 gallons	5.08 per 1,000 gallons

1 1/2 Inch Meter

First	10,000 gallons	\$74.61 minimum bill
All Over	10,000 gallons	5.08 per 1,000 gallons

2 Inch Meter

First	20,000 gallons	\$125.41 minimum bill
All Over	20,000 gallons	5.08 per 1,000 gallons

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DATE OF ISSUE September 09, 2019
Month / Date / Year

DATE EFFECTIVE September 27, 2019
Month / Date / Year

ISSUED BY /s/ John Detre
(Signature of Officer)

TITLE Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATE _____