

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Proposed Adjustment of the Wholesale)
Water Service Rates of the Princeton) Case No. 2019-00444
Water and Wastewater Commission)

CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of the Princeton Water and Wastewater Commission's responses to the Commission Staff's Second Request for Information and the Water Districts' Request for Information and that the responses are true and accurate to the best of my knowledge, information, and belief after reasonable inquiry.

Date: March 6, 2020

Tracy B. Musgove
Tracy B. Musgove, Finance Director

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

1. Provide a schedule of water rates employed by Princeton from the year 2000 to the current date categorized by customer classification (retail, wholesale, commercial, etc.), and the date range that a particular rate was in effect.

- (a) Provide any and all tariffs, rate sheets, or such other documents which provide backup for the schedule requested above.
- (b) For any non-wholesale rate adjustments during this period provide copies of all minutes, resolutions and/or regulations of the City of Princeton Water and Sewer Commission authorizing the implementation of same.
- (c) For any wholesale rate adjustments during this period provide proof of Kentucky Public Service Commission approval of same.

Response: PWWC objects to this request as being overly broad and not proportional to the needs of the case. Notwithstanding this objection, PWWC states as follows: Please see the attached Excel file titled WD 1-1 and 1-2 Rate History. In addition, see attached Exhibit 1-1 Minutes and Rates and Exhibit 1-1c Wholesale Tariffs.

Witness: Legal; Tracy Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit 1-1
Minutes and Rates

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – March 28, 2017**

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 4:00 P.M. on Tuesday, March 28, 2017 in the board room of the PWWC main office. This meeting was held in lieu of the regular meeting scheduled for March 30, 2017.

II. Roll Call and Recognition of Visitors

Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parrent and Irl Stevens along with Attorney Todd Wetzel. Director of Finance Tracy Musgove was absent with prior notification.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the February meeting were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The February monthly financial statements were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The listing of bills for February was reviewed with a question raised on the amounts paid to Envision for services related to camera work on the sewer in addition to the local electric rates. A motion made by Brent Ladd and seconded by Irl Stevens to approve all bills. All Ayes.

IV. System Expansion / Old Business

- (a) Mr. Anderson spoke on the benefits of using Peracetic Acid in place of the chlorine and sulfur dioxide at the WWTP. There are significant costs related to repairs and maintenance of the scales with the current system outlay. Current cost of chemicals only are approximately \$30/day while the PAA will run between \$40 - \$50 per day. The state approves of this chemical because it has fewer environmental effects. Since moving to a different test spot, the usage has dropped dramatically with the current tote being placed in use Feb 22nd and still having approximately 1/3 left. Also, the phosphorus analyzer is working well even though we will have a one month violation where the sensors were set incorrectly and the level for the month came in at 1.1 versus the 1.0 maximum.
- (b) Mr. Anderson also informed the board of testing being done by Thornton, Musso & Bellemin. The effectiveness of certain chemicals we have been using appears questionable. The flushing with new chemicals should be reduced and the quality of the water should be better. Mr. Anderson continues to be impressed with these representatives which are very hands on.

V. New Business

Mr. Anderson spoke of being down one man at the WWTP and the need to potentially hire a replacement there. We do have two employees, Phillip Manning and Wes Brown, that are dual certified and could potentially go back and forth between the plants. Mr. Hayes stated that he and Ms. Musgove had a meeting with Greg Phillips, a securities advisor from Compass Municipals on a possible refunding of some higher rate debt. Ms. Musgove is running some scenarios and additional information will be forthcoming in the future.

VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY



CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Emergency Special Called Meeting
April 17, 2017**

I. Call to Order

Chairman Bob Hayes called an Emergency Meeting of the Princeton Water and Wastewater Commission to order at 9:00 a.m. on Monday, April 17, 2017 in the board room of the PWWC main office. The sole purpose of the meeting was to discuss the Superintendent's position in light of circumstances brought to the Commission's attention on Sunday, April 16, 2017. Chairman Hayes explained that the Commission did not become fully aware of the circumstances regarding the Superintendent until the afternoon hours of April 16, 2017 and that the necessity of addressing the situation in a timely manner prevented compliance with the special meeting notice provisions of KRS 61.823(3) and (4).

II. Roll Call and Recognition of Visitors

Director of Finance Tracy Musgove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Irl Stevens, and Jay Parrent. Also present were Attorney Todd Wetzel, Maintenance Supervisor James Noel and Mayor Danny Beavers. Pat George was unable to attend.

A motion was made by Brent Ladd and seconded by Jay Parrent to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing the Superintendent's position. All those present voted affirmatively, whereupon the Commission entered into closed session.

Upon conclusion of the discussion in closed session, a motion was made by Brent Ladd and seconded by Irl Stevens to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session.

Chairman Hayes entertained a motion made by Brent Ladd and seconded by Jay Parrent to place Superintendent Joseph W. Anderson on administrative leave without pay effective immediately. The motion was unanimously approved.

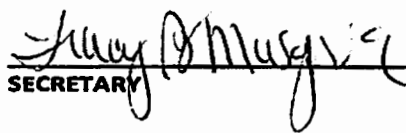
Chairman Hayes next entertained a motion made by Irl Stevens and seconded by Brent Ladd to appoint current Maintenance Supervisor James Noel as the Interim Superintendent. Mr. Noel will immediately assume all duties and responsibilities that had been carried out by Mr. Anderson including any and all financial responsibilities. The motion was unanimously approved.

Mr. Hayes then expressed full confidence in the employees and the management team of the Princeton Water and Wastewater Commission and stated that the Commission will continue to deliver quality water and wastewater services to its customers. He stated that no change in the Superintendent's position would impact the services provided by the excellent staff and employees of the Commission. He further stated that he stands ready to assist the Interim Superintendent with any and all issues that may arise, but is confident that with Mr. Noel's level of knowledge and 19+ years of experience that the Commission's day-to-day operations are in good hands.

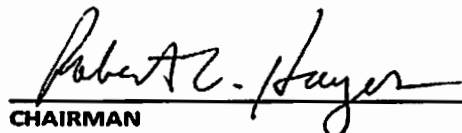
III. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 4:00 P.M. on Tuesday, April 25, 2017 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Director of Finance Tracy Musgove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parrent and Irl Stevens along with Attorney Todd Wetzel and Interim Superintendent James Noel. There were no visitors present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the special called March 28th meeting 17th were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The minutes from the Emergency Special Called meeting of April 17th were also reviewed with a motion made by Jay Parrent and seconded by Brent Ladd to approve the minutes as written. All Ayes. The March monthly financial statements and the quarterly year to date comparisons were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The March bills were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve all bills. All Ayes.

IV. System Expansion / Old Business

- (a) Interim Superintendent James Noel updated the Commission members on the Peracetic Acid (PAA) trial being conducted at the WWTP. The trial has not gone smoothly and the numbers seem to go up and down without good explanation. The sales people have not been attentive to the issues and we just recently found out there are significant hazards in handling this product also due to flammability risks. While the chlorine system needs repairs, rather than continue to use a more costly product with unknown efficiencies, personnel has decided to return to using chlorine and sulfur dioxide at the WWTP once the inventory of this chemical has been utilized.
- (b) Mr. Noel updated the board regarding the corrosion testing of the distribution system being done by Thornton, Musso & Bellemin. In discussions held with Jackie Logsdon of the Kentucky Division of Water, it appears that the use of an algaecide is almost a certainty going forward. Chemical bids are out and we will be able to compare products soon. It is hoped that with CLO2 being used at the WTP, that four separate chemicals would be able to be eliminated. These tests are still ongoing by TMB but Mr. Noel is also impressed with the attention these representatives are giving the issues at the WTP.

V. New Business

- (a) With the issues regarding former Superintendent Anderson, it is necessary to elect a new Secretary to the Board. A motion was made by Brent Ladd and seconded by Pat George to appoint Tracy Musgove. All Ayes.
- (b) Mr. Noel stated that for now, he would like to hold off on hiring a new person at the WWTP. In order to free up time for maintenance personnel to help at the WWTP, bids were solicited from local lawn care businesses to provide weekly mowing at all PWWC locations. The low bid was Go Green at \$400 per week for all locations which is significantly less than just the base wages of two men for two days without accounting for wear and tear on the mowers, trucks, trailers, and gas. The Commissioners agreed to go ahead with Go Green. Mr. Noel also informed the board that Joey and Gordon were the only two certified pretreatment operators and that he has notified DOW of the issue and has requested that both Wes and Jesse becoming certified along with Jesse and himself getting land farming licenses.
- (c) Adam Ortt has been appointed Maintenance Supervisor with David Cotton becoming the assistant.

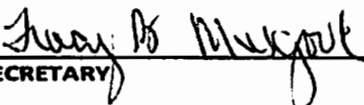
VI. Executive Session and Adjourn

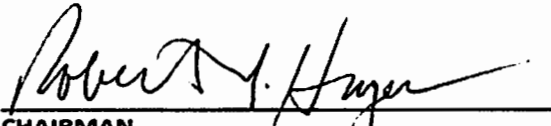
A motion was made by Brent Ladd and seconded by Irl Stevens to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing the Superintendent's position. All those present voted affirmatively, whereupon the Commission entered into closed session. Upon conclusion of the discussion in closed session, a motion was made by Brent Ladd and seconded by Jay Parrent to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session.

It was decided to pay former Superintendent Anderson 50% of his accrued and unpaid medical leave in order to facilitate his resignation upon the condition that he agrees to have no contact with employees or Commission members and that he further agrees to hold the Commission harmless with respect to any issues related to his employment.

Chairman Hayes entertained a motion made by Irl Stevens and seconded by Brent Ladd to set the salary of the new Superintendent at the level recommended by Director of Finance Musgove. The motion was unanimously approved. There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 1, 2017**

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 4:00 P.M. on Thursday June 1, 2017 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Due to the absence of Director of Finance and Board Secretary, Tracy Musgove, Chairman Hayes conducted the roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parrent and Irl Stevens along with Attorney Todd Wetzel and Interim Superintendent James Noel. There were no visitors present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the special called meeting of April 25th were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. The April monthly financial statements were reviewed with a motion made by Jay Parrent and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The April bills were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve all bills. All Ayes.

IV. Old Business/Update of WTP Chemical Trial and Peracetic Acid Trial

- (a) Interim Superintendent James Noel reported the algaecide is now being added to the water being treated at intake. Mr. Noel also reported the maintenance crew has cleaned the algae off the walls in both of the trains in the actiflow system which should help to reduce the disinfectant by-products in the final stage of water purification. Mr. Noel also reported that we are now using peroxide at the intake and have stopped using the sodium permanganate in an effort to hopefully improve the removal of organics in the water. Peroxide is believed to be twice as effective and cost 50% less than the sodium permanganate.
- (b) Mr. Noel reported the Peracetic Acid (PAA) trial being conducted at the WWTP is being cancelled with plans to convert back to chlorine and sulfur dioxide at the WWTP. An estimate has been received to make the repairs and update the chlorine setup which should be a 2-3 week process. If necessary, Mr. Noel will order one more tote of the peracetic acid should we run out before conversion to the above described system.

V. New Business

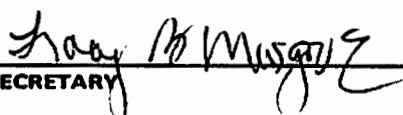
- (a) Mr. Noel discussed the issues regarding the perimeter fencing at the maintenance location. This is a section that is completely down toward the creek side of the compound and several missing sections that need repairs. Bids have been received from several companies on replacing the entire fence along with just replacing the section that is down. After discussion, a motion was made by Jay Parrent and seconded by Pat George to use the Huie Contracting Company to install new fencing in the area where there is no fence but also to replace or repair any bent posts and barbed wire that is missing. All Ayes.
- (b) Mr. Noel then brought up the issue of the clearwells at the WTP which were last cleaned in 2002. At on-site meetings conducted between Division of Water's Jackie Logsdon and PWWC personnel, Ms. Logsdon has strongly recommended attention be given to the clearwells. Three separate bids have been received with varying numbers and specifics proposed; therefore, Mr. Noel feels an inspection should be done before any definitive action is taken in order to improve the bidding process. Our engineers, Hethcoat and Davis, also agreed with this plan and recommended using Mainstream Commercial Divers for the inspection. The board agreed to proceed in this direction.
- (c) With the upcoming line project, the focus is now on the Linton Hill Booster upgrade and the need for two variable speed drive pumps which had been discussed 2-3 years ago. Bids from Wascon had been received and upon a motion made by Brent Ladd and seconded by Irl Stevens, it was decided to accept proposal # 4843 from Wascon in the amount of \$ 16,052.20 for labor and material. All Ayes.
- (d) Mr. Noel stated that the maintenance crew is in process of painting all 353 fire hydrants throughout the City and will complete the process as time permits.

VI. Executive Session and Adjourn

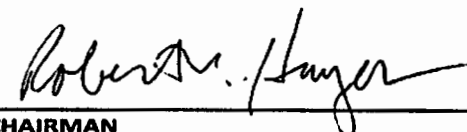
A motion was made by Brent Ladd and seconded by Jay Parrent to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing the Superintendent's position. All those present voted affirmatively, whereupon the Commission entered into closed session. Upon conclusion of the discussion in closed session, a motion was made by Brent Ladd and seconded by Pat George to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session.

Chairman Hayes entertained a motion made by Brent Ladd and seconded by Pat George to remove the "Interim" designation from the position of Superintendent currently held by James Noel and to set his new salary at the level recommended by Director of Finance Musgove and Chairman Hayes. The motion was unanimously approved. There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting. The next meeting will be held July 6, 2017.

ATTEST:



SECRETARY



CHAIRMAN

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 4:00 P.M. on Thursday July 6, 2017 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Board Secretary, Tracy Musgove conducted the roll call with the following Commission members present: Bob Hayes, Brent Ladd, Pat George, and Irl Stevens along with Attorney Todd Wetzel and Superintendent James Noel. Commissioner Jay Parrent was absent with prior notification. There were no visitors present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the special called meeting of June 1st were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The May monthly financial statements were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The May bills were reviewed with a motion made by Irl Stevens and seconded by Pat George to approve all bills. All Ayes.

IV. Old Business/Update of WTP and WWTP Chemical Trials

- (a) Superintendent James Noel reported the cost for using the algaecide at the WTP will be higher than what the previous estimate was and closer to the amount that had been provided by CI Thornburg. When TMB requested the amount of water treated to use in their calculations, former operator Phillip Manning provided the discharged water volume versus the actual intake. Since the chemical is added at the beginning of the treatment process, the treated water/intake should have been the correct number to use to establish the feed rate.
- (b) Mr. Noel reported the WWTP has been converted back to chlorine and sulfur dioxide at the WWTP and personnel are more comfortable with this process. There was a violation of E Coll levels at the time of changeover (*see New Business below*).
- (c) The Superintendent stated they are waiting to hear from Wascon regarding the VFD motors that are needed for the Linton Hill tank. Additionally, he informed the members that the company began the fencing around the perimeter of the maintenance shop today. With the recent break-ins and vandalism, new fencing will at least be a deterrent and we are getting proposals for a camera security system. Mr. Wetzel asked if there was any sensitive information stolen and there was not.
- (d) Mr. Noel reported on the inspection of the clear wells by Mainstream Commercial Divers. There is a film on the walls of the clear wells which will have to be chemically cleaned. Chlorine or peroxide can be used to treat the film which was identified as iron and manganese thought to have come from the underdrain failures a few years back. In addition, Mr. Noel spoke with H&D about the modifications that have been made in the past to the clear wells which included a hole, approximately 3' x 3', which was cut between the two clear wells. If this could be repaired by installing a valve system, it could save us a lot of money in the cleaning since maintenance staff could provide the labor. This would also make for an easier fix since water would still be able to be discharged since one clear well would remain operational. Clear well curtains need to also be replaced since the inspection noted approximately 50% of them were not usable. By being able to take one clear well off line at a time and isolate one from another, it also would allow more time for maintenance to complete without having to worry about getting water to the customer base. We are currently waiting for information on costs of valves, curtains and engineering from H&D versus possibly fabricating our own.

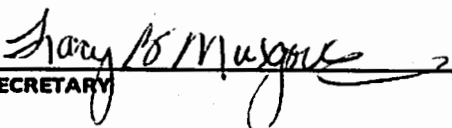
V. New Business

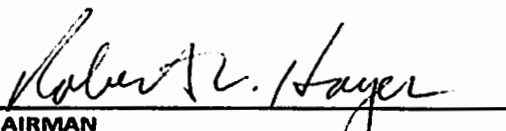
- (a) Ms. Musgove apologized for the lateness of the budget but wanted to clear up issues regarding lower water sales to both of the county water districts. Both districts have isolated problems (leaks, etc.) which it appears will lower their sales by 26%. Therefore, water sales have been lowered to reflect this condition and are projected at \$73,000 lower than the previous year's budget and \$55,000 lower than this year's data. Expenses, on the other hand, are estimated at realistic to even high levels with possible savings that could be realized if maintenance performs much of the repair work mentioned about the clearwells. Total budgeted revenues for FY2018 are \$3,308,500 with expenses of almost \$3,427,000 for a projected loss of ~ \$ 118,500. Ms. Musgove stated that while the loss appears significant, due to the lower debt service, we can still be able to cash flow at a rate of 2.74x and generate > \$483,000 in excess cash after debt service. Additionally, there are significant funds that will be recouped from the first draw of the RD loan that have been expended for engineering services. This money will be enough to almost fully offset the planned loss but is not being shown in the budget. *Motion by JP, 2nd by Irl. All Ayes. BW*
- (b) Mr. Noel informed the members on violations that had occurred at the WWTP one on E coli due to the changeover from peracetic acid and two more regarding phosphorus levels (one due to staff being told to turn off the feed rate and then forgetting to turn it back on and another due to the malfunction of the phosphorus analyzer). DOW local contact and Frankfort have both been notified.

VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

694 INCOME CATEGORIES

**2018
BUDGET**

4000 WATER SALES	1,527,000
4010 SEWER SALES	1,450,000
4015 CUSTOMER SERVICE FEE	199,000
4020 PENALTY INCOME	60,000
4030 SALE OF STORES	4,000
4040 LABOR SALES	4,000
4045 CREDIT CARD CONV.FEE	-
4046 BANK CUSTOMER CONV.FEE	1,000
4050 EQUIP RENTAL	3,000
4080 MISC.INC. S.C.& CONN.	21,000
4082 MISC.INC-GENERAL	5,000
4085 FARM RENTAL INCOME	34,500
4087 RECOVERY OF BAD DEBTS	-
4090 DISCOUNTS TAKEN	-
4095 PMT PLAN MISC INVOIC	-
4098 GRANT REVENUE	-
TOTAL INCOME	\$ 3,308,500

EXPENSE CATEGORIES

6010 SALARIES	760,000
6020 PAYROLL TAX	57,452
6030 EMPLOYEE BENEFITS	280,000
6040 UNIFORMS	4,000
6050 TRAINING EXPENSE	8,000
6060 RETIREMENT FUND	144,042
6070 UTILITIES	381,500
6080 GASOLINE & OIL	25,000
6090 EQUIPMENT REPAIR & MAINT	115,000
6100 SUPPLIES	25,000
6105 CHEMICALS	258,000
6110 INSURANCE	156,000
6120 PROF.SERVICES(LAB FEES)	65,000
6121 PROF.SERVICES(OTHER)	20,000
6122 DATA PROCESSING	11,100
6125 CONTRACTED SERVICES	20,000
6130 MISCELLANEOUS EXPENSE	10,000
6135 POSTAGE EXPENSE	13,000
6140 RENTAL & LEASE	10,000
6150 ATTORNEYS FEES	6,000
6160 TOOLS & EQUIPMENT	50,000
6180 BUILDING REPAIR & MAINT	10,000
6185 SLUDGE REMOVAL	65,000
6650 INVENTORY EXP	30,000
6660 MISC MATERIAL EXPENSE	20,000
6665 FREIGHT EXPENSE	4,000
6670 CAPITAL COST/LABOR/MACH.	(4,000)
6676 KIA INTEREST EXP.(WWTP)	11,250
6678 RD INTEREST EXPENSE (WTP)	98,200
6680 DEPRECIATION EXPENSE	770,000
6699 FEE EXPENSE	3,500
TOTAL EXPENSES	3,427,043

NET INCOME (118,543)

Cash Available for Debt Service (NI + Deprec/Amor + Int)	760,907
Scheduled Principal and Interest Payments	304,869
Debt Service Coverage	2.50
(NI + Deprec/Amort + Int) / (Prin + Int + Capex (20% Deprec)	1.66

MODIFIED CASH BASIS:

NET INCOME (LOSS)	(118,543)
ADD DEPRECIATION EXPENSE	770,000
LESS KIA PRINCIPAL PMT WTP Tank #F00-02	(88,434)
LESS RD PRINCIPAL PAYMENT WTP	(29,000)
LESS KIA PRINCIPAL PMT ARRA #A2 09-11	(25,613)
LESS KIA PRINCIPAL PMT Fund A #A09-27	(33,106)
LESS KIA PRINCIPAL PMT Fund B #10-06	(19,266)

MODIFIED CASH BASIS NET INCOME 456,038

Motion made by Jay Parent and seconded by Del Stevens to adopt budget as presented. All Ayes. HBM

I. Call to Order
Chairman Bob Hayes called the special called meeting of the PWWC to order at 4:00 P.M. on Wednesday, August 2, 2017 in the board room of the PWWC main office. ATTEST:

II. Roll Call and Recognition of Visitors
Commission Secretary / Director of Finance Tracy Musgrove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parent and Attorney with Attorney Todd Wetzel and Superintendent James Noel. There were no visitors present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills
The minutes from the July 6th special called meeting were reviewed with the Board. George and Superintendent James Noel were present. The minutes were reviewed and approved by a motion made by Brent Ladd and seconded by Jay Parent. All Ayes. The July financial statements were reviewed with a motion made by Brent Ladd and seconded by Jay Parent. All Ayes. The minutes from the August 2nd special called meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parent. All Ayes.

IV. System Expansion / Old Business
The Board discussed the System Expansion project. Superintendent James Noel presented a report on the project. The Board discussed the project and approved a motion to proceed with the project. All Ayes. The Board also discussed the Clearwells project. Superintendent James Noel presented a report on the project. The Board discussed the project and approved a motion to proceed with the project. All Ayes.

V. Other Business
The Board discussed other business items. Superintendent James Noel presented a report on the Clearwells project. The Board discussed the project and approved a motion to proceed with the project. All Ayes. The Board also discussed the System Expansion project. Superintendent James Noel presented a report on the project. The Board discussed the project and approved a motion to proceed with the project. All Ayes.

VI. Adlourn
The meeting adjourned at 4:00 P.M. on Thursday, August 31, 2017.

ATTEST:
The minutes from the August 2nd special called meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parent. All Ayes. The July financial statements were reviewed with a motion made by Brent Ladd and seconded by Jay Parent. All Ayes.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills
The minutes from the July 6th special called meeting were reviewed with the Board. George and Superintendent James Noel were present. The minutes were reviewed and approved by a motion made by Brent Ladd and seconded by Jay Parent. All Ayes. The July financial statements were reviewed with a motion made by Brent Ladd and seconded by Jay Parent. All Ayes. The minutes from the August 2nd special called meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parent. All Ayes.

II. Roll Call and Recognition of Visitors
Commission Secretary / Director of Finance Tracy Musgrove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parent and Attorney with Attorney Todd Wetzel, Superintendent James Noel and Wastewater Plant Chief Operator Wes Brown. There were no visitors present.

I. Call to Order
Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, August 31, 2017 in the board room of the PWWC main office.

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – August 2, 2017**

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 4:00 P.M. on Wednesday, August 2, 2017 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parrent and Irl Stevens along with Attorney Todd Wetzel and Superintendent James Noel. There were no visitors present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the July 6th special called meeting were reviewed with a motion made by Pat George and seconded by Brent Ladd to approve the minutes with the reference to Mr. Noel as "Interim Superintendent" corrected to be just "Superintendent". All Ayes. The June end of year financial statements and the year to date comparisons were reviewed with a motion made by Jay Parrent and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The June bills were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve all bills. All Ayes.

IV. System Expansion / Old Business

- (a) Superintendent James Noel updated the Commission members on WTP clearwell project. The maintenance crew may attempt to install a metal plate to block the flow between the two clearwells in order to isolate one clearwell at a time versus the price-tag of \$17k which had been received for a sluice valve alone. Mr. Noel feels that by waiting until cooler months when the demand for water is less would be the best option should maintenance proceed with the project.
- (b) Mr. Noel updated the board regarding the installation of the fence around the maintenance building compound. After having to call the contractor back several times, the fence has now been completed to the satisfaction of the Superintendent. In addition, a camera system was also installed to hopefully deter the recent break-ins that have occurred at the site.
- (c) Mr. Noel was asked about the recent violations that had occurred at the WWTP and reported that the E Coli sampling was back to normal after the conversion from the peracetic acid testing back to chlorine.

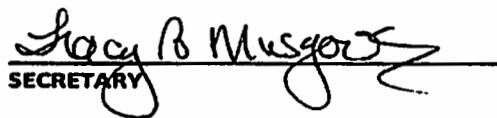
V. New Business

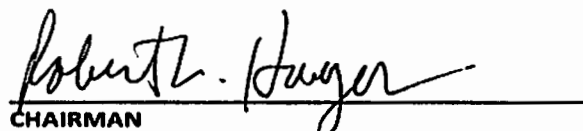
- (a) A brief overview of the sewer use ordinance was discussed as it related to private lift stations and whether the PWWC has the right to withhold water services if those lift stations were not being maintained properly. Ms. Musgove stated there was very brief language that would appear to allow the PWWC certain rights to withhold services should the health department fail to address the issues. There has recently been a lot of negative publicity addressed to the PWWC that should have been a private matter between the health department and the owner's of the local Marathon convenience store on Hwy 62W.
- (b) Chairman Hayes and Ms. Musgove briefed the members of an ongoing situation regarding the county water department and its high water usage during a period of approximately 15 months. County officials have placed blame on the change out of master meters and the fact they were supposedly reading in cubic feet versus gallons. However, the PWWC rate codes were internally changed to gallon calculations at the appropriate time and had the reading been given in cubic feet, the county would have been underbilled versus overbilled. Therefore, after a meeting with officials from both sides, it was decided the county had not made a sufficient case for PWWC to consider a refund of any amount.

VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – August 31, 2017**

I. Call to Order

Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, August 31, 2017 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George, Jay Parrent and Irl Stevens along with Attorney Todd Wetzel, Superintendent James Noel and Wastewater Plant Chief Operator Wes Brown. There were no visitors present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the August 2nd special called meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve the minutes as written. All Ayes. The July financial statements were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The July bills were reviewed with a motion made by Jay Parrent and seconded by Brent Ladd to approve all bills. All Ayes.

IV. System Expansion / Old Business

- (a) WWTP Chief Operator Wes Brown presented facts regarding the need for a new grit basin, aeration in the sludge basins and VFD drives at the WWTP. The current grit basin has been out of commission for several years and the plant is showing damage to impellers and other critical components because of this area being off-line. H&A Resources has notified us that it would be difficult to meet certain vector standards of land farming due to lack of aeration in the sludge. Finally, the VFDs would allow the plant to be optimized and would cut electricity costs and increase life of the motors. Steve Capps from KRWA recently completed an energy conservation survey and is preparing a cost/benefit analysis on the VFDs. The Commission asked about engineering and costs related to these upgrades and Mr. Noel stated H&D should have a proposal for the next meeting.
- (b) Superintendent James Noel updated the Commission members on WTP clearwell project. Due to chlorine gas being utilized in a confined space, employees were trained on self contained breathing apparatus. The minutes per tank of oxygen do not allow for long periods of strenuous activity and Mr. Noel feels this project is no longer considered to be practical for the maintenance crew to undertake. H&D will prepare cost estimates on this project and will have for the next meeting along with the aforementioned WWTP expenditures. Mr. Noel was reminded to keep Jackie Logsdon with DOW updated about the clearwells.
- (c) Mr. Noel presented estimates from companies on two other water treatment repair projects. The chlorine gas system needs to be upgraded and/or repaired and CD Environmental has quoted automatic switchover regulators for pre and post chlorination at a total cost of approximately \$12,000. A motion was made by Irl Stevens and seconded by Brent Ladd to proceed with this bid. All Ayes. Veolia Water Technologies had estimated a cost of \$7732.24 per each of the lamella modules in each train at the WTP. A motion was made by Brent Ladd and seconded by Pat George to proceed with this repair project. All Ayes.

V. New Business

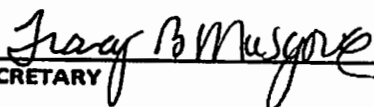
- (a) A brief discussion of whether to continue allowing "deduct" meters used mainly by restaurants for their ice machines was held. Mr. Noel stated he would rather phase out this practice since leftover drinks/ice are poured down sinks and treated at some point in time. Commission members agreed and the issue was tabled.
- (b) Superintendent Noel briefed the members on two recent hires at each of the treatment plants for operator trainees. Additionally, several existing employees are getting certifications and the plan is to incentivize all employees to continue certification processes and to become better trained. Finally, Phillip Manning has been recently utilized in a part time capacity to fill in for vacations at the WTP. He has approached the Superintendent about a full time position and a meeting will be held to explore his reasons for leaving and his future with the department.

VI. Adjourn

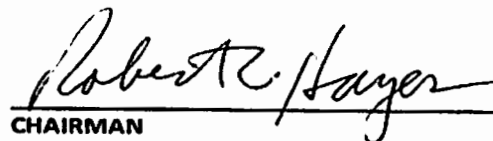
There being no further business to discuss, Irl Stevens made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY


Tracy Musgove

CHAIRMAN


Robert Hayes

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – September 26, 2017**

I. Call to Order

Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Tuesday, September 26, 2017 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George and Irl Stevens along with Attorney Todd Wetzel, Superintendent James Noel. Commissioner Jay Parrent was absent with prior notification. Mayor Beavers joined the session shortly after roll call.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the August 31st regular meeting were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. The August financial statements were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the financial statements as presented. All Ayes. The August bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve all bills. All Ayes.

IV. System Expansion / Old Business

- (a) A meeting was held with Barbara Gillum of USDA to review outstanding items still needed prior to letting the project out for bid. Ms. Musgove confirmed that should the bids on the RD project come in satisfactory and funds are available, the WTP clearwell and surge tank improvements can be added if funds are available. Principal payments that have been made on the KIA loan being retired with the RD proceeds are enough to pay for this improvement.
- (b) At the last meeting, WWTP Chief Operator Wes Brown offered facts regarding the need for a new grit basin, aeration in the sludge basins and VFD drives at the WWTP. H&D roughly projected a cost of \$750k for improvements to all except the VFD drives. At this pricetag, outside financing of some sort would be necessary. Before pricing the VFDs, we would like to receive the cost/benefit analysis completed by KRWA representative Steve Capps who recently completed an energy conservation survey and is supposedly preparing such a report.
- (c) Superintendent James Noel updated the Commission members on WTP clearwell project. Since we are no longer considering an internal labor alternative, Hethcoat & Davis have prepared an estimate which includes the surge tank and clearwell at a projected cost of \$282k. Mr. Noel spoke to Jackie Logsdon with DOW about the possibility of delaying the clearwell improvements until the new RD project is underway to hopefully be able to utilize all potential funds and was given the go ahead since we are actively pursuing a fix to the problem.

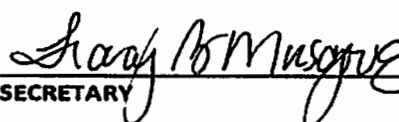
V. New Business

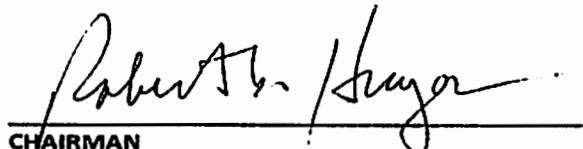
- (a) Ms. Musgove informed the commission that the three year term Thurman and Campbell had on the audit expired as of June 30, 2017 and a new bid should be sent to prospective firms. A motion was made by Brent Ladd and seconded by Irl Stevens to issue an RFP for audit services for the next three to five years. All Ayes.
- (b) Superintendent Noel briefed the members on findings regarding fire protection at local industrial sites. TreeHouse Foods actually has a water tank that is unmetered and which they fill at will without notice. An instance of them filling the tank recently caused a pressure drop in the 62W business area which led to the discovery that the water being used was not metered and was not being counted or billed. Superintendent Noel stated that other fire protection lines were also not metered and this could help us account for additional water loss. Mayor Beavers stated it is hard to get industry and since the dollar amount projected at being used is so small he suggested we allow as long as they comply with notification and the usage doesn't increase.
- (c) A new schedule of miscellaneous billing rates was presented by Mr. Noel and Ms. Musgove with the main difference being an increase in labor rates from \$40/hour to \$50/hour and the addition of some other equipment that is used for projects. A motion was made by Brent Ladd and seconded by Pat George to adopt the new rate schedule as presented. All Ayes. *(A copy of the new schedule is included in the minute book for reference)*

VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater
Miscellaneous Billing Rates**

POLICY # A-120914

AMENDED DATE: September 26, 2017

The following rate(s) changes have been made to POLICY # A-120914 and shall become effective as of September 26, 2017.

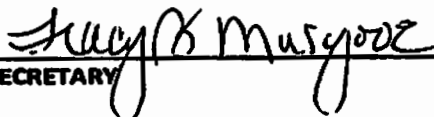
Description	Rate
Meter Deposit Residence / Small Commercial	\$ 200
Meter Deposit Large Commercial	\$ 500
Water / Sewer Tap Fee	Greater of \$ 500 or Time + Equip + Materials*
5/8" Water Meter Setting	Greater of \$ 800 or Time + Equip + Materials*
Larger Water Meter Setting	Greater of \$ 1,000 or Time + Equip + Materials*
Sewer Laterals	Greater of \$ 1,500 or Time + Equip + Materials*
Site Dressing – topsoil, smooth, seed & straw (optional on meter settings and sewer taps)	Greater of \$100 or Time + Equip + Materials*
Man Hours (regular)	\$ 50 / hour / man
Man Hours (overtime)	\$ 75 / hour / man
Service Call / Investigation Charge/ (regular hours)	\$ 50 per call
Service Call / Investigation Charge (overtime hours)	\$ 75 per call
Connection Fee (upfront new customer)	\$50
Disconnect / Reconnect Fees – <i>if employees make trip to disconnect and customer pays, customer will still be assessed a trip charge of \$35.</i>	\$70
Returned Checks	\$35
Backhoe	\$ 75 / hour + Man Hours
Air Compressor	\$ 40 / hour + Man Hours
Dump Truck	\$ 50 / hour + Man Hours
Sewer Machine	\$100 / hour + Man Hours
Tractor	\$ 40 / hour + Man Hours
WB TILLER	\$20/HOUR + MAN HOURS
Camera Inspection	\$130 for first hour \$ 25 / hour + Man Hours 2 men min
WB Road saw	\$ 35 / hour + Man Hours
Materials	Cost + 30% markup
*- On all rates where Materials are part of the final cost, the 30% mark-up will apply.	

Service Call / Investigation Charge: Will be assessed when a customer requests PWWC personnel to investigate a service issue and produce a consumption profile and it is determined the problem is a result of the customer's own plumbing facilities, beyond the delivery point of the PWWC.
The Superintendent will be responsible to update the rates and present recommendations for approval by Commission members if changes are necessary.

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – October 26, 2017**

- I. **Call to Order**
Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, October 26, 2017 in the board room of the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Pat George along with Attorney Todd Wetzel, Superintendent James Noel. Commissioners Jay Parrent and Irl Stevens were absent with prior notification.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the September 26th meeting were reviewed with a motion made by Pat George and seconded by Brent Ladd to approve the minutes as written. All Ayes. The September quarterly financial statements were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The September bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve all bills. All Ayes.
- IV. **System Expansion / Old Business**
Superintendent Noel updated those in attendance on the items remaining for the USDA loan. The updated contract from Caldwell County Water District remains an outstanding item.
- V. **New Business**
- (a) Ms. Musgove presented the 2016 audit. A motion was made by Brent Ladd and seconded by Pat George to accept the audit as presented. All Ayes.
 - (b) Ms. Musgove also went over the 2018 rates for the employee's health insurance which resulted in a minimal increase < 2%. A motion was made by Brent Ladd and seconded by Pat George for the PWWC to continue paying the premium of the full family policy of the KEHP Livingwell CDHP plan for all full time employees. All Ayes.
 - (c) Holiday pay was discussed with a total of \$12,250 approved for payout with a motion made to the effect by Brent Ladd and seconded by Pat George. All Ayes. It was decided to move forward with the regularly scheduled November 30th meeting but to skip the December meeting due to holidays.
- VI. **Executive Session and Adjourn**
A motion was made by Brent Ladd and seconded by Pat George to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing a potential litigation matter. All those present voted affirmatively, whereupon the Commission entered into closed session. Upon conclusion of the discussion in closed session, a motion was made by Brent Ladd and seconded by Pat George to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session. There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:




SECRETARY

CHAIRMAN

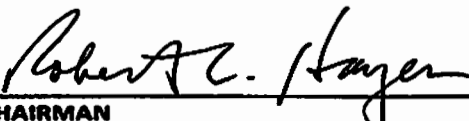
**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – November 30, 2017**

- I. **Call to Order**
Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, November 30, 2017 in the board room of the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. All Commission members were present which included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens, and Jay Parrent along with Attorney Todd Wetzel and Superintendent James Noel.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the October meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The October financial statements were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the financial statements as presented. All Ayes. The October bills were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve all bills. All Ayes.
- IV. **System Expansion / Old Business**
Superintendent Noel stated we were still waiting on approval from the County Water District of the new contract which is a requirement to move forward with the USDA project. Ms. Musgove stated she had spoken with Chairperson Pat Fralick about the contract two days before and she mentioned her board had issues with the new contract. Therefore, Ms. Musgove took the old contract and typed it into a word document with new language concerning the term but keeping the old minimums and maximums. This was sent via our attorney, Mr. Wetzel, to Ms. Fralick, Jimmy Littlefield and Attorney Dailey Wilson who are supposedly to meet on the subject next week. Upon a motion made by Brent Ladd and seconded by Irl Stevens, all members voted affirmatively to accept the new contract as presented. Ms. Musgove is to notify Ms. Fralick of the approval by our Board and of the fact that this is also holding up a planned improvement by the University of Kentucky Agriculture Center. Mr. Noel stated that the UK pre-bid meeting is scheduled for December 14th and it would be good if we could report that the project is moving forward and the contract is complete.
- V. **New Business**
- (a) Mr. Noel presented his monthly Superintendent's report to all members. He reported on the completed capital improvements and repairs at the WTP which included new settling tubes, filter media and replacing all nuts and bolts in the pipe gallery due to excessive corrosion. Other items discussed were the energy audit completed by KRWA and the recommended use of VFD's at the plants; fire protection lines and the fact they are unmetered; BodyCote's request to have a new line laid separating itself from Special Metals; and the PADD call for projects. Mr. Noel stated that going forward, it is hoped to have new projects include both water and sewer lines combined in order to minimize disruption in the same areas over and over.
 - (b) Ms. Musgove went over changes recommended by the Superintendent for the employee handbook. Changes included updating the On-Call Time schedules to reflect the actual schedule of the maintenance department; eliminating the maximum hours that can be accumulated in medical leave; deleting references to zero tolerance of personal use of computers and giving supervisors discretion to decide whether abuse is occurring; and clarifying the fact that employee benefits now include dental and vision but that all plans are subject to review and modification annually. Lastly, a change was proposed concerning the treatment plant employees that must work on holidays. It was decided that in instances where employees actually work on the holiday, they shall be given 12 hours (i.e. time and 1/2) in lieu of the 8 hours as defined previously. A motion was then made by Jay Parrent and seconded by Brent Ladd to incorporate all of the proposed changes into the employee handbook. All Ayes.
 - (c) It was decided that the December meeting would be cancelled due to the holidays and the next regular meeting would be held Thursday, January 25, 2018.
- VI. **Adjourn**
There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

PRINCETON WATER & WASTEWATER

COMMISSION MEETINGS
JULY 27, 2000

The Princeton Water & Wastewater Commission met in regular session on July 27, 2000. The meeting was called to order by Chairman Jim Bob Kevil. Those present for the meeting were: Jim Bob Kevil, Sam Koltinsky, Henry Smith, Joe Baker and Virginia Routen. Commissioners Banister (on vacation) and Crisp (out-of-town business meeting) were not in attendance.

There were no visitors at meeting other than Newspaper Representative Jared Nelson.

A motion by Sam Koltinsky and seconded by Henry Smith to approve minutes of previous meeting as printed. All ayes.

A motion by Henry Smith and seconded by Sam Koltinsky to approve financial statements as given by Superintendent Routen and in written form. All ayes.

A motion by Henry Smith and seconded by Sam Koltinsky to approve bills as given in written report. All ayes.

Superintendent Routen gave report on system expansion. We have received formal notification from KIA that our 1.5 million dollar loan has been approved by their board. Also, we had pre-closing on RD Loan and Grant this date A.M. for 1.458 million dollar loan and \$900,000 Grant. We can make first draw on RD Loan next month which will give us monies we have expensed out in the past and also cover new Engineering Invoices and Legal Fees. Quest Engineer George Woolwine had told Superintendent Routen that RD would mainly be used for Engineering Fees and other Administrative bills while KIA would be used for construction totally and then RD would pick up remainder of construction bills. Attorney Baker said that the City Council would have to give Superintendent authorization to be the signer for all bills concerning project.

The rate analysis study is still in process but Quest knows it will be ready by the next regular monthly meeting in August 2000. Rates will then have to be approved by City Council at their meeting in September which will allow rates to go into effect October 1, 2000 if approved. Commissioner Koltinsky asked a question concerning if rate would apply to total bill or only the water portion of bill. Superintendent Routen explained that the increase would be on the water(WA) portion of bill only and not on sewer(SW) or trash(SA). The rate will effect also the 3% Utility Tax rate which is based on water only and also if State Tax applies because it is based on water, sewer and utility tax.

Attorney Baker had the second reading of Pretreatment Regulation #6-22-00. Motion by Henry Smith and seconded by Sam Koltinsky to pass regulation as read. All ayes. Regulation was given to Newspaper Representative to have printed in next newspaper date. A copy will be send to Pretreatment Section of Division of Water for their records.

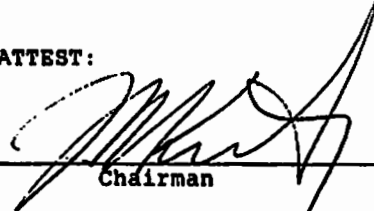
Superintendent Routen reported that RD had required a Fidelity Bond be taken out in the amount of \$250,000 for Construction Account until construction is completed and then could be reduced to \$81,000 per year. Bond is in process of being obtained from Woodall Agency.

Superintendent Routen reported that Farm Bureau Insurance had settled with our company on the wreck that involved their client who was at fault and our company vehicle 1986 GMC S-15. The truck was a total loss and settlement was for \$2,786.00. The need for a replacement truck will be looked at in the future.

Superintendent Routen told the members that the County Water Superintendent, Harley Lowery, had asked her about whether the board was going to furnish water on Highway 139 South for the property purchased by Southside Baptist Church for their new building. The County is getting ready to provide water in that area for some county customers. The property in question is in City Limits and there is sewer available to this property. The board discussed this matter at length. Attorney Baker made a suggestion that since we are going to require them to be on sewer that we have them as a customer when the need for a water line develops. All board members were in agreement with this suggestion. This would also allow them to have fire protection which if given to county for their customers they would not have.

A motion to adjourn was made by Henry Smith and seconded by Sam Koltinsky. All ayes.

ATTEST:


Chairman


Superintendent



**PRINCETON WATER & WASTEWATER
COMMISSION MEETING
August 24, 2000**

The Princeton Water & Wastewater Commission met in regular session on August 24, 2000. The meeting was called to order by Chairman Jim Bob Kevil. Those present for the meeting were: Jim Bob Kevil, Kelly Crisp, Sam Koltinsky, Barry Banister, Henry Smith, Joe Baker and Virginia Routen.

A motion was made by Henry Smith and seconded by Sam Koltinsky to approve the minutes of the previous meeting. All Aye.

A motion was made by Sam Koltinsky and seconded by Henry Smith to approve all bills. All Aye.

A motion was made by Sam Koltinsky and seconded by Henry Smith to approve all financial statements. All Aye.

George Woolwine of Quest Engineers explained to the commission that it would be necessary to implement an increase in the water rates, and that the PW&W had not had an increase in water rates since 1983. In closing, Mr. Woolwine informed the commission that after evaluating the available information, it would be necessary to increase the water rates 40%.


Mickey-D submitted a bid for \$5,050.00 for the sludge truck. After a brief discussion, the commission decided to table the matter, and asked that George Woolwine check with disposal facilities in Tennessee for any interest in the truck. Supt. Routen is to inform Mike Donaldson (owner of Mickey-D) of the decision and to ask him if he is willing to wait until the commission searches for any other interested persons.

Chairman Kevil recognized visitor Barbara Thomas. Ms. Thomas addressed the commission and explained that she had previously been placed on the "special billing" list. However, because of delinquent payments, Ms. Thomas had been removed from the list and had been placed in the regular billing cycle. She asked that she be placed back on the special billing list. Supt. Routen explained that when Ms. Thomas signed up for special billing she had agreed to pay the bill by the 10th of each month, and if ever delinquent that she would revert to the regular billing cycle. Ms. Thomas was delinquent in December 1999 and in August 2000. In December, Supt. Routen reminded Ms. Thomas of the payment requirements. She also informed her that she would be removed from special billing if she was ever delinquent again. Supt. Routen informed the commission that other customers had been removed from the list because of making delinquent payments. Ms. Thomas informed the commission that she received a monthly disability check, and that she also had income from another source. In order to be eligible for special billing, a customer may have only one source of income. The commission decided that Supt. Routen had acted correctly in removing Ms. Thomas from special billing.

A motion was made by Kelly Crisp and seconded by Henry Smith to adjourn. All Aye.

ATTEST:

Chairman



Secretary



PRINCETON WATER & WASTEWATER
SPECIAL CALLED
COMMISSION MEETING
September 27, 2000

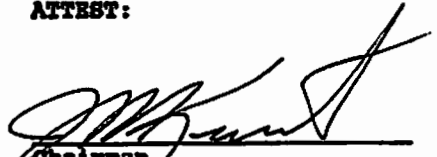
The Princeton Water & Wastewater Commission met in a special called session on September 27, 2000. The meeting was called to order by Chairman Jim Bob Kevil. Those present for the meeting were: Jim Bob Kevil, Kelly Crisp, Barry Banister, Joe Baker and Virginia Routen. Commission members not present, but with prior notification were Sam Koltinsky and Henry Smith.

The meeting was called for the specific purpose of approving the first reading of Regulation No.: 9-27-2000. This regulation provides for the adjustment of water rates charged by the City of Princeton Water and Sewer Commission for the public and private use of the municipal water system through the amendment of rate schedules adopted in Regulation No.: 12-14-92.

A motion was made by Kelly Crisp and seconded by Barry Banister to approve the first reading of Regulation No.: 9-27-2000. All Aye.

A motion was made by Kelly Crisp and seconded by Barry Banister to adjourn. All Aye.

ATTEST:


Chairman


Secretary

**PRINCETON WATER & WASTEWATER
COMMISSION MEETING
September 28, 2000**

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The Princeton Water & Wastewater Commission met in regular session on September 28, 2000. The meeting was called to order by Chairman Jim Bob Kevil. Those present for the meeting were: Jim Bob Kevil, Kelly Crisp, Sam Koltinsky, Barry Banister, Joe Baker and Virginia Routen. Commission member Henry Smith was absent due to illness.

A motion was made by Sam Koltinsky and seconded by Kelly Crisp to approve all financial statements and bills. All Aye.

Superintendent Routen informed the commission that monthly project meetings would be held on the first Friday of each month at the water treatment plant. The meetings would be held to approve all bills incurred as well as review the project.

A motion was made by Kelly Crisp and seconded by Sam Koltinsky to approve the second reading of Regulation No.: 9-27-2000. All Aye.

A motion was made by Kelly Crisp and seconded by Sam Koltinsky to change the guaranteed amount for Lyon County Water District from 3.0MG to 5.0MG per month once the upgrade of the water treatment plant is completed, however, the new rates would go into effect on November 1, 2000. All Aye. Caldwell Co. Water District amount will remain the same as in Nov. 1998 contract.

*WJC
CORRECTION*

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Supt. Routen informed the commission that a representative of the Kentucky Retirement Systems (Pension) had visited and had given her information about the County Employees Retirement System. Commission members advised Supt. Routen to check further into the plan.

A motion was made by Sam Koltinsky and seconded by Barry Banister to adjourn. All Aye.

ATTEST:


Chairman


Secretary

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**Princeton Water & Wastewater
Commission Meeting
August 22, 2002**

The Princeton Water & Wastewater Commission met in regular session on August 22, 2002. Chairman Jim Bob Kevill called the meeting to order. Those present for the meeting were: Jim Bob Kevill, Sam Koltinsky, Barry Banister, and Virginia Routen. Absent with prior notification, were commission members Henry Smith and Kelly Crisp. Also absent was Attorney Todd Wetzel.

A motion was made by Sam Koltinsky and seconded by Barry Banister to approve the minutes of both the July 25, 2002 and July 29, 2002 meetings. All Ayes.

A motion was made by Sam Koltinsky and seconded by Barry Banister to approve all financial statements and bills. All Ayes.

Superintendent Routen informed commission members that representatives from Quest as well as officials from Frankfort are planning to visit the water treatment plant in September for a final walk-through of the plant. She also said that a balance of \$96,597.54 is remaining from the R.D. Grant.

Supt. Routen told commission members that a bid had been received from Industrial Piping, Inc. for the relocation of the sewer main at the Princeton Electric Plant Board. The bid was \$12,450.00. PW&W will pay half of the bid price (\$6,225.00) for the relocation of the line.

Commission members directed Supt. Routen to renew the 1997 DSR certificate of deposit for \$269,000.00 for one year.

Supt. Routen informed the commission that she had spoken with the Division of Water concerning the variance for sludge removal at the WTP. The variance was denied, however, she was directed to call engineers for a possible alternative solution for the sludge. She said that she had spoken with George Woolwine of Quest Engineers. He is looking for an alternative solution to the problem.

Commission members directed Supt. Routen to contact the Public Service Commission in reference to a letter that was sent to them from the Caldwell County Water Dist. regarding the upcoming new water rates. Commission members requested that she ask what plans or direction (if any) the PSC intends follow in response to the letter.

A motion was made by Barry Banister and seconded by Sam Koltinsky to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Special Called
Commission Meeting
September 11, 2002**

The Princeton Water & Wastewater Commission met in a special called session at 6:00p.m. on September 11, 2002. Chairman Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Sam Koltinsky, Barry Banister, Henry Smith, Kelly Crisp and Virginia Routen. Absent with prior notification was Attorney Todd Wetzel. The purpose of the special called meeting was to meet with representatives of the Caldwell County Water District board to review the recent rate increase of PW&W and to request the withdrawal of the letter that was sent from the county water district to the Public Service Commission requesting intervention of the rate increase by PW&W.

Visitors present were: Caldwell Co. Water District Board Chairman, Gary Fuller, and board member Louise Rowland. C.P.A. Rick Williams and Tyler Beshear. Also present for the meeting were, Mayor Danny Beavers, and Times Leader representatives, Jared Nelson and Stacey McCaslin.

Chairman Kevil turned over the floor to Rick Williams for presentation. Mr. Williams gave a general overview in which he explained the new rates. He also provided a handout that was divided into four sections: Historical Figures, Future Projection, and Projected Cash Flow with and without the rate increase. The future projections provided were through FY 2011. It was pointed out that in the year 2010 PW&W will have bonds on the WWTP paid in full, cash reserves will be freed up. The report provided showed that with the rate increase, there should not be a need for another rate increase in the near future.

Supt. Routen stated that she felt the presentation provided justification for the rate increase. She requested that the Caldwell Co. Water Dist. representatives review the facts provided with the other members of that board so that hopefully they would decide to, based on the facts and information provided, withdraw the letter that was sent to the Public Service Commission. She also noted that Lyon Co. Water District had the same increase passed to them, and they had informed her that they would not protest the new rates. She also requested that a decision be reached as soon as possible since the first deadline with PSC is September 27, 2002.

County Water Dist. Chairman Fuller stated that he would take the information to the County Water Dist. Board for a decision. The board is scheduled to meet on Sept. 12, 2002. He also stated that he would like to check to see what effect the PW&W rates would have on the county rates. He said that the current county rates are among the highest in the state of Kentucky, therefore another increase would be difficult to justify.

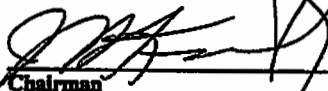
Reporter McCaslin asked if the PW&W budget committee had taken into consideration raising rates at intervals instead of at one time. Mr. Williams stated this had been discussed, but it was decided that the one-time increase would be best.

Mayor Beavers stated that the State of Kentucky, Division of Water had told representatives from Princeton (several years ago), that Princeton rates would have to be increased before any consideration would be given to the community for any loan or grant monies.

After a moderate discussion, Mr. Williams offered to attend the Caldwell Co. Water District meeting to explain the rates to all members of the board if they so desired. His offer to attend was declined.

A motion was made by Henry Smith and seconded by Kelly Crisp to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Special Called
Commission Meeting
October 11, 2002**

The Princeton Water & Wastewater Commission met in a special called session on October 11, 2002. Chairman Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Sam Koltinsky, Barry Banister, Kelly Crisp, Todd Wetzel and Virginia Routen. Absent was commission member Heary Smith. The meeting was held for the purpose of filing a joint motion between PW&W and the Caldwell County Water District to the Public Service Commission, and to approve a new water purchase contract between PW&W and the Caldwell County Water District.

A motion was made by Barry Banister and seconded by Sam Koltinsky to authorize Attorney Todd Wetzel to file a joint motion to the Public Service Commission with Attorney Bill Adams contingent on the acceptance of a new water service contract. All Ayes.

A motion was made by Kelly Crisp and seconded by Sam Koltinsky to approve the execution of the new water service contract with the modifications as indicated in the contract, and to authorize Supt. Routen to sign the contract. All Ayes.

A motion was made by A motion was made by Kelly Crisp and seconded by Barry Banister to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Commission Meeting
October 24, 2002**

The Princeton Water & Wastewater Commission met in regular session on October 24, 2002. Superintendent, Virginia Routen called the meeting to order. Those present for the meeting were: Sam Koltinsky, Barry Banister, Henry Smith, Todd Wetzel and Virginia Routen. Absent with prior notification were commission members Jim Bob Kevil and Kelly Crisp

A motion was made by Sam Koltinsky and seconded by Henry Smith to approve the minutes of the regular, September 26, 2002 meeting and the special called, October 11, 2002 meeting. All Ayes.

A motion was made by Henry Smith and seconded by Sam Koltinsky to approve all financial statements and bills. All Ayes.

A motion was made by Henry Smith and seconded by Barry Banister to combine the November and December regular monthly meetings and to move the meeting date to December 12, 2002 @ 3:30p.m. All Ayes.

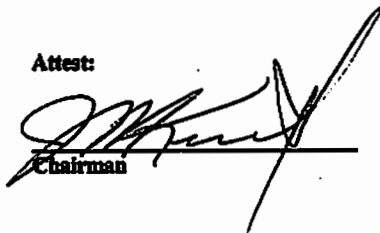
A motion was made by Henry Smith and seconded by Barry Banister to authorize Supt. Routen to renew all of the maturing C.D.'s for a period of one year. All Ayes.

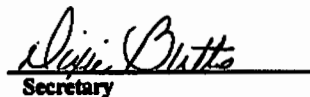
A motion was made by Henry Smith and seconded by Sam Koltinsky to approve holiday vouchers for PW&W employees in the amount of \$100.00. All Ayes. The vouchers will be distributed around November 15, 2002.

A motion was made by Barry Banister and seconded by Henry Smith to approve the first reading of Regulation 07-25-02 with the amendment to Section 3 (wholesale rate). The amendment will eliminate the minimum bill of \$194.00 per 10,000 cubic feet and the new rate will be \$1.43/100 cubic feet for all usage. The second reading will take place during the meeting scheduled for December 12, 2002. All Ayes.

A motion was made by A motion was made by Henry Smith and seconded by Barry Banister to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Commission Meeting
May 23, 2002**

The Princeton Water & Wastewater Commission met in *regular* session on May 23, 2002. Those present for the meeting were: Jim Bob Kevil, Barry Banister, Kelly Crisp, Todd Wetzel and Virginia Routen. Absent with prior notification was commission member Sam Koltinsky. Also absent was commission member Henry Smith.

A motion was made by Kelly Crisp and seconded by Barry Banister to approve the minutes of the previous monthly meeting as well as the minutes of the May 17, 2002 special called meeting. All Ayes.

A motion was made by Kelly Crisp and seconded by Barry Banister to approve all financial statements and bills. All Ayes.

The commission gave Superintendent Routen permission to pay the final bills of the WTP upgrade project after she receives confirmation that release of all liens against Judy Construction have been released and that the (2) two-year warranty on the sand pumps/mixer has been extended. The original warranty began on October 1, 2001.

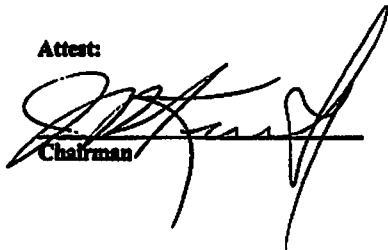
The commission was presented with copies of a letter that was sent to Attorney Wetzel. The letter was in reference to the Linton Hill property. A representative of the family has agreed to visit Princeton and meet with city representatives concerning the property. The commission agreed to wait on any further action regarding the property until after meeting with the family, which is tentatively scheduled to be during August of this year.

Supt. Routen informed the commission that due to their request, she had contacted and met with several different engineers. She told commission members that she had explained the PW&W system to the engineers and had taken them to the present water storage tank sites. The engineers that have met with Supt. Routen and/or commission members are Florence & Hutchinson, McGee Engineers, and Howard K. Bell. No definite comments were made concerning engineers, however, commission member Kelly Crisp stated that he wanted to keep the options of the commission "open."

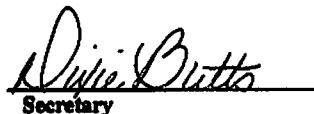
Supt. Routen told the commission that she has contacted Rick Williams and that he and Tyler Beshear are in the process of reviewing the present usage rates of the water department. She hopes to have some figures available within the next week. The figures should indicate whether a rate increase is necessary, and how much the rate increase should be. Chairman Kevil asked that she and Rick Williams study the information to determine whether or not expenses could be cut in any area. Commission members were also informed that the budget for the new fiscal year may not be available for approval before July 1, 2002.

A motion was made by Barry Banister and seconded by Kelly Crisp to adjourn. All Ayes.

Attest:



Chairman



Secretary

**Princeton Water & Wastewater
Commission Meeting
July 25, 2002**

The Princeton Water & Wastewater Commission met in regular session on July 25, 2002. Chairman Jim Bob Kevill called the meeting to order. Those present for the meeting were: Jim Bob Kevill, Kelly Crisp, Sam Koltinsky, Barry Banister, Todd Wetzel, and Virginia Routen. Absent with prior notification, was commission member Henry Smith.

Chairman Kevill recognized visitor Jim Parsley. Mr. Parsley expressed his interest in obtaining/purchasing the water tank that is presently located on Linton Hill once the tank is replaced. He explained that he wishes to relocate the tank to Hayes Spring so that he can use the tank to store water himself. The commission noted his interest as well as explained to Mr. Parsley that such plans for the tank are premature at this time. However, they also instructed him to contact Supt. Routen, or to read updates in the local paper so he might be able to follow the planning progress for any new PW&W water storage project.

A motion was made by Kelly Crisp and seconded by Sam Koltinsky to approve the minutes of the previous meeting. All Ayes.

A motion was made by Barry Banister and seconded by Kelly Crisp to approve all financial statements. All Ayes.

After a moderate discussion of the bills, commission members directed Superintendent Routen to explore any option(s) available so as to obtain a variance for the sludge in the lagoons at the water treatment plant. The commission noted that the cost of sludge removal is an extremely exuberant amount that is placing a hardship on PW&W.

A motion was made by Kelly Crisp and seconded by Barry Banister to approve all bills. All Ayes.

Supt. Routen asked the commission for permission to transfer funds from the Depreciation Account to the Revenue Account so that enough money will be available to pay monthly obligations. She estimated that between \$100,000.00 - \$125,000.00 will have to be transferred. A motion was made by Sam Koltinsky and seconded by Barry Banister to give permission for the transfer of necessary funds from the Depreciation Account to the Revenue Account. All Ayes.

Supt. Routen informed commission members that Judy Const. and other contractors will be at the water treatment plant during the month of August to inspect the upgrade at the plant. State representatives will be visiting the plant during September. Supt. Routen also informed the commission that the plans for the relocation of the line at the electric plant board have been submitted to the state for approval.

Commission members advised Supt. Routen to not sign the final payment voucher for the city/county water line project until the project has been completed and the water line has been extended to the Giannini property as it was in the bid of the project and described on the maps for the water line project.

Attorney Todd Wetzel read the first reading of Regulation # 07-25-02. This is a regulation providing for the adjustment of water and sewer rates charged by the city of Princeton water and sewer commission for the public and private use of the municipal water and sewer system through the amendment of rate schedules adopted in regulation no. 09-27-00 (water) and 06-22-95 (sewer).

A special called meeting was arranged for Monday, July 29, 2002 at 3:30p.m. for the purpose of the second reading of Regulation # 07-25-02. Attorney Wetzel advised that a notice be printed in the local Saturday paper concerning the special called meeting.

A motion was made by Sam Koltinsky and seconded by Kelly Crisp to adopt the proposed budget as the budget for FY2002-2003. All Ayes.

Supt. Routen submitted a listing of miscellaneous billing rates. She advised that some of the rates had been increased, but some of the rates had remained the same. After a brief discussion, commission member Kelly Crisp expressed that he felt that the hourly charge had not been increased enough to cover expenses. He suggested that the rate be increased


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July 25, 2002

to the amount of \$25.00 per hour. A motion was made by Barry Banister and seconded by Kelly Crisp to approve the submitted miscellaneous billing rates as proposed by Supt. Routen with the exception that the hourly labor rate be changed to \$25.00 per hour. All Ayes.

A motion was made by Barry Banister and seconded by Kelly Crisp to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Special Called
Commission Meeting
July 29, 2002**

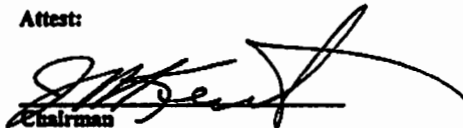
The Princeton Water & Wastewater Commission met in a special called session on July 29, 2002. Chairman Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Kelly Crisp, Sam Koltinsky, Barry Banister, Todd Wetzel, and Virginia Routen. Absent with prior notification, was commission member Henry Smith.

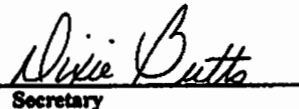
The special called meeting was held for the purpose of approving the seconding of Regulation No. 07-25-02 which is a regulation providing for the adjustment of water and sewer rates charged by the city of Princeton Water and sewer commission for the public and private use of the municipal water and sewer system through the amendment of rate schedules adopted in Regulation No. 09-27-00 (Water) and 06-22-95 (Sewer).

Chairman Kevil gave the second reading of Regulation No. 07-25-02. A motion was made by Kelly Crisp and seconded by Sam Koltinsky to approve the second reading of the regulation. All Ayes.

A motion was made by Barry Banister and seconded by Kelly Crisp to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Commission Meeting
April 22, 2004, 2004**

The Princeton Water & Wastewater Commission met in regular session on April 22, 2004. Chairman Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Barry Banister, Kelly Crisp, Sam Koltinsky, Henry Smith, Todd Wetzel, and Virginia Routen.

A motion was made by Henry Smith and seconded by Barry Banister to approve the minutes of the previous meeting. All Ayes.

A motion was made by Sam Koltinsky and seconded by Henry Smith to approve all financial statements. All Ayes.

A motion was made by Barry Banister and seconded by Henry Smith to approve all bills. All Ayes.

Superintendent Virginia Routen informed the commission that the first project meeting for the water storage tank has been held. The foundation for the tank has been poured. Hopefully, by April 28, 2004, all materials for the tank will be on site, and the erecting of the tank will begin. A motion was made by Henry Smith and seconded by Barry Banister to authorize Virginia Routen to approve a pay request for \$289.86. All Ayes.

Visitor, Betty Williams, of Cardinal Lane represented the residents of the area and voiced their concerns about the lift station located on Cardinal Lane. Ms. Williams explained that property owner Marlon Robertson had requested that the area adjacent to the lift station be re-zoned as commercial. In the opinion of the area residents, the lift station is already over-loaded, and can handle no more sewage. Supt. Routen also agreed that the lift station is over-loaded. She explained that she would not sign any approval that would allow Mr. Robertson to hook onto the sewer. She explained that Mr. Robertson, (as a developer) would be required to put in his own lift station. The commission directed Supt. Routen to draft a letter to the City Council informing them of the situation. Also, Supt. Routen said that she would try to attend the next scheduled City Council meeting so that she could answer any questions concerning the matter.

A motion was made by Henry Smith and seconded by Kelly Crisp to submit specs for a new replacement vehicle for Supt. Routen. The specs should be for a regular cab with two full doors and two 1/2 doors. All Ayes. Commission member Kelly Crisp also asked that Supt. Routen check to see whether a work package rebate offer is available.

After a moderate discussion of the proposed FY2004-2005 budget, and the proposed rate increase for water, the commission directed Supt. Routen to adjust the figures for the rate increase and budget while figuring in a 25% increase for sewer rates and a 50% increase on water rates, and to also include a rate increase for the wholesale customers.

The changes in the PWW Policy Handbook were tabled to the next monthly meeting.

A motion was made by Sam Koltinsky and seconded by Kelly Crisp to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Special Called
Commission Meeting
May 13, 2004**


The Princeton Water & Wastewater Commission met in special called session on May 13, 2004. Chairman Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Barry Banister, Sam Koltinsky, Todd Wetzel, and Virginia Routen. Absent due to illness was commission member Henry Smith. Also absent was commission member Kelly Crisp.

The special called meeting was held for the purpose of the first reading of Regulation No. 05-27-04. This regulation is a regulation providing for the adjustment of water and sewer rates charged by the city of Princeton water and sewer commission for the public and private use of the municipal water and sewer system through the amendment of rate schedules adopted in regulation 05-27-04 (water) and (sewer).

After Attorney Todd Wetzel completed the first reading of the regulation, several comments and concerns were heard from members of the community.

The meeting was adjourned by Chairman Jim Bob Kevil.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Commission Meeting
May 27, 2004**

The Princeton Water & Wastewater Commission met in regular session on May 27, 2004. Chairman Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Bob Hayes, Iris Brantley, Tracey Musgove, Doug Osting, Todd Wetzel, Virginia Routen.

Superintendent Routen acknowledged the resignation letters from previous commission members Kelly Crisp, Sam Koltinsky, and Barry Banister. She also welcomed the new commission members.

A motion was made by Doug Osting and seconded by Bob Hayes stating that Jim Bob Kevil remain Chairman of the Commission for an undetermined amount of time. All Ayes.

Visitor Betty Williams of Cardinal Lane announced to the commission that she is willing to donate land to the city for the rehabbing of the Cardinal Lane lift station.

A motion was made by Doug Osting and seconded by Tracey Musgove to allow Danny Sigler of the Athletic Center to hook onto the Cardinal Lane lift station. The motion was made with the provision that this is a "one-time" allowance, and that future developers will not be allowed to hook onto the lift station until after it has been rehabbed (preferably within the next year). All Ayes.

A motion was made by Bob Hayes and seconded by Iris Brantley to approve all financial statements. All Ayes.

A motion was made by Doug Osting and seconded by Bob Hayes to approve all bills. All Ayes.

After a moderate discussion concerning the water treatment plant upgrade, the commission requested that George Woolwine of Quest Engineers attend the next meeting with paperwork to substantiate expenses of the water treatment plant and the cost of operations for the plant.

Superintendent Routen reported a current cost to date total of \$199,151.71 for the water storage tank project. After discussing the project, a motion was made by Doug Osting and seconded by Bob Hayes to authorize Superintendent Routen to sign the current pay request for \$458,819.10. All Ayes.

A motion was made by Iris Brantley and seconded by Doug Osting to not approve Regulation No. 03-27-04. All Ayes.

The commission agreed to table the changes in the employee handbook.

A motion was made by Tracey Musgove and seconded by Doug Osting to go into closed session due to possible litigation. All Ayes.

A motion was made by Tracey Musgove and seconded by Bob Hayes to return to open session. All Ayes.

No action was taken during closed session.

The commission agreed to move the next monthly meeting to June 17, 2004 @ 4:30p.m.

A motion was made by Tracey Musgove and seconded by Iris Brantley to adjourn. All Ayes.

Attest:


Chairman


Secretary

**Princeton Water & Wastewater
Commission Meeting
September 23, 2004**

The Princeton Water & Wastewater Commission met in regular session on September 23, 2004. Commission Chairman, Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Bob Hayes, Iris Brantley, Tracy Musgove, Doug Osting, Todd Wetzel, and Virginia Routen.

A motion was made by Doug Osting and seconded by Tracy Musgove to approve the minutes of the previous meeting. All Ayes.

A motion was made by Bob Hayes and seconded by Doug Osting to approve all financial statements. All Ayes.

A motion was made by Doug Osting and seconded by Bob Hayes to approve all bills. All Ayes.

A motion was made by Bob Hayes and seconded by Doug Osting to authorize Superintendent Routen to pay the pay request from Caldwell Tanks for the amount of \$67,902.75. All Ayes.

Supt. Routen informed the commission that P.W.&W. has received a Notice of Violation from the Division of Water. During two testing periods, P.W.&W. was over on the allowable amount of Haloacetic Acids in the drinking water. She also informed the commission that there is no immediate risk to anyone who consumes the water. However, as a result of the violation, P.W.&W. will be mailing out explanations to the customers next week. Also, in order to help remedy the problem, Division of Water will require quarterly flushing of water hydrants rather than the regular semi-annual flushing. The flushing will be coordinated with the county water system so that they may flush their lines as well.

Commission member, Tracy Musgove presented the new proposed budget for FY 2004-2005. She also explained the new proposed rate increase for the customers of P.W.&W. During her presentation, she informed everyone that the rate increase was inevitable, and that the increase would be between 10% & 11% overall. She then answered questions from Mr. Gary Fuller who was present as a representative of the Caldwell County Water District. Mr. Fuller asked that he receive a copy of the data that was used in order to derive at the increased proposed rate for the county system.

Attorney Todd Wetzel read the first reading of Regulation No. 09/26/04 which is a regulation providing for the adjustment of water and sewer rates charged by the city of Princeton Water and Sewer Commission for the public and private use of the municipal water and sewer system through the amendment of rate schedules adopted in Regulation 07-25-02 water and sewer with section 3 amended 10-24-02.

A motion was made by Tracy Musgove and seconded by Iris Brantley to have a special called meeting on Thursday, September 30, 2004 @ 4:30p.m. in City Hall Chambers for the purpose of discussing the SCADA system cost for the P.W.&W. as well as for the second reading of Regulation No. 09/26/04.

After Attorney Wetzel read the second reading of Regulation #082604, which is a regulation amending sewer surcharge rates, a motion was made by Doug Osting and seconded by Bob Hayes to approve the reading and adopt the regulation. All Ayes.

A motion was made by Tracy Musgove and seconded by Bob Hayes to renew the C.D. in the Revenue account for \$30,000.00 and move the extra \$6,000.00 to the Depreciation account, and to renew the C.D. for the Equipment Replacement Fund account for \$173,000.00 and to keep \$2,284.00 cash in the account for a total of \$175,840.00, and to renew the Depreciation account C.D. for \$300,000.00. All Ayes.

A motion was made by Doug Osting and seconded by Bob Hayes to put the bid notice for the farm lease in the local newspaper. All Ayes.

The Commission instructed Maintenance Foreman, Joey Anderson to check on the total cost of installation of the SCADA system for the complete P.W.&W. He is to also discuss it at the next project meeting, and have the information available at the special called meeting.

A motion was made by Tracy Musgove and seconded by Doug Osting to go into executive session due to threatened litigation. All Ayes.

A motion was made by Bob Hayes and seconded by Doug Osting to return to open session. All Ayes.

No action was taken during executive session.

A motion was made by Iris Brantley and seconded by Tracy Musgove to adjourn. All Ayes.

Attest:



Chairman



Secretary

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**Princeton Water & Wastewater
Special Called
Commission Meeting
September 30, 2004**

The Princeton Water & Wastewater Commission met in a special called session on September 30, 2004. Commission Chairman, Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Bob Hayes, Iris Brantley, Tracy Musgove, Doug Osting, Todd Wetzel, and Virginia Routen. The purpose of the meeting was to perform the second reading of Regulation No 09/26/04 (Rate Increase), to report on the telemeter upgrade and also to discuss change order #2 for the water storage tank project.

Chairman Kevil requested that Attorney Wetzel read Regulation No 09/26/04. Following the second reading, a motion was made by Doug Osting and seconded by Bob Hayes to pass the regulation as read. All Ayes.

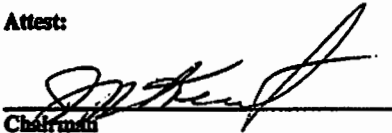
Maintenance Foreman, Joey Anderson introduced Jeff Morris, HTI, Inc. to the commission. Mr. Morris spoke to the commission regarding a new telemeter system. He had also prepared budgetary estimates so that the system could be installed during various stages. After his presentation, Commission member Tracy Musgove requested that Mr. Morris attend the next monthly meeting (October 28, 2004) and have information on what credit would be available for the equipment offered if PW&W decided to upgrade the system in the near future with the remaining proposal which would require a higher tech. system. The commission also requested that Quest Engineers review the information provided and provide their opinion on the system. Attorney Wetzel informed the commission that the threshold limit for not having to receive bids is \$20,000.00.


Superintendent Routen informed the commission of the need for Change Order #2 for the water storage tank project. A change order is needed so that additional time will be granted on the project completion date. The completion date will change from September 15, 2004 to November 21, 2004 (66 days). The original bid notice includes a figure of \$300.00/day of liquidated damages for each consecutive calendar day after the original date. For this project, a total of \$19,800.00 would be the monetary damages amount for the sixty-six day extension. In two previous project meetings, Caldwell Tanks had requested that "goods-in-kind" be given in place of money. Items mentioned included the following: fencing around the Linton Hill water storage tank, a fire hydrant on the water line to the new water storage tank, and overtime reimbursement to PW&W for the man hours required to manually run the new tank until the telemeter was installed. At another meeting, a charge of \$1,800.00 was given to change from a 100Amp electrical service to a 200Amp service.

After discussing the matter of the change order, the commission requested that Joey Anderson contact a local company (C & C Fencing) so that he could obtain an approximate cost of a fence for the Linton Hill tank and a price would be available for comparison to that cost given by Caldwell Tanks. The commission did agree that the \$1,800.00 electrical charge could be applied to the \$19,800.00 leaving a balance of \$18,000.00 to be discussed after more information is received. Apparently a fire hydrant is not needed since one is already included in the plans for the new water storage tank site, and over time hours may be minimal or not necessary at all. The commission asked that Quest Engineers not prepare the change order until notified by Supt. Routen as to its content.

A motion was made by Bob Hayes and seconded by Tracy Musgove to adjourn. All Ayes.

Attest:


Chairman


Secretary

PRINCETON WATER & WASTEWATER

Commission Meeting

August 24, 2006

The Princeton Water & Wastewater Commission met in regular session on August 24, 2006. Chairman Robert Hayes called the meeting to order. Those present for the meeting were: Robert Hayes, Doug Osting, Jim Bob Kevil, Todd Wetzel and Virginia Routen. Commissioners Tracy Musgove and Iris Brantley were absent.

Visitors present for the meeting were Mr. C. J. Ray and grandson James Mason. Mr. Ray told the Board that his grandson had damage done to his vehicle on August 8, 2006 by hitting a sewer manhole lid in the parking lot of Total Image Salon, E. Washington Street. He stated that the vehicle hit the manhole cover and knocked motor mould out of place and also damaged oil pan. Had to have vehicle hauled home. Requested the amount of \$300.00 to have repaired. No police report was done on accident. Board to review and see if anything could be done and will get back with Mr. Ray in the next week.

Chairman Hayes noted that a correction needed to be made in the minutes for the July 2006 regular meeting, which should reflect the name of Craig Wyatt instead of Craig Newcomb. A motion by Doug Osting and seconded by Jim Bob Kevil to approve minutes of regular July meeting with correction noted and special called meeting on budget. All ayes.

A motion by Jim Bob Kevil and seconded by Doug Osting to approve financial statements for month of July 2006. All ayes.

A motion by Jim Bob Kevil and seconded by Doug Osting to approve bills for July 2006 as printed. All ayes.

Superintendent Routen reported some problems with the Dixie Heights Sewer Project. After discussion it was decided to have a meeting set up with Engineer Jack Williams, Attorney Wetzel, and Burgess and Associates to see if problems could be solved. Superintendent Routen will call Mr. Williams and have him set up meeting as soon as possible.

All materials for Archie Ortt Road are in and work should begin within next few weeks. Maintenance Foreman Anderson was on vacation this week so he was not at meeting with quote on renting a trencher. Superintendent Routen did have some quotes that had come in on trencher but no recommendation made until she can speak with Mr. Anderson. Easements are still not done. She will check with Jack Williams to see what hold up is - they need to be done before project can start.

George Woolwine, Quest Engineers attended the meeting to make the Board aware of possible low percent (1%) loans (for sewer projects) that will be available from Kentucky Infrastructure. Applications for those loans need to be in by September 8, 2006 to be included in requests. There is no obligation to take loan if approved. Chairman Hayes told the Board that he had not been able to get in touch with Healtcoft and Davis about the I & I Study and have them get in touch with Kentucky Rural Water on part they may play in project. Board gave Superintendent Routen permission to work with Quest Engineers on getting the KIA Loan Request submitted.

The Board had first reading of Regulation # 082242006, which is for rate increase of 3% on Water and Sewer effective with October 2006 Usage and Billed on November 1, 2006 billing cycle. Second reading of Regulation will be held in Special Called Meeting for Monday 28, 2006 at Noon at which time the Regulation will be passed. The Board agreed to first reading and Special called meeting.

David Scott, Chief Operator Water Treatment Plant spoke to Board on need for upgrade on SCADA system at plant. He had been working with two different companies on this and also Commissioner Doug Osting had reviewed quotes. Mr. Osting will meet with Mr. Scott on Friday, August 25 to go over final comparison on quotes. A recommendation will be made at the special called meeting set on Monday 28, 2006 concerning the purchase of system. Mr. Scott also told the Board that they had a state inspection at the plant earlier this month and that everything was fine and no violations noted.

The Board requested that Office Manager Nancy Ramey check with Cornerstone Computers (current programmers) and see what would have to be done on software on utilities to go to every other month reading of water meters but still have monthly billing with the unread month getting the previous months usage billed. There will also need to be some rewording of adjustment policy if this is done.

A motion to go into closed session was made by Jim Bob Kevil and seconded by Doug Osting to discuss possible legation. All ayes.

A motion to come back into regular session was made by Jim Bob Kevil and seconded by Doug Osting. All ayes.

Board gave permission to Attorney Wetzel to pursue collection of old account on a sewer lateral replacement dated August 2004.

Decision was also made not to grant request from Mr. Ray for the \$300.00 repair bill due to manhole cover being located on private property, no police report made and difficulty believing only going 10-12 MPH could have done that much damage. Superintendent Routen to call Mr. Ray on Friday and let him know.

Chairman Hayes adjourned meeting.

ATTEST:
Robert L. Hayes CHAIRMAN
Virginia L. Routen SECRETARY

SPECIAL CALLED MEETING
August 28, 2006

The Princeton Water and Wastewater Board in a special called meeting on August 28, 2006 at Noon. The purpose of the called meeting was for the second reading of Regulation 08242006 And final approval and decision on Computer Up-grade for Water Treatment Plant.

Chairman Robert Hayes called the meeting to order. Roll Call: Present were Robert Hayes, Doug Osting, and Jim Bob Kevil. Absent were Tracey Musgove and Iris Brantley.

Superintendent Routen had second reading of regulation that adjusts water and sewer rates in the amount of 3% effective with October 2006 Usage and Billed on November 2006. Motion by Jim Bob Kevil and seconded by Doug Osting to adopt the regulation. All ayes.

Doug Osting and Chief Operator David Scott, Water Treatment Plant gave the Board members a overview of computer up-grade and the need to go ahead and do as soon as possible. Mr. Osting also gave a report on having high-speed DSL put in at all locations (Admin, WTP, and WWTP) which would help with services being done and those in near future that will be needed. A motion by Jim Bob Kevil and seconded by Doug Osting to go with the lower of the two quotes we received which was HTI (Jeff Morris) on computer upgrade and also to pursue getting high-speed DSL thru Bell South. All ayes.

Chairman Robert Hayes adjourned meeting.

Robert L. Hayes CHAIRMAN
Virginia L. Routen SECRETARY

Mr. Osting will be working with HTI(Jeff Morris) on getting the two new computers from DELL at a saving of around \$1000.00 by purchasing directly from Computer Consulting. Mr. Morris is in agreement with this. Mr. Osting will also be the one providing the hook-up on older computers that will be going to Wastewater Treatment Plant and any service that might be needed to bring them up to date. DSL will be hooked up by Computer Consulting Personnell and will be invoiced to Princeton Water Department. The Board agreed to this in order to be able to save money on change-over.

COMMISSION CHAMBERS
PRINCETON, KENTUCKY

CITY OF PRINCETON
WATER AND SEWER COMMISSION
REGULATION NO. 08242006

A REGULATION PROVIDING FOR THE ADJUSTMENT OF WATER AND SEWER RATES CHARGED BY THE CITY OF PRINCETON WATER AND SEWER COMMISSION FOR THE PUBLIC AND PRIVATE USE OF THE MUNICIPAL WATER & SEWER SYSTEM THROUGH THE AMENDMENT OF RATE SCHEDULES ADOPTED IN REGULATION 09-26-04 WATER & SEWER WITH SECTIONS 1 - 4 AMENDED 08-24-06.

WHEREAS, BY ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Sewer Commission (hereinafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for serving these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Sewer Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft./month (min. bill):	\$ 7.98
Next	950 cubic ft./month:	\$ 2.68/100 CF
Next	8,900 cubic ft./month:	\$ 2.22/100 CF
Over	10,000 cubic ft./month:	\$ 1.84/100 CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft./month (min. bill):	\$ 11.17
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Next 950 cubic ft./month:	\$ 3.75/100 CF
Next 8,900 cubic ft./month:	\$ 3.11/100 CF
Over 10,000 cubic ft./month:	\$ 2.58/100 CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall be as follows:

FLAT Cubic ft./month:	\$1.77/100 CF
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Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall be as follows:

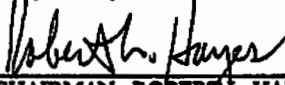
First 150 cubic ft./month (min. bill) :	\$ 7.73
Next 950 cubic ft./month:	\$ 4.80/100 CF
Next 8,900 cubic ft./month:	\$ 4.75/100 CF
Over 10,000 cubic ft./month:	\$ 4.68/100 CF

Section 5. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 6. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective for services provided after October 1, 2006 and billed on or after November 1, 2006.

Given first reading on the 24th day of August, 2006.

Given second reading and duly passed by the City of Princeton Water and Sewer Commission on the 28th day of August, 2006.


 CHAIRMAN ROBERT L. HAYES

ATTEST:


 VIRGINIA G. ROUTEN, SUPERINTENDENT

CUBIC FOOT RATE
Effective November 2006 Billing
(Based on October 2006 Usage)

	WA(11-01-06)	SW(11-01-06)	COMBINED
5/8" Meter 150 cubic feet (MIN)	\$ 7.98	\$ 7.73	\$15.71
Next 600 cubic feet 2.68/100 WA	16.08		
4.80/100 SW		28.80	
1" Meter 750 cubic feet	\$24.06	\$36.53	\$60.59
Next 350 cubic feet 2.68/100 WA	9.38		
4.80/100 SW		16.80	
Next 900 cubic feet 2.22/100 WA	19.98		
4.75/100 SW		42.75	
1 1/2" Meter 2000 cubic feet	\$53.42	\$96.08	\$149.50
Next 1800 cubic ft. 2.22/100 WA	39.96		
4.75/100 SW		85.50	
2" Meter 3800 cubic feet	\$93.38	\$181.58	\$ 274.96
Next 3600 cubic ft. 2.22/100 WA	79.92		
4.75/100 SW		171.00	
3" Meter 7400 cubic feet	\$173.30	\$352.58	\$525.88
Next 2600 cubic ft. 2.22/100 WA	57.72		
4.75/100 SW		123.50	
Next 9450 cubic ft. 1.84/100 WA	173.88		
4.68/100 SW		442.26	
4" Meter 19450 cubic ft.	\$404.90	\$918.34	\$1323.24

MONTHLY WATER RATES

	WA	SW	WA—40%more OUTSIDE CITY
First 150 cubic feet per month (MIN)	\$ 7.98	\$7.73	\$11.17
Next 950 cubic feet per month	\$2.68/100	\$4.80/100	\$3.75/100
Next 8900 cubic feet per month	\$2.22/100	\$4.75/100	\$3.11/100
Over 10000 cubic feet per month	\$1.84/100	\$4.68/100	\$2.58/100

WHOLESALE RATE: Flat Rate of \$1.77/100 cubic feet
(\$2.37/1000 gallons)

Princeton Water & Wastewater Commission
Minutes of Meeting
September 23, 2010

I. Call to Order

Chairman Bob Hayes called the regular meeting of the Princeton Water & Wastewater Commission to order at 4:00 p.m. on September 23, 2010 in the Princeton Water & Wastewater Commission office.

II. Roll Call

Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, and Doug Osting. Also present were Commission Attorney Todd Wetzel, Director of Finance Tracy Musgove and Superintendent Joseph W. Anderson. Commission member Iris Brantley joined the meeting at 4:30 p.m.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

A motion was made by Doug Osting and seconded by Brent Ladd to approve the minutes as written. All Ayes. A motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. A motion was made by Doug Osting and seconded by Brent Ladd to approve all bills as presented. All Ayes.

IV. Open Issues, Recognition of Visitors and System Expansion Update

- a) Read Hoddinott, Hydroflogen representative, presented his findings from the chemical treatment of phosphorus at the WWTP. He stated that managing to a 1 ppm level was difficult when employing either solely a chemical or a biological method. The chemical method requires sludge to be removed quickly in order to eliminate leaching of phosphorus back into the system which requires higher utilization of presses. Chemicals also require a heated facility for storage during months when the average temperature would fall below 40 degrees. Biological requires a larger upfront capital cost but can be difficult to maintain lower levels during the warmer months. His final recommendation was for PW&W to use a biological method with the addition of chemicals during the warmer months when it is harder to remove the phosphorus. Commission members questioned the timetable allowed by the state to comply with new guidelines and Mr. H stated that other utilities have had only two to three months before compliance was mandated by Div of Wtr. The cost to comply will need to be passed along.
- b) Ricky Oakley, Hethcoat and Davis representative, discussed the possibility of submitting a grant application for the funds required for the biological method of phosphorus treatment during the October ranking period for SWRF funds. He also presented a form to use in order to request exemption due to hardships imposed on the town being greater than the hardship caused on the water source from higher phosphorus effluent levels. The chance of getting an exemption was considered slim; however, worth a try. The decision needs to be made on whether to request this funding in lieu of Fund B funding and/or whether we should wait to close out Fund A until the decision on Fund B is made. A follow up with John Herring at the PADD office will be made as to the Fund B progress.
- c) John Allen reported on Basin 5&6 and said that it is mainly down to clean-up work. He also spoke on the decision to apply for a Fund B stating that a lower price per foot should be forthcoming on the work being requested (i.e Basins 7 & 8) since there are no city streets and few creek crossings to deal with.

V. New Business

- a) Ms. Musgove briefed the Commission on the seeming inevitability of a rate increase. Data was reviewed covering the increases experienced at both the WTP and WWTP in addition to the upcoming increase at the WWTP due to the aforementioned phosphorus treatment being mandated. Information on the tiered structure and the need to lower the gap from lowest to highest volume users was presented. Currently, residents and small businesses account for 36% of water used but provide 53% of the revenue. Plans are to place a higher increase on the larger users in order to offset this disconnect between usage and revenue production. Final data incorporating the phosphorus expense is expected at the next meeting.
- b) Doug Osting presented information gathered on fixing the old printer or possibly looking into going with Pitney Bowes on a complete office system using 8 1/2 x 11 paper and envelopes with a postage meter. A package was given to Ms. Musgove for further review.
- c) Superintendent Anderson informed the Commission that the backhoe was down. He has requested for James Noel to get three or four price quotes on new backhoes to review.

VI. Adjourn

A motion was made by Brent Ladd and seconded by Doug Osting to adjourn the meeting. All Ayes. Chairman Robert Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

Princeton Water & Wastewater Commission
Minutes of Meeting
November 4, 2010

I. Call to Order

Chairman Bob Hayes called the regular meeting of the Princeton Water & Wastewater Commission to order at 4:00 p.m. on November 4, 2010 in the Princeton Water & Wastewater Commission office.

II. Roll Call

Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Iris Brantley, Bob Hayes, Brent Ladd, Doug Osting and Irl Stevens. Also present were Commission Attorney Todd Wetzel, Director of Finance Tracy Musgove and Superintendent Joseph W. Anderson.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

A motion was made by Doug Osting and seconded by Brent Ladd to approve the minutes as written. All Ayes. A motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. A motion was made by Brent Ladd and seconded by Iris Brantley to approve all bills as presented. All Ayes.

IV. Open Issues, Recognition of Visitors and System Expansion Update

- a) Ricky Oakley and Jon Allen, Hethcoat and Davis representatives, updated the Commission members on the rehab in sewer basins 5 and 6. Manhole testing is being performed and Jon and Joey are preparing a punch list for the contractor. Change Order # 3 was presented for additional milling and striping on Harrison Street from Market to Locust and on Locust Street from Harrison to Franklin due to the larger cuts related to the depth of the sewer lines on these streets. This added an additional \$29,750.70 to the overall project with final savings still being in the range of \$350k - \$375k. In addition to the additive change, the length of the contract is being extended by 45 days since the crews had already moved to another location. A motion was made by Doug Osting and seconded by Brent Ladd to approve the change order as presented. All Ayes.
- b) Superintendent Anderson stated the \$394,000 Fund B conditional commitment had been received from KIA for the project on Jeff Watson Road containing a 1% interest rate and a 20 year amortization.

V. New Business

- a) Superintendent Anderson presented a powerpoint program detailing the Fats, Oils and Grease (FOG) program. Many customers do not properly maintain their grease traps and our collection system and treatment facilities are being negatively impacted. With a FOG program, new ordinances detailing inspection plans and fines/fees associated with improper maintenance of grease traps would be adopted. A motion was made by Irl Stevens and seconded by Doug Osting to employ MMS (Monitoring and Management Services) for the purpose of implementing a FOG program and educating associates and customers with the cost not to exceed \$6,500. All Ayes.
- b) Director of Finance Musgove presented information detailing the need for a rate increase for both water and sewer customers. A motion was made by Brent Ladd and seconded by Irl Stevens to adopt the rate change as presented in Regulation # 11042010. All Ayes. This motion was considered to be the first reading of the ordinance which is attached for reference.
- c) Doug Osting mentioned that he had been approached by a farmer stating they would be interested in purchasing sludge and spreading it on their property. He also presented information gathered on fixing the old printer or possibly looking into going with Pitney Bowes on a complete office system using 8 1/2 x 11 paper and envelopes with a postage meter. A package was given to Ms. Musgove for further review.
- d) Superintendent Anderson informed the Commission that the backhoe was down and Maintenance Supervisor James Noel presented various options from John Deere, Case Equipment and others. His recommendation was to go with the Case backhoe due to receiving a higher trade-in value on the 1986 model and due to the existing backhoe being a Case model and having interchangeable parts. Lastly, the Case price from McKeel was the low bid.
- e) A motion was made by Iris Brantley and seconded by Doug Osting to give a \$300 certificate and a turkey to each employee with Joey receiving \$500 which was the same as given in 2009. All Ayes.
- f) The Commission decided to forego the regular November meeting due to the Thanksgiving Holiday. A special called meeting will be held on November 10th. The Christmas party was scheduled for December 17th at the Fire & Rescue Training facility. *Subsequently, the party was cancelled due to budget constraints.*

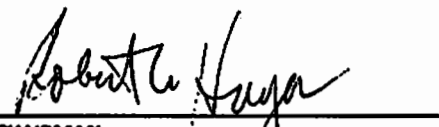
VI. Adjourn

A motion was made by Brent Ladd and seconded by Doug Osting to adjourn the meeting. All Ayes. Chairman Robert Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 11-04-2010**

A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM EFFECTIVE JANUARY 1, 2011.

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for servicing these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 8.00
Next	950 cubic ft. / month	\$ 2.814 / 100 CF
Next	8,900 cubic ft. / month	\$ 2.442 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.024 / 100 CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 11.20
Next	950 cubic ft. / month	\$ 3.94 / 100 CF
Next	8,900 cubic ft. / month	\$ 3.42 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.83 / 100 CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall be as follows:

FLAT Cubic Feet per month	\$2.024 / 100 CF
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Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 8.33
Next	950 cubic ft. / month	\$ 5.208 / 100 CF
Next	8,900 cubic ft. / month	\$ 5.154 / 100 CF
Over	10,000 cubic ft. / month	\$ 5.078 / 100 CF

Section 5. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 6. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective as of January 1, 2011.

Given first reading on the 4th day of November, 2010.

Given second reading and duly passed by the City of Princeton Water and Sewer Commission on the 10th day of November, 2010.



CHAIRMAN ROBERT L. HAYES

ATTEST:



JOSEPH ANDERSON, SUPERINTENDENT

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CUBIC FOOT RATE
Effective January 2011 Billing
(Based on December 2010 Usage)

Meter Size	Cubic Feet	Cost per 100 cu ft	Water	Cost per 100 cu ft	Sewer	Combined
8/8"	150 Cubic Feet Minimum		\$ 8.00		\$ 8.33	\$ 16.33
	Next 800 cubic feet	2.814/100 WA 5.208/100 SW	\$ 16.88	5.208	\$ 31.25	
1"	750 Cubic Feet Minimum		\$ 24.88		\$ 39.58	\$ 64.46
	Next 350 cubic feet	2.814/100 WA 5.208/100 SW	\$ 9.85	5.208	\$ 18.23	
	Next 900 cubic feet	2.442/100 WA 5.154/100 SW	\$ 21.98	5.154	\$ 46.38	
1 1/2"	2,600 Cubic Feet Minimum		\$ 56.71		\$ 104.19	\$ 160.90
	Next 1,800 cubic feet	2.442/100 WA 5.154/100 SW	\$ 43.98	5.154	\$ 92.77	
2"	3,800 Cubic Feet Minimum		\$ 100.67		\$ 196.96	\$ 297.62
	Next 3,600 cubic feet	2.442/100 WA 5.154/100 SW	\$ 87.91	5.154	\$ 185.54	
3"	7,400 Cubic Feet Minimum		\$ 188.58		\$ 382.49	\$ 571.07
	Next 2,600 cubic feet	2.442/100 WA 5.154/100 SW	\$ 87.91	5.154	\$ 185.54	
	Next 9,450 cubic feet	2.024/100 WA 5.078/100 SW	\$ 191.27	5.078	\$ 479.85	
4"	19,450 Cubic Feet Minimum		\$ 443.34		\$ 996.34	\$ 1,439.68

MONTHLY WATER AND SEWER RATES

	Water	Sewer	Wtr 40% more Outside City
First 150 cubic ft per month - Minimum	\$ 8.00	\$ 8.33	\$ 11.20
Next 950 cubic ft per month (per 100 cubic ft)	\$ 2.81	\$ 5.21	\$ 3.94
Next 8,900 cubic ft per month (per 100 cubic ft)	\$ 2.44	\$ 5.15	\$ 3.42
Over 10,000 cubic ft per month (per 100 cubic ft)	\$ 2.02	\$ 5.08	\$ 2.83

WHOLESALE RATE: Flat Rate of \$ 2.024 per 100 cubic feet
\$ 2.706 per 1,000 gallons

**Princeton Water & Wastewater Commission
Minutes of Meeting
Special Called November 10, 2010**

I. Call to Order

Chairman Bob Hayes called the Special Called meeting of the Princeton Water & Wastewater Commission to order at 3:00 p.m. on November 10, 2010 in the Princeton Water & Wastewater Commission office.

II. Roll Call

Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Iris Brantley, Bob Hayes, Brent Ladd, Doug Osting and Irl Stevens. Also present were Commission Attorney Todd Wetzel, Director of Finance Tracy Musgove and Superintendent Joseph W. Anderson.

III. Second Reading of Rate Ordinance

A motion was made by Doug Osting and seconded by Brent Ladd to approve the second reading of the rate ordinance as written. All Ayes.

IV. Health Insurance Renewal

(a) Superintendent Anderson and Ms. Musgove presented the various health insurance renewal options for the 2011 plan year. Kentucky League of Cities shopped the plans to United Healthcare and Bluegrass with United's numbers being twice the current premium and Bluegrass declining to bid. Anthem's rates from Peel and Holland along with the four plans from the Kentucky Employees Health Plan (KEHP) were compared. KEHP's options have had lower average annual increases and offer lower deductibles than the Anthem plans in addition to the deductibles being embedded versus non-embedded with Anthem. With the KEHP options, Ms. Musgove stated the Commission could still pay 100% of the family Commonwealth Standard PPO plan which is a 75/25 standard plan since this amount was within the budgeted amount. The difference between the premium on the Standard PPO and the other plans would be paid by the employee. Data provided as a comparison by Peel and Holland lacked pertinent information and used the highest KEHP plan offering. The KEHP is a non-age based plan and is the largest pool of employees covered in the state. Both Superintendent Anderson and Director of Finance Musgove recommended signing a three year exclusive contract with KEHP for plan years 2011, 2012 and 2013. A motion was made by Doug Osting and seconded by Brent Ladd to approve the KEHP three-year contract and to authorize Ms. Musgove to sign the contracts and any applicable paperwork in Frankfort next week. All Ayes.

(b) Due to the change from Anthem to Humana, the current Health Reimbursement Accounts will change providers from FEBCO to Humana. The HRA balances currently are set to be returned to the Commission. A motion was made by Irl Stevens and seconded by Iris Brantley to allow the employees to retain whatever rollover balances remain in each of their respective HRA accounts. All Ayes.

V. Backhoe Purchase/Lease

Superintendent Anderson requested the authority to purchase a new backhoe prior to finalizing the loan/lease arrangements. The new backhoe would replace the 1986 model which would be traded in for the new model. The 1998 model, which recently had a transmission replaced, will remain as the back-up. Due to a three month lead time required for delivery, a motion was made by Doug Osting and seconded by Brent Ladd to allow Superintendent Anderson to go ahead with the backhoe purchase or lease so long as the financing remains compliant with the current debt service coverage ratio. All Ayes.

VI. Executive Session

A motion was made by Doug Osting and seconded by Brent Ladd to go into executive session. All Ayes. A motion was made by Brent Ladd and seconded by Doug Osting to leave executive session. All Ayes.

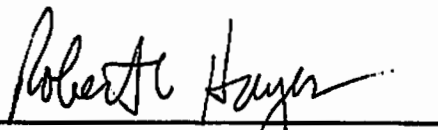
VII. Adjourn

A motion was made by Brent Ladd and seconded by Doug Osting to adjourn the meeting. All Ayes. Chairman Robert Hayes adjourned the meeting. The next meeting will be held on December 15th.

ATTEST:



SECRETARY



CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 11, 2014**

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 10:00 A.M. on Wednesday, June 11, 2014 in the PWWC main office.

II. Roll Call and Recognition of Visitors

Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Carroll Boyd, Brent Ladd, Doug Osting and Irl Stevens along with Director of Finance Tracy Musgove. Attorney Todd Wetzel was absent with prior notification. The only visitor was Jared Nelson from The Times Leader.

Due to the nature of the meeting being for sole approval of the upcoming budget, approval of minutes from last meeting and the review of financial statements and bills were deferred until the upcoming regular meeting.

III. New Business – Proposed Budget

Ms. Musgove directed the members to the budget information and cost of production calculations included in the meeting packet. She opened the presentation with an estimate of what the profit/loss situation for the current fiscal year and the factors that have affected the current year and will affect the upcoming year.

- Declining consumption is set to affect the bottom line by ~ \$96k for current year
- Electric costs at WTP have risen 10% while PEPB rates have gone up 53% at WWTP
- Increased regulations and reporting are adding ~ \$45k to lab fees
- Phosphorus situation at WWTP is still not resolved. Once the new permit is received, chemical costs will rise significantly.
- Sludge disposal costs have doubled due to closure of waste site in Hopkins County and difference in rates between MickeyD and Wastepath in Calvert City.
- Costly repairs and maintenance issues at both plants
- Lower costs due to a slight decline in retirement rates, retirement of one employee and savings on professional fees due to lower audit bid are not sufficient to offset above costs.
- Without rate increases, loss situation would top \$200k for upcoming year

Cost to produce water has risen to \$2.17 / 100 cuft but when factoring in a 15% water loss ratio, the cost of production rises to \$2.50 / 100 cuft. The water districts currently pay \$2.024 (not enough to cover cost of production). Recommend raising rates on tiered schedule of 9% on first 1,100 cuft; 9.5% up to 10,000 cuft; and 13% all over 10,000 which includes water districts. Outside city limit customers would go from 1.4x the city rate to 1.75x city rate to cover additional line costs and addition flushing costs.

Cost to clean and treat wastewater has risen 8.8% over last year alone. Main factors were electricity, lab fees, sludge disposal and additional overtime due to winter weather. Recommend across the board increase of 8.5% on all tiers in order to recoup these costs. This raise does not factor in any treatment costs for phosphorus which still has not been resolved with the new permit.

Board members questioned whether this increase would be sufficient not to warrant another increase later and were told that we could only cover the costs and expenses that are known at the time and when situations arise outside of our control, rates must then go up to cover the basic cost of treating water and wastewater. Mr. Stevens questioned what the minimum bill would be and Ms. Musgove stated that the minimum would go from \$21.97 to \$23.33 excluding taxes. The budget presented includes 9 months of additional revenues from the rate increase. Total revenues projected = \$3,180,500; Total Expenses including depreciation = \$3,187,200; leaving a net loss of \$6,700 to be covered by unrestricted cash reserves. *(Copy of budget and proposed rate increases are attached)* A motion was then made by Doug Osting and seconded by Brent Ladd to adopt the budget as presented with the rate increases suggested by Ms. Musgove. All Ayes. Ms. Musgove was directed to prepare all necessary paperwork required to implement the rate increases and to have the first reading at the next regular board meeting scheduled for June 26th.

IV. Adjourn

There being no further business to discuss, a motion was made by Doug Osting and seconded by Carroll Boyd to adjourn. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

INCOME CATEGORIES	2015
	BUDGET
4000 WATER SALES	1,508,000
4010 SEWER SALES	1,332,000
4015 CUSTOMER SERVICE FEE	199,000
4020 PENALTY INCOME	60,000
4030 SALE OF STORES	6,000
4040 LABOR SALES	2,600
4045 CREDIT CARD CONV.FEE	3,500
4046 BANK CUSTOMER CONV.FEE	800
4050 EQUIP RENTAL	2,300
4065 INT INC. EQUIP.REPAIR	2,200
4080 MISC.INC. S.C.& CONN.	19,500
4082 MISC.INC-GENERAL	6,000
4085 FARM RENTAL INCOME	38,600
4098 GRANT REVENUE	-
TOTAL INCOME	\$ 3,180,500

EXPENSE CATEGORIES	
6010 SALARIES	757,500
6020 PAYROLL TAX	57,300
6030 EMPLOYEE BENEFITS	294,000
6040 UNIFORMS	2,900
6050 TRAINING EXPENSE	3,000
6060 RETIREMENT FUND	132,300
6070 UTILITIES	400,000
6080 GASOLINE & OIL	32,800
6090 EQUIP.REPAIR & MAINT.	63,000
6100 SUPPLIES	22,000
6105 CHEMICALS	184,000
6110 INSURANCE	84,000
6120 PROF.SERVICES (LAB FEES)	65,000
6121 PROF.SERVICES (OTHER)	37,600
6122 DATA PROCESSING	9,000
6130 MISC. EXPENSE	15,000
6131 ON-LINE/CREDIT CARD FEE EXP.	4,000
6135 POSTAGE EXPENSE	15,000
6140 RENTAL & LEASE	3,500
6150 ATTORNEYS FEES	6,000
6160 TOOLS & EQUIP.	16,000
6180 BUILDING REPAIR & MAINT.	3,500
6185 SLUDGE REMOVAL	87,000
6650 INVENTORY EXP.	23,000
6660 MISC.MATERIAL EXPENSE	(11,000)
6665 FREIGHT EXPENSE	3,200
6670 CAPITAL COST/LABOR/MACH.	(4,000)
6676 KIA INTEREST EXP (WWTP)	2,100
6677 KIA INT EXP (WTP)	31,700
6678 RD INT EXP (WTP)	55,100
6680 DEPRECIATION EXP	775,000
6681 KIA INTEREST (AARA A2 09-11)	4,400
6682 KIA INT (FUND A LOAN A09-27)	5,700
6683 KIA INTEREST (FUND B #10-06)	3,500
6699 FEE EXPENSE	4,100
TOTAL EXPENSE	\$ 3,187,200
NET INCOME	\$ (6,700)

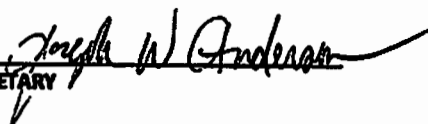
ADD DEPRECIATION EXPENSE	775,000
LESS KIA PRINCIPAL PMT WWTP #A9S 15(1)	(122,086)
LESS KIA PRINCIPAL PMT WWTP #A9S 15(2)	(32,849)
LESS KIA PRINCIPAL PMT WTP Tank #F00-02	(78,930)
LESS RD PRINCIPAL PAYMENT WTP	(26,000)
LESS KIA PRINCIPAL PMT ARRA #A2 09-11	(24,858)
LESS KIA PRINCIPAL PMT Fund A #A09-27	(32,130)
LESS KIA PRINCIPAL PMT Fund B #10-06	(18,698)
CASH AVAILABLE AFTER DEBT SERVICE	\$ 432,689

Princeton Water & Wastewater Commission
Minutes of Regular Meeting – June 26, 2014

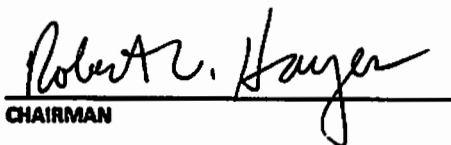
- I. Call to Order
Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, June 26, 2014 in the PWWC main office.
- II. Roll Call and Recognition of Visitors
Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Doug Osting and Irl Stevens along with Attorney Todd Wetzel and Director of Finance Tracy Musgove. Commissioner Boyd was absent with prior notification.
- Ricky Oakley updated those present on the progress of the upcoming water project. Engineering and surveying for the 16" line to the Industrial Park Tank has been completed and the decision has now been made on the route for the 8" line from Skyline to the UK Experiment Farm. Plans are to stay within existing sewer easements but will probably need some temporary construction easements. Tentatively the project should be bid late this year with bids opened in January 2015 and construction to start during the spring.
- Mr. Anderson stated that the KLC insurance adjuster denied Mr. Capps claim on the loss of his heifer in the sinkhole since there were no apparent deficiencies in our sewer line and that sinkholes were more or less an act of God. After some discussion, the Commission members decided that since the agency found we were not at fault that we should not start a precedent in paying claims when we are not at fault.
- III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills
The minutes from the previous regular meeting and the special called meeting were reviewed with a motion made by Doug Osting and seconded by Brent Ladd to approve both sets of minutes as written. All Ayes. May financials were reviewed and a motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The listing of bills was reviewed. A motion was made by Irl Stevens and seconded by Brent Ladd to approve payment of the bills. All Ayes.
- IV. System Expansion and Old Business – reported by Ricky Oakley in Visitors section
- V. New Business
- (a) Ms. Musgove passed out the information regarding the rate increase along with the official Ordinance 06-26-2014. Chairman Hayes asked for a motion to adopt the ordinance and Doug Osting made a motion to adopt with Brent Ladd seconded the motion. All Ayes. Second reading of the ordinance is scheduled for Monday, June 30th in a special called meeting. (A copy is attached.)
- (b) Mr. Anderson updated the Commission on the need for a surge expansion tank at the water treatment plant. The need arose due to there being a dead zone in the line around the Indian Hills Trail area. Pressure in the lines drops below 20 psi for a few seconds in between the time when the plant stops pumping and when the gravity flow of the water returning in the lines from Princeton equalizes. Engineers are trying to decide the size of the tank needed and hopefully we can roll the cost into the RD loan package.
- (c) Superintendent Anderson stated the new discharge permit at the WWTP is finally on its way. We have been operating on a permit that expired almost 4 years ago and have been waiting for the day that the phosphorus limits would be lowered as anticipated and it seems it is finally upon us. One bright spot appears to be that the copper limits will not be more difficult to meet due to the additional testing that was completed on Eddy Creek both above and below the plant. The hardness of the water in this area is much higher than the levels being used by DOW in their calculations.
- (d) Recently, an issue arose regarding a contractor tearing up a large section of the sewer lines while clearing some land. The water department does not contract with the 811 Call Before you Dig program; however, people are told when calling BUD which utilities still need to be contacted and the water department is one of them. Superintendent Anderson stated his preference has always been for contractors to call the department because he can be more accurate in marking the lines if meeting with them in person. This contractor knew to call the office and did not but was not charged for the damages and extra work that had to be performed by the maintenance department due to his negligence. In this case damages exceeded \$2.5k. Superintendent Anderson requested input on whether to join BUD at a cost of \$200 monthly or continue as is. The contractor is to be warned and will be charged in the future if the dept isn't called.
- VI. Adjourn
There being no further business to discuss, a motion was made by Brent Ladd and seconded by Irl Stevens to adjourn. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY


Joseph W. Anderson

CHAIRMAN


Robert C. Hayes

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 06-26-2014**

A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM EFFECTIVE SEPTEMBER 1, 2014

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for servicing these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 8.60
Next	950 cubic ft. / month	\$ 3.0673 / 100 CF
Next	8,900 cubic ft. / month	\$ 2.6740 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.2871 / 100 CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton and shall increase from 1.4x the city base rates to 1.75x the city base rates. The new rates shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 15.05
Next	950 cubic ft. / month	\$ 5.3677 / 100 CF
Next	8,900 cubic ft. / month	\$ 4.6795 / 100 CF
Over	10,000 cubic ft. / month	\$ 4.0025 / 100 CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall be as follows:

FLAT RATE - NO TIERS	\$ 2.2871 / 100 CF
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Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 9.73
Next	950 cubic ft. / month	\$ 6.1027 / 100 CF
Next	8,900 cubic ft. / month	\$ 6.1233 / 100 CF
Over	10,000 cubic ft. / month	\$ 6.1984 / 100 CF

Section 5. All customers connected to both the water and sewer system will be charged a monthly customer service fee of \$5.00 per month per meter. Customers connected to only one system will be charged a customer service fee of \$4.00 per month per meter. These fees shall remain unchanged.

Section 6 Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 7. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective as of September 1, 2014.

Given first reading on the 26th day of June, 2014.

Given second reading and duly passed by the City of Princeton Water and Wastewater Commission on the 30th day of June 2014.

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 30, 2014

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 10:00 A.M. on Monday, June 30, 2014 in the PWWC main office.

II. Roll Call and Recognition of Visitors

Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Carroll Boyd, Brent Ladd, and Irl Stevens along with Attorney Todd Wetzel. Director of Finance Tracy Musgove and Commissioner Doug Osting were absent with prior notification. The only visitor was Jared Nelson from The Times Leader.

Since the agenda of the meeting consisted of only one item, the approval of minutes from last meeting and the review of financial statements and bills were deferred until the upcoming regular meeting.

III. New Business – Second Reading of Ordinance 06-26-2014

Chairman Hayes reviewed Ordinance 06-26-2014 and asked if there were any comments or discussion. There being none, he then asked for a motion to adopt the ordinance as read which would be considered the second reading as required by law. The motion to adopt Ordinance 06-26-2014 was made by Brent Ladd and seconded by Carroll Boyd. All Ayes.

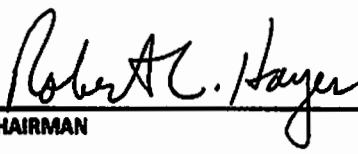
IV. Adjourn

There being no further business to discuss, Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

Princeton Water & Wastewater Commission
Minutes of Regular Meeting – July 31, 2014

- I. **Call to Order**
Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, July 31, 2014 in the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Doug Osting and Irl Stevens along with Attorney Todd Wetzel and Director of Finance Tracy Musgove. Commissioner Boyd was absent with prior notification.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the previous regular meeting and the June 30th special called meeting were reviewed with a motion made by Doug Osting and seconded by Brent Ladd to approve both sets of minutes as written. All Ayes. June financials were reviewed with the parties questioning the payment to Omega Rail Management for the railroad easement. Ms. Musgove was directed to send a copy of the latest letter to Attorney Wetzel since they instituted a significant increase and it was being questioned as to the grounds this company has for the increase and where the crossings are located. A motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The listing of bills was reviewed. A motion was made by Brent Ladd and seconded by Irl Stevens to approve payment of the bills. All Ayes.
- IV. **System Expansion and Old Business**
It was reported that the PSC had approved the new tariff rates as requested for the water districts to be effective September 1st. In addition, members were reminded of the change in the billing cycles where all five cycles were being consolidated to one cycle with a due date of the 5th of the month beginning with the September cycle.
- V. **New Business**
- (a) Information on the renewal of the farm lease was presented to the Commission members. Since the term of the lease was extended once for automatic renewal, it was decided to give notice to the current Lessee that we would be re-bidding the lease for a new term beginning January 1st 2015. A motion was made by Irl Stevens and seconded by Doug Osting to give Seven Springs Farm a notice of non-renewal. All Ayes. The new lease will be bid to allow either a three or five year term and will be advertised toward the end of August. It will also contain provisions whereby the PWWC can utilize up to 25 acres annually in the anticipated land farming operation.
- (b) Mr. Anderson updated the Commission on the hiring of the part-time replacement for Robyn Coleman who retired effective today. There were approximately four dozen applicants and twelve candidates were asked to take a test geared for office administrative staff. All tests were scored with those in the 90th percentile and above being interviewed. It was a unanimous decision to hire Dina Ray. She will work approximately 25 hours per week.
- VI. **Adjourn**
There being no further business to discuss, a motion was made by Doug Osting and seconded by Irl Stevens to adjourn. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 5, 2019**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 3:00 P.M. on Wednesday, June 5th in lieu of the regular meeting scheduled for Thursday, May 30th, which was cancelled due to not having a quorum of attendees.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. Irl Stevens was absent with prior notification. Mayor Young was the only visitor present.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the May 9th meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The financial statements for April were presented and reviewed by Ms. Musgove. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the financial statements. All Ayes. The April bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported on several items of clean-up work that has been ongoing in preparation for the paving along Maple and Varmintrace. The paving job looks good and was well received by the community. Sandlick Rd and Dawson Rd are still in line for paving and should be completed in a few weeks. The materials for the railroad bridge crossing are 3-5 weeks out and reportedly are waiting on the sub-contractor. No update still on a start date for the bridge. A lot of work has been happening on Baldwin Ave "killing" galvanized lines. Skyline tank project is coming along nicely and should be complete at the next meeting. Documentation was presented for the 9th pay request which included draws for the Skyline Tank also bringing the total amount to \$294,279.81. In addition, Change Order # 1 for the Skyline Tank Project was submitted for approval in the amount of \$10,100 for replacing the hatch and vent which were deemed to be worn beyond repair. A motion was made by Jay Parrent and seconded by Brent Ladd to approve both the change order and the pay request. All Ayes.
- V. **New Business and Superintendent's Report**
- (a) Ms. Musgove presented the budget for the upcoming fiscal year which includes rate increases for both water and sewer along with a \$1 increase to the monthly customer service fee. Without the rate increase, a loss of more than \$350,000 was projected. This loss included a projected \$88k increase to depreciation expense from where the project will begin to be placed in service. Increases to liability insurance, chemical costs to lower disinfectant by-products and other chemicals to meet regulations, utilities, mandated retirement funding, lagoon cleaning at the WTP and interest cost on the new debt related to the project made the rate increase necessary. Ms. Musgove pointed out that it has been five years since a water increase and three years since a sewer increase was passed and during that time these categories, which are out of the control of management, have all increased significantly despite efforts of management to control costs, limit overtime and utilize employees in dual roles while replacing full time office staff with part-time. The budget also included a 2.5% COLA pool raise for employees which Superintendent Noel will administer based on merit. The new budget projects total revenue at \$3,505,000 against expenses of \$3,581,238 for a net loss of \$76,238. The loss would have been almost eliminated had the increase to the water districts been able to have started at the beginning of the fiscal year versus the September billing. This budget projects to service debt at a 3.37x coverage rate and generate \$660k cash after debt service which will begin a much needed reserve replacement plan since the Commission's assets are approximately 60% depreciated and will be needing replacement and more costly repairs. A motion was made by Brent Ladd and seconded by Pat George to accept the budget as presented. All Ayes. *(A copy of the budget is being included in the minute book)*
- (b) Ms. Musgove then went into detail how the rates have been redesigned to be fair and equitable to the citizens and users on the system and to fully compensate the PWWC for the cost it takes to produce and distribute water and treat wastewater. In addition, the redesign will greatly simplify the rate calculation and move from the declining block rate structure, which was popular in the 1980's and was used to attract industry and large users to the system, to a uniform full cost pricing rate structure. With the help of the UNC Environmental Finance Staff, it was decided to approach the water rate redesign in a two step phase since there were four tiers in the original design. With the cost of water being projected at \$3.36/100 cf, the goal would be to get everyone to pay that rate. Currently, the water districts pay only 68% of the cost to produce the water (\$2.29/100 cf) while residential users at the minimum level pay 2.5x that rate. This increase will collapse the last tier of the declining block rate structure which mainly affects wholesale and the largest commercial users and raise that rate to \$2.97 (a 30% increase). The minimum usage for residential users will be increased from 150 to 175 cf without raising the minimum rate (a 16.7% increase) while the second tier usage will be increased from 1100 cf to 2000cf and will be priced at the calculated full cost of \$3.36. While the largest users could see a 30% increase,

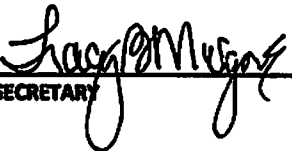
they will still be paying only 88% of the true cost it takes to treat, produce, and distribute the water. Nearly ¼ of all customers should see no increase in water rates.

According to Ms. Musgove, sewer rates were easier to address to since the difference in the first and last tier was only \$0.31 and the gap between what was being charged at the lowest tier and the cost to produce was only 16%. The full cost to treat wastewater was calculated at \$7.69/100cf and the decision was made to collapse all tiers and raise the price from \$6.63 to \$7.24/100cf for all levels. Each rate code will now have a minimum depending on the size of the meter and all usage over the minimum will be billed at \$7.24/100cf. This results in a 4.3% increase to the minimum user and 9.2% increase at the higher levels with the average user seeing an increase of 7.9%. After analyzing the results of this restructure, the next step would take the pricing to the full cost. Chairman Hayes proceeded to read the new Rate Regulation 06-05-2019. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the first reading of the Regulation which serves to increase to both rates as presented and also adds \$1 to the monthly customer service fee. All Ayes. A second reading of the Regulation will take place on Friday, June 7th at 10:00 AM. (A copy of Regulation 06-05-2019 is inserted in the minute book)

VI. Adjourn

There being no further issues or business to discuss, Brent Ladd made a motion seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 7, 2019

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 10:00 A.M. on Friday, June 7, 2019 in the PWWC main office.

II. Roll Call and Recognition of Visitors

Superintendent Noel conducted a roll call. The following Commission members were present: Bob Hayes, Pat George, Brent Ladd, and Jay Parrent. Director of Finance Tracy Musgove, Commissioner Irl Stevens and Attorney Todd Wetzel were all absent with prior notification. There were no visitors.

Since the agenda of the meeting consisted of only one item, the approval of minutes from last meeting and the review of financial statements and bills were deferred until the upcoming regular meeting.

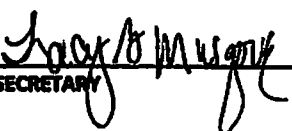
III. New Business – Second Reading of Regulation 06-05-2019

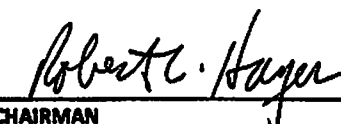
Chairman Hayes reviewed Rate Regulation 06-05-2019 and asked if there were any comments or discussion. There being none, he then asked for a motion to adopt the regulation as presented which would be considered the second reading as required by law. The motion to adopt Regulation 06-05-2019 was made by Brent Ladd and seconded by Pat George. All Ayes. The new rates will become effective with the August billing.

IV. Adjourn

There being no further business to discuss, Commissioner Parrent made a motion to adjourn which was then seconded by Brent Ladd. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**PRINCETON WATER & WASTEWATER COMMISSION
FISCAL YEAR 2019 BUDGET
ADOPTED JUNE 8, 2019**

INCOME CATEGORIES		2020 BUDGET
4000	WATER SALES	1,624,000
4010	SEWER SALES	1,477,000
4015	CUSTOMER SERVICE FEE	240,000
4020	PENALTY INCOME	60,000
4030	SALE OF STORES	12,000
4040	LABOR SALES	6,000
4046	BANK CUSTOMER CONV.FEE	1,000
4050	EQUIP RENTAL	4,000
4065	INT INCOME	-
4080	MISC.INC. S.C.& CONN.	20,000
4082	MISC.INC-GENERAL	7,500
4085	FARM RENTAL INCOME	34,500
4098	GRANT REVENUE	-
	TOTAL INCOME \$	3,486,000
EXPENSE CATEGORIES		
6010	SALARIES	808,500
6020	PAYROLL TAX	61,000
6030	EMPLOYEE BENEFITS	297,000
6040	UNIFORMS	5,000
6050	TRAINING EXPENSE	6,000
6060	RETIREMENT FUND	187,000
6070	UTILITIES	420,000
6080	GASOLINE & OIL	25,000
6090	EQUIPMENT REPAIR & MAINT	75,000
6100	SUPPLIES	20,000
6105	CHEMICALS	210,000
6110	INSURANCE	130,000
6120	LAB FEES	63,000
6121	PROF.SERVICES(OTHER)	30,000
6122	DATA PROCESSING	12,000
6125	CONTRACTED SERVICES	12,500
6130	MISCELLANEOUS EXPENSE	10,000
6135	POSTAGE EXPENSE	12,000
6140	RENTAL & LEASE	5,000
6150	ATTORNEYS FEES	6,000
6160	TOOLS & EQUIPMENT	20,000
6180	BUILDING REPAIR & MAINT	15,000
6185	SLUDGE REMOVAL	90,000
6650	INVENTORY EXP	40,000
6660	MISC MATERIAL EXPENSE	15,000
6665	FREIGHT EXPENSE	1,500
6670	CAPITAL COST/LABOR/MACH.	(10,000)
6676	KIA INTEREST EXP.(WWTP)	10,000
6678	RD INTEREST EXPENSE (WTP)	84,738
6680	DEPRECIATION EXPENSE	920,000
6699	FEE EXPENSE	5,000
	TOTAL EXPENSES	3,586,238
	NET INCOME \$	(100,238)
	Cash Available for Debt Service (NI + Deprec + Int) \$	914,500
	Scheduled Principal and Interest Payments \$	278,085
	Debt Service Coverage	3.29

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 06-05-2019**

**A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO
BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF
THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND
PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM
EFFECTIVE WITH AUGUST 5, 2019 BILLING**

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission continues to incur increases in electricity charges, state mandated retirement and pension funding increases, increased chemical costs and flushing costs associated with meeting numerous federal regulations, and decreased sales as households and industry have become more efficient and conservative; and

WHEREAS, in order to more fairly charge customers who use the least amount of water and who currently subsidize the largest users and in order to recoup the actual costs incurred to produce and distribute services; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. The minimum allowance shall be increased to 175 cubic feet for water service to customers connected to the Commission's water system within the corporate limits of the City of Princeton and the minimum charge of \$8.60 shall remain unchanged. The second tier shall increase to 2,000 cubic feet and will be charged at the full cost price of \$3.36 / 100 cubic feet. The fourth tier shall be eliminated and each 100 cubic feet over 2,000 cubic feet shall be charged a flat rate of \$2.97 per 100 cubic feet. Rates will now be as follows:

First	175 cubic ft. / month (min bill):	\$ 8.60
Next	1,825 cubic ft. / month	\$ 3.36 / 100 CF
Over	2,000 cubic ft. / month	\$ 2.97 / 100 CF

Section 2. The billing and rates for water service to customers connected to the Commission's water system outside the corporate limits of the City of Princeton shall remain unchanged.

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall remain unchanged.

Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall now be charged at a flat rate of \$7.24 per 100 cubic feet. The new structure shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 10.86
Over	150 cubic ft	\$ 7.24 / 100 CF

Section 5. All customers connected to either the water and sewer system will now be charged a monthly customer service fee of \$6.00 per month per meter whether connected to one or both systems.

Section 6. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 7. The rates and charges provided for herein shall become effective upon its adoption, approval and publication as provided by law and shall become effective with the bills due August 5, 2019.

Given first reading on the 5th day of June, 2019.

Given second reading and duly passed by the City of Princeton Water and Wastewater Commission on the 7th day of June 2019.



 ROBERT L. HAYES, CHAIRMAN

ATTEST:

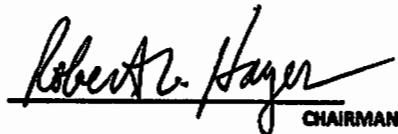


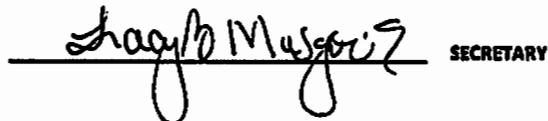
 JAMES NOEL, SUPERINTENDENT

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – July 2, 2019

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday July 2nd in lieu of the regular meeting scheduled for June 27th.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, and Irl Stevens. Pat George, and Jay Parrent were absent with prior notification. Superintendent James Noel and Attorney Todd Wetzel were also present along with Mayor Young.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the June 5th and June 7th meetings were reviewed with a motion made by Brent Ladd and seconded by Bob Hayes to approve the minutes as written. All Ayes. The financial statements for May were presented and reviewed by Ms. Musgove. A motion was made by Brent Ladd and seconded by Irl Stevens to approve the financial statements. All Ayes. The bills were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve. All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported that the start date for the bridge portion of the project is slated for July 15th. P&L Railroad has been notified to have flaggers on hand. The Sandlick Road section has been pressure tested and has passed all tests along with the BacT samples. Paving on Noble Ave is scheduled for July 8th and there are still several items of clean-up work to be done. Skyline tank project still needs clean-up work and fencing and hopefully will be complete at the next meeting. Documentation was presented for the 10th pay request which included draws for both the tank rehab and the water project totaling \$300,326.46. A motion was made by Brent Ladd and seconded by Irl Stevens to approve the pay request. All Ayes.
- V. **New Business and Superintendent's Report city**
- (a) Ms. Musgove updated the members regarding the presentation on the rate increases to the City Council the previous evening. While there has been minimal Facebook comments from the public, generally, the need for the increase was understood by Council Members.
- (b) Ms. Musgove then presented findings regarding a needed rate increase for the wholesale customers. The same reasoning applies to the wholesale customer base as did the reason to increase and revamp the rate structure for the retail customer base. Ms. Musgove pointed out that it has been five years since a water rate increase and during that time several expense categories, which are out of the control of management, have all increased significantly despite management's best efforts to control costs and think "out of the box". The rates have been redesigned to be fair and equitable to the citizens and users on the system and to fully compensate the PWWC for the cost it takes to produce and distribute water. With the cost of water calculated at \$3.36/100 cf, the goal would be to get everyone to pay that rate. Currently, the water districts pay only 68% of this amount (\$2.29/100 cf) and this increase will raise that rate to \$2.97 (a 30% increase); however, they will still be paying only 88% of the true cost it takes to treat, produce, and distribute the water.
- Chairman Hayes proceeded to read the new Rate Regulation 07-02-2019. A motion was made by Brent Ladd and seconded by Irl Stevens to approve the first reading of the Regulation which serves to increase wholesale rates to level of the largest retail users in the system. All Ayes. A second reading of the Regulation will take place at the next board meeting. (A copy of Regulation 07-02-2019 will be inserted in the minute book after final reading)
- VI. **Adjourn**
There being no further issues or business to discuss, Brent Ladd made a motion seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


CHAIRMAN


SECRETARY

PRINCETON WATER AND WASTEWATER
 101 E. Market Street
 Princeton, KY 42445

CUBIC FOOT RATE
 Effective October 1, 2002 Billing
 (Based on September 2002 Usage)

+390
 UT

	WA(10-01-02)	SW(10-01-02)	COMBINED
5/8" meter 150 cubic feet (MIN) <i>260</i>	\$ 6.95 <i>7.75</i>	\$ 6.75 <i>7.50</i>	<i>15.85</i> \$13.70
Next 600 cubic feet <i>2.36/100</i> on WA <i>461</i>	(14.16) <i>15.60</i>		
<i>4.24/100</i> on SW	(25.44) <i>28.02</i>		
1" Meter 750 cubic feet <i>260</i>	\$ 21.11 <i>23.35</i>	\$ 32.19 <i>35.52</i>	<i>58.97</i> \$53.30
Next 350 cubic feet <i>2.36/100</i> on WA <i>461</i>	(8.26) <i>9.10</i>		
<i>4.24/100</i> on SW	(14.84) <i>16.34</i>		
Next 900 cubic feet <i>1.88/100</i> on WA <i>217</i>	(16.92) <i>19.53</i>		
<i>4.19/100</i> on SW <i>461</i>	(37.71) <i>41.49</i>		
1 1/2" Meter 2000 cubic feet <i>217</i>	\$ 46.29 <i>51.98</i>	\$ 84.74 <i>93.35</i>	<i>145.33</i> \$131.03
Next 1800 cubic ft. <i>1.88/100</i> on WA <i>461</i>	(33.84) <i>39.06</i>		
<i>4.19/100</i> on SW	(75.42) <i>82.98</i>		
2" Meter 3800 cubic feet <i>217</i>	\$80.13 <i>91.04</i>	\$160.16 <i>176.33</i>	<i>267.37</i> \$240.29
Next 3600 cubic ft. <i>1.88/100</i> on WA <i>461</i>	(67.68) <i>78.12</i>		
<i>4.19/100</i> on SW	(150.84) <i>165.96</i>		
3" Meter 7400 cubic feet <i>217</i>	\$147.81 <i>169.16</i>	\$311.00 <i>342.29</i>	<i>511.45</i> \$458.81
Next 2600 cubic ft. <i>1.88/100</i> on WA <i>461</i>	(48.88) <i>56.42</i>		
<i>4.19/100</i> on SW	(108.94) <i>119.86</i>		
Next 9450 cubic ft. <i>1.49/100</i> on WA <i>179</i>	(140.81) <i>169.15</i>		
<i>4.13/100</i> on SW <i>455</i>	(390.29) <i>429.97</i>		
4" Meter 19450 cubic feet	<i>394.73</i> \$337.50	<i>892.12</i> \$810.23	<i>1286.85</i> \$1147.73

MONTHLY WATER RATES

Gallons		WA	SW	WA—40%more OUTSIDE CITY
<i>1122</i>	First 150 cubic feet per month (MIN),	\$6.95 <i>7.75</i>	\$6.75 <i>7.50</i>	\$9.73 <i>10.85</i>
<i>23-7106</i>	Next 950 cubic feet per month <i>260</i>	\$2.36/100 <i>461</i>	\$4.24/100	\$3.30/100 <i>3.67</i>
<i>106-66572</i>	Next 8900 cubic feet per month <i>217</i>	\$1.88/100 <i>461</i>	\$4.19/100	\$2.63/100 <i>3.03</i>
<i>74,800</i>	Over 10000 cubic feet per month <i>1.79</i>	\$1.49/100 <i>455</i>	\$4.13/100	\$2.09/100 <i>2.51</i>

WHOLESALE RATE: *1.72* \$1.43/100CF

1 CF = *7.48* gallons

First	150 cubic ft./month (min. bill) :	\$ 9.73
Next	950 cubic ft./month:	\$ 3.30/100CF
Next	8,900 cubic ft./month:	\$ 2.63/100CF
Over	10,000 cubic ft./month:	\$ 2.09/100CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall be as follows:

All usage per month: 1.43/100CF

Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft./month (min. bill) :	\$ 6.75
Next	950 cubic ft./month:	\$ 4.24/100CF
Next	8,900 cubic ft./month:	\$ 4.19/100CF
Over	10,000 cubic ft./month:	\$ 4.13/100CF

Section 5. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 6. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective for services provided after September 1, 2002, and billed on or after October 1, 2002.

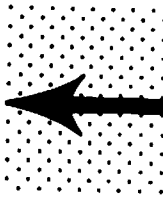
Given first reading on the 25th day of July, 2002.

Given second reading and duly passed by the City of Princeton Water and Sewer Commission on the 29th day of July 2002.

J.R. KEVIL, CHAIRMAN

ATTEST:

Virginia G. Routen
 VIRGINIA G. ROUTEN, SUPERINTENDENT



**CITY OF PRINCETON
WATER AND SEWER COMMISSION
REGULATION NO. 07-25-02
(Section 3 amended 10-24-2002)**

**A REGULATION PROVIDING FOR THE ADJUSTMENT OF
WATER AND SEWER RATES CHARGED BY THE CITY OF
PRINCETON WATER AND SEWER COMMISSION FOR
THE PUBLIC AND PRIVATE USE OF THE MUNICIPAL
WATER & SEWER SYSTEM THROUGH THE AMENDMENT
OF RATE SCHEDULES ADOPTED IN REGULATION
NO. 09-27-00 (WATER) AND 06-22-95 (SEWER).**

WHEREAS, BY ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Sewer Commission (hereinafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for serving these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Sewer Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft./month (min. bill):	\$ 6.95
Next	950 cubic ft./month:	\$ 2.36/100CF
Next	8,900 cubic ft./month:	\$ 1.88/100CF
Over	10,000 cubic ft./month:	\$ 1.49/100CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton shall be as follows:

CUBIC FOOT RATE
Effective November 1, 2004 Billing
(Based on October 2004 Usage)

	WA((11-01-04)	SW(11-01-04)	COMBINED
5/8" Meter 150 cubic feet (MIN)	\$ 7.75	\$ 7.50	\$15.25
Next 600 cubic feet 2.60/100 WA	15.60		
4.66/100 SW		27.96	
1" Meter 750 cubic feet	\$23.35	\$35.46	58.81
Next 350 cubic feet 2.60/100 WA	9.10		
4.66/100 SW		16.31	
Next 900 cubic feet 2.16/100 WA	19.44		
4.61/100 SW		41.49	
1½" Meter 2000 cubic feet	\$51.89	\$93.26	145.15
Next 1800 cubic ft. 2.16/100 WA	38.88		
4.61/100 SW		82.98	
2" Meter 3800 cubic feet	\$90.77	\$176.24	267.01
Next 3600 cubic ft. 2.16/100 WA	77.76		
4.61/100 SW		165.96	
3" Meter 7400 cubic feet	\$168.53	\$342.20	510.73
Next 2600 cubic ft. 2.16/100 WA	56.16		
4.61/100 SW		119.86	
Next 9450 cubic ft. 1.79/100 WA	169.15		
4.54/100 SW		429.03	
4" Meter 19450 cubic ft.	\$393.84	\$891.09	1284.93

MONTHLY WATER RATES

	WA	SW	WA—40%more OUTSIDE CITY
First 150 cubic feet per month (MIN)	\$ 7.75	\$7.50	\$10.85
Next 950 cubic feet per month	\$2.60/100	\$4.66/100	\$3.63/100
Next 8900 cubic feet per month	\$2.16/100	\$4.61/100	\$3.03/100
Over 10000 cubic feet per month	\$1.79/100	\$4.54/100	\$2.50/100

WHOLESALE RATE: Flat Rate of \$1.72/100 cubic feet
= 2.30/1000 gallons

MIN
 WA 7.98
 SW 7.73
 UT .24
 ST .96

15.95 (old 15.48) +.47
 16.91 (old 16.41) +.50

+3%

CUBIC FOOT RATE
 Effective November 1, 2004 Billing
 (Based on October 2004 Usage)

ST
 +26 ALL
 UT 60 WA
 +3%

	WA(11-01-04)	SW(11-01-04)	COMBINED
5/8" Meter 150 cubic feet (MIN)	7.98 \$ 7.75	7.73 \$ 7.50	15.71 \$15.25
Next 600 cubic feet 2.60/100 WA	16.08 15.60		
2.68 4.66/100 SW		28.80 27.96	
4.80			67.59
1" Meter 750 cubic feet	24.06 \$23.35	32.53 \$35.46	58.81
Next 350 cubic feet 2.60/100 WA	9.38 9.10		
2.68 4.66/100 SW		16.80 16.31	
4.80			
Next 900 cubic feet 2.16/100 WA	19.98 19.44		
2.22 4.61/100 SW		42.75 41.49	
4.75			147.50
1 1/2" Meter 2000 cubic feet	53.42 \$51.89	76.28 \$93.26	145.15
Next 1800 cubic ft. 2.16/100 WA	38.88		
2.22 4.61/100 SW		55.50 82.98	
4.75			274.96
2" Meter 3800 cubic feet	93.38 \$90.77	131.58 \$176.24	267.01
Next 3600 cubic ft. 2.16/100 WA	77.76		
2.22 4.61/100 SW		171.00 165.96	
4.75			525.55
3" Meter 7400 cubic feet	173.30 \$168.53	352.52 \$342.20	510.73
Next 2600 cubic ft. 2.16/100 WA	56.16		
2.22 4.61/100 SW		123.50 119.86	
4.75			
Next 9450 cubic ft. 1.79/100 WA	173.55 169.15		
1.84 4.54/100 SW		442.26 429.03	
4.68			1323.24
4" Meter 19450 cubic ft.	404.90 \$393.84	918.34 \$891.09	1284.93

MONTHLY WATER RATES

	WA	SW	WA—40% more OUTSIDE CITY
First 150 cubic feet per month (MIN)	7.98 \$ 7.75	\$7.50 7.73	\$10.85 11.17
Next 950 cubic feet per month	2.68 \$2.60/100 4.80	\$4.66/100	\$3.63/100 3.75
Next 8900 cubic feet per month	2.22 \$2.16/100 4.75	\$4.61/100	\$3.03/100 3.11
Over 10000 cubic feet per month	1.84 \$1.79/100 4.68	\$4.54/100	\$2.50/100 2.58

WHOLESALE RATE: Flat Rate of \$1.72/100 cubic feet (2.30/1000 gallons)
 (2.37/1000 gallons)

CUBIC FOOT RATE
Effective 11-1-06 Billing
(Based on Oct 06 Usage)

	WA()	SW()	COMBINED
5/8" Meter 150 cubic feet (MIN)	\$ 7.98	\$ 7.73	\$15.71
Next 600 cubic feet 2.68/100 WA	16.08		
4.80/100 SW		28.80	
1" Meter 750 cubic feet	\$24.06	\$36.53	\$60.59
Next 350 cubic feet 2.68/100 WA	9.38		
4.80/100 SW		16.80	
Next 900 cubic feet 2.22/100 WA	19.98		
4.75/100 SW		42.75	
1½" Meter 2000 cubic feet	\$53.42	\$96.08	\$149.50
Next 1800 cubic ft. 2.22/100 WA	39.96		
4.75/100 SW		85.50	
2" Meter 3800 cubic feet	\$93.38	\$181.58	\$ 274.96
Next 3600 cubic ft. 2.22/100 WA	79.92		
4.75/100 SW		171.00	
3" Meter 7400 cubic feet	\$173.30	\$352.58	\$525.88
Next 2600 cubic ft. 2.22/100 WA	57.72		
4.75/100 SW		123.50	
Next 9450 cubic ft. 1.84/100 WA	173.88		
4.68/100 SW		442.26	
4" Meter 19450 cubic ft.	\$404.90	\$918.34	\$1323.24

MONTHLY WATER RATES

	WA	SW	WA—40%more OUTSIDE CITY
First 150 cubic feet per month (MIN)	\$ 7.98	\$7.73	\$11.17
Next 950 cubic feet per month	\$2.68/100	\$4.80/100	\$3.75/100
Next 8900 cubic feet per month	\$2.22/100	\$4.75/100	\$3.11/100
Over 10000 cubic feet per month	\$1.84/100	\$4.68/100	\$2.58/100

WHOLESALE RATE: Flat Rate of \$1.77/100 cubic feet
(\$2.37/1000 gallons)

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 08-02-2012**

A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM EFFECTIVE SEPTEMBER 1, 2012.

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter “Commission”) the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for servicing these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton remain unchanged and shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 8.00
Next	950 cubic ft. / month	\$ 2.814 / 100 CF
Next	8,900 cubic ft. / month	\$ 2.442 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.024 / 100 CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton remain unchanged and shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 11.20
Next	950 cubic ft. / month	\$ 3.94 / 100 CF

Next	8,900 cubic ft. / month	\$ 3.42 / 100 CF
Over	10,000 cubic ft. / month	\$ 2.83 / 100 CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) remained unchanged and shall be as follows:

FLAT Cubic Feet per month	\$2.024 / 100 CF
---------------------------	------------------

Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 8.97
Next	950 cubic ft. / month	\$ 5.625 / 100 CF
Next	8,900 cubic ft. / month	\$ 5.644 / 100 CF
Over	10,000 cubic ft. / month	\$ 5.713 / 100 CF

Section 5. Customers connected to both the water and sewer system will be charged a monthly customer service fee of \$3.00 per month per meter. Customers connected to only one system will be charged a customer service fee of \$2.00 per month per meter.

Section 6 Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 7. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective as of September 1, 2012.

Given first reading on the 2nd day of August, 2012.

Given second reading and duly passed by the City of Princeton Water and Wastewater Commission on the 8th day of August, 2012.

CHAIRMAN ROBERT L. HAYES

ATTEST:

JOSEPH ANDERSON, SUPERINTENDENT

**Princeton Water & Wastewater
Miscellaneous Billing Rates**

POLICY # A-042591

AMENDED DATE: December 9, 2014

The following rate(s) changes have been made to POLICY # A-042591 and shall become effective as of December 15, 2014.

Description	Rate
Meter Deposit Residence / Small Commercial	\$ 200
Meter Deposit Large Commercial	\$ 500
Water / Sewer Tap Fee	Greater of \$ 500 or Time + Equip + Materials*
5/8" Water Meter Setting	Greater of \$ 800 or Time + Equip + Materials*
Larger Water Meter Setting	Greater of \$ 1,000 or Time + Equip + Materials*
Sewer Laterals	Greater of \$ 1,500 or Time + Equip + Materials*
Site Dressing – topsoil, smooth, seed & straw (optional on meter settings and sewer taps)	Greater of \$100 or Time + Equip + Materials*
Man Hours (regular)	\$ 40 / hour / man
Man Hours (overtime)	\$ 60 / hour / man
Service Call / Investigation Charge/ (regular hours)	\$ 40 per call
Service Call / Investigation Charge (overtime hours)	\$ 60 per call
Connection Fee (upfront new customer)	\$50
Disconnect / Reconnect Fees – <i>if employees make trip to disconnect and customer pays, customer will still be assessed a trip charge of \$35.</i>	\$70
Returned Checks	\$35
Credit Card Convenience Fee	\$2.50 per swipe
Backhoe	\$ 50 / hour + Man Hours
Air Compressor	\$ 35 / hour + Man Hours
Dump Truck	\$ 50 / hour + Man Hours
Sewer Machine	\$100 / hour + Man Hours
Tractor	\$ 40 / hour + Man Hours
Camera Inspection	\$ 25 / hour + Man Hours
Materials	Cost + 30% markup
*- On all rates where Materials are part of the final cost, the 30% mark-up will apply.	

Service Call / Investigation Charge: Will be assessed when a customer requests PWWC personnel to investigate a service issue and produce a consumption profile and it is determined the problem is a result of the customer's own plumbing facilities, beyond the delivery point of the PWWC.

The Superintendent will be responsible to update the rates and present recommendations for approval by Commission members if changes are necessary.

SEWER RATES - PRINCETON WATER AND WASTEWATER COMMISSION

Last Changed: July 1, 2016

Rate Code	Existing Rate Schedule for City Customers						Proposed Rates for City Customers					Min Inc %	
	Meter Size												
301	5/8 "	First	150	cuft	\$	10.41	Minimum	First	150	\$	10.86	Minimum	4.32%
		Next	950	cuft	\$	6.53	per 100 cuft	Over	150	\$	7.24	per 100 cuft	
		Next	8,900	cuft	\$	6.55	per 100 cuft						
		Over	10,000	cuft	\$	6.63	per 100 cuft						
302	1.0 "	First	750	cuft	\$	49.59	Minimum	First	750	\$	54.30	Minimum	9.50%
		Next	350	cuft	\$	6.53	per 100 cuft	Over	750	\$	7.24	per 100 cuft	
		Next	8,900	cuft	\$	6.55	per 100 cuft						
		Over	10,000	cuft	\$	6.63	per 100 cuft						
303	1.5 "	First	2,000	cuft	\$	131.42	Minimum	First	2,000	\$	144.80	Minimum	10.18%
		Next	8,000	cuft	\$	6.55	per 100 cuft	Over	2,000	\$	7.24	per 100 cuft	
		Over	10,000	cuft	\$	6.63	per 100 cuft						
304	2.0 "	First	3,800	cuft	\$	249.35	Minimum	First	3,800	\$	275.12	Minimum	10.33%
		Next	6,200	cuft	\$	6.55	per 100 cuft	Over	3,800	\$	7.24	per 100 cuft	
		Over	10,000	cuft	\$	6.63	per 100 cuft						
305	3.0 "	First	7,400	cuft	\$	485.22	Minimum	First	7,400	\$	535.76	Minimum	10.42%
		Next	2,600	cuft	\$	6.55	per 100 cuft	Over	7,400	\$	7.24	per 100 cuft	
		Over	10,000	cuft	\$	6.63	per 100 cuft						
306	4.0 "	First	19,450	cuft	\$	1,282.32	Minimum	First	10,000	\$	724.00	Minimum	-43.54%
309		Over	19,450	cuft	\$	6.63	per 100 cuft	Over	10,000	\$	7.24	per 100 cuft	

Current data shows the cost to treat wastewater is \$7.69 per 100 cuft or \$1.06 more than the highest user pays. Collapsing all tiers and implementing an approximate 10% increase over the highest tier comes to \$7.24 per 100 cuft or 94% of full costing versus the 85% level we are at currently. Future increases can be accomplished easier as changes occur since all minimums are based on same cuft pricing. Average residential customer uses approximately 2,611 gallons per month or 349 cuft. This usage currently would cost the consumer \$23.41 and will now cost \$25.27 an increase of 7.9%.

SEWER RATES - PRINCETON WATER AND WASTEWATER COMMISSION

Existing Rate Schedule for City Customers

Effective Date: July 1, 2016

7.48

Meter Size							
5/8 "	First	150	cubic feet	@	\$	10.4100	Minimum
	Next	950	cubic feet	@	\$	6.5299	per 100 cubic feet
	Next	8,900	cubic feet	@	\$	6.5519	per 100 cubic feet
	Over	10,000	cubic feet	@	\$	6.6323	per 100 cubic feet
1.0 "	First	750	cubic feet	@	\$	49.5900	Minimum
	Next	350	cubic feet	@	\$	6.5299	per 100 cubic feet
	Next	8,900	cubic feet	@	\$	6.5519	per 100 cubic feet
	Over	10,000	cubic feet	@	\$	6.6323	per 100 cubic feet
1.5 "	First	2,000	cubic feet	@	\$	131.4200	Minimum
	Next	8,000	cubic feet	@	\$	6.5519	per 100 cubic feet
	Over	10,000	cubic feet	@	\$	6.6323	per 100 cubic feet
2.0 "	First	3,800	cubic feet	@	\$	249.3500	Minimum
	Next	6,200	cubic feet	@	\$	6.5519	per 100 cubic feet
	Over	10,000	cubic feet	@	\$	6.6323	per 100 cubic feet
3.0 "	First	7,400	cubic feet	@	\$	485.2200	Minimum
	Next	2,600	cubic feet	@	\$	6.5519	per 100 cubic feet
	Over	10,000	cubic feet	@	\$	6.6323	per 100 cubic feet
4.0 "	First	19,450	cubic feet	@	\$	1,282.3200	Minimum
	Over	19,450	cubic feet	@	\$	6.6323	per 100 cubic feet

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – November 5, 2019

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, November 5th at the PWWC office. This meeting was in lieu of the regular meeting scheduled for Thursday, October 31st.

II. Roll Call and Recognition of Visitors

Ms. Musgove conducted roll call with the following members in attendance: Chairman Bob Hayes, Irl Stevens, Brent Ladd, Pat George. Jay Parrent was absent with prior notification. Also present were Attorney Todd Wetzel and Superintendent James Noel. Chairman Hayes recognized the two visitors present as Mayor Kota Young and Joy King. Mr. Hayes turned the meeting over to Ms. King who was requesting help with a recent high bill due to a leak. She had previously spoken to Commissioner Pat George and had also met with Jason Oliver who had given her an adjustment per policy along with approximately 14 months to pay. She still was not satisfied and wanted an average bill. The Commission decided to adhere to the policy and explained she had been given substantially more time than normal in her payment plan. There would be no further adjustments.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the October 1st meeting were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. Director of Finance Musgove presented the financials for the month of September along with quarter year to date data. Revenues for the month exceeded budget but expenses were higher due to paying for bulk annual shipments for chemicals at the two plants. (An adjustment will be made in December to recognize chemical inventory and pre-pays). YTD net income was almost \$100,000 higher than budget with \$99,100 coming from grant revenues. A motion was made by Brent Ladd and seconded by Pat George to approve the financial statements as written. Motion passed with all Ayes. The invoices for the month of September were reviewed by members and a motion was made by Brent Ladd and seconded by Irl Stevens to pay the bills. All Ayes.

IV. System Expansion / Old Business

Mr. Noel stated JSJ had completed all final clean up on areas that needed attention and that he had authorized payment of the remaining balance that had been retained. Questions arose regarding the status of the clearwell addition and Ms. Musgove said the USDA representative had emailed that they were waiting on environmental. Mr. Noel said that an experiment with slowly throttling back the VFDs at the water plant may eliminate the need for the surge tank. Further data needs to be collected and programming will need to be done to eliminate the need for manual throttling.

Superintendent Noel updated the Commission regarding the purchase of the property adjacent to the Skyline Tank. The property owners decided to take the initial offer of \$15,000 and Mr. Wetzel is in process of completing title work and purchase documents. There are four separate parties (along with spouses) who need to sign before proceeds are disbursed.

Mr. Stevens asked if there had been any definitive results regarding the source of the smell in the water that had been noted in several complaints by various residents across the town but with a concentration of homes in the Greenspoint subdivision. Mr. Noel stated that Jackie Logsdon from DOW had accompanied him to numerous sites and had taken several samples for testing. However, the test results have not been received.

Mr. Noel stated the Maintenance paving project is currently on a wait list with Rogers Group. The prep work that was required to be done has been completed and should be inspected soon.

V. New Business and Superintendent's Report

Ms. Noel requested the board approve the Christmas bonus payout as budgeted in the amount of \$12,450 with discretion given to him on individual payouts dependant on merit. A motion was made by Brent Ladd and seconded by Pat George to pay the bonuses as requested. All Ayes.

Mr. Noel updated the Commission on the posting of the administrative position. Several dozen applications had been received with 15 applicants being tested. Two applicants still needed to be tested and from the test scores, five will be interviewed. *(Update: All five applicants interviewed were excellent candidates. The five finalists were Hailey Bowles Jones, Mandy McConnell, Amanda Ford, Sarah McClure and Nicole McGowan. The decision was made to offer the position to Nicole McGowan who accepted and plans to start November 25th.)*

Ms. Musgove updated the Commission regarding the meeting held with the two wholesale customers regarding a rate increase effective with January 1, 2020 usage. Since the first reading of the regulation was completed, a second reading will be required. Chairman Hayes proceeded with the second reading of Rate Regulation 07-02-2019. A motion was made by Brent Ladd and seconded by Pat George to approve the Regulation. All Ayes. (A copy of Regulation 07-02-2019 is included in the minute book)

VI. Adjourn

Due to the Thanksgiving Holiday, it was decided to hold the next meeting on Tuesday, December 10th at 3:00. There being no further issues or business to discuss, Brent Ladd made a motion seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

**WATER RATES - PRINCETON WATER & WASTEWATER COMMISSION
OUTSIDE CITY CUSTOMERS ONLY**

Meter Size	Cubic Feet	Charge
5/8 "	First	150 \$ 15.05 Minimum
	Next	950 \$ 5.37 per 100 cuft
	Next	8,900 \$ 4.68 per 100 cuft
	Over	10,000 \$ 4.00 per 100 cuft
1.0 "	First	750 \$ 47.25 Minimum
	Next	350 \$ 5.37 per 100 cuft
	Next	8,900 \$ 4.68 per 100 cuft
	Over	10,000 \$ 4.00 per 100 cuft
2.0 "	First	3,800 \$ 192.40 Minimum
	Next	6,200 \$ 4.68 per 100 cuft
	Over	10,000 \$ 4.00 per 100 cuft
3.0 "	First	7,400 \$ 360.85 Minimum
	Next	2,600 \$ 4.68 per 100 cuft
	Over	10,000 \$ 4.00 per 100 cuft

WATER RATES - PRINCETON WATER & WASTEWATER COMMISSION
CITY CUSTOMERS ONLY
Effective: August 2019

Meter Size	Cubic Feet	Charge
5/8 "	First	175 \$ 8.60 Minimum
	Next	1,825 \$ 3.36 per 100 cuft
	Over	2,000 \$ 2.97 per 100 cuft
1.0 "	First	750 \$ 27.92 Minimum
	Next	1,250 \$ 3.36 per 100 cuft
	Over	2,000 \$ 2.97 per 100 cuft
1.5 "	First	2,000 \$ 69.92 Minimum
	All Over	\$ 2.97 per 100 cuft
2.0 "	First	3,800 \$ 123.38 Minimum
	All Over	\$ 2.97 per 100 cuft
3.0 "	First	7,400 \$ 230.30 Minimum
	All Over	\$ 2.97 per 100 cuft
4.0 "	First	10,000 \$ 307.52 Minimum
	All Over	\$ 2.97 per 100 cuft

Wholesale Rates = \$2.29 / 100 cuft

SEWER RATES - PRINCETON WATER AND WASTEWATER COMMISSION
Effective August 2019

Meter size determines the minimum consumption allowed per month. All usage, regardless of meter size, is charged at \$7.24 per 100/cuft.

<u>Meter Size</u>	<u>Allowance</u>	<u>Monthly Charge</u>
5/8 "	150 cuft	\$ 10.86
1.0 "	750 cuft	\$ 54.30
1.5 "	2,000 cuft	\$ 144.80
2.0 "	3,800 cuft	\$ 275.12
3.0 "	7,400 cuft	\$ 535.76
4.0 "	10,000 cuft	\$ 724.00

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit 1-1c
Wholesale Tariffs

FOR Princeton, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

SALES FOR RESALE

Monthly Rates for water service to wholesale customers, other municipalities, or rural water districts that take delivery at master water meters shall be as follows:

All usage

\$1.43 per 100 cubic feet

DATE OF ISSUE DECEMBER 3, 2002
Month / Date / Year

DATE EFFECTIVE NOVEMBER 27, 2002
Month / Date / Year

ISSUED BY Virginia G. Routen
(Signature of Officer)

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00417 DATED NOVEMBER 25, 2002

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

NOV 9 7 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Charles H. Brown
EXECUTIVE DIRECTOR

FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 1

RATES AND CHARGES

Caldwell County Water District

All Usage

\$1.72 per 100 cubic foot

Lyon County Water District

All Usage

\$1.72 per 100 cubic foot

These rates were approved by the City of Princeton Water and Sewer Commission in Regulation No. 09/26/04, given first reading on September 23, 2004 and given second reading and passed on September 29, 2004 per authority granted by the city council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and the Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE OCTOBER 6, 2004
Month / Date / Year

DATE EFFECTIVE NOVEMBER 5, 2004
Month / Date / Year

ISSUED BY Virginia S. Routen
(Signature of Officer)

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/5/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 
Executive Director

FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

2st Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

RATES AND CHARGES

Caldwell County Water District

All Usage

\$1.77 per 100 cubic foot

Lyon County Water District

All Usage

\$1.77 per 100 cubic foot

These rates were approved by the City of Princeton Water and Sewer Commission in Regulation No. 08/24/06, given first reading on August 24, 2006 and given second reading and passed on August 28, 2006 per authority granted by the city council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and the Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE OCTOBER 1, 2006
Month / Date / Year

DATE EFFECTIVE NOVEMBER 1, 2006
Month / Date / Year

ISSUED BY Virginia S. Rousten
(Signature of Officer)

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/1/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By [Signature]
Executive Director

FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

2st Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

RATES AND CHARGES

Caldwell County Water District

All Usage \$1.77 per 100 cubic foot

Lyon County Water District

All Usage \$1.77 per 100 cubic foot

These rates were approved by the City of Princeton Water and Sewer Commission in Regulation No. 08/24/06, given first reading on August 24, 2006 and given second reading and passed on August 28, 2006 per authority granted by the city council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and the Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE OCTOBER 1, 2006
Month / Date / Year

DATE EFFECTIVE NOVEMBER 1, 2006
Month / Date / Year

ISSUED BY Virginia D. Rouen
(Signature of Officer)

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/1/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By [Signature]
Executive Director

FOR WATER USAGE ON AND AFTER 10-1-06 AND BILLS

ISSUED ON AND AFTER 11-1-06

FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

3rd Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

2nd Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

RATES AND CHARGES

Caldwell County Water District

All Usage

\$2.024 per 100 cubic feet

Lyon County Water District

All Usage

\$2.024 per 100 cubic feet

These rates were approved by the City of Princeton Water and Sewer Commission in Regulation No. 11/04/10, given first reading on November 4, 2010 and given second reading and passed on November 10, 2010 per authority granted by the City Council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE 11/15/2010
Month / Date / Year

DATE EFFECTIVE 1/1/2011
Month / Date / Year

ISSUED BY Joseph W Anderson
(Signature of Officer)

TITLE Superintendent

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

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

1/1/2011

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

4th Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

3rd Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

RATES AND CHARGES

Caldwell County Water District

Monthly Customer Service Charge
All Usage

\$2.00 per meter
\$2.024 per 100 cubic feet

Lyon County Water District

Monthly Customer Service Charge
All Usage

\$2.00 per meter
\$2.024 per 100 cubic feet

These rates/fees were approved by the City of Princeton Water and Sewer Commission in Regulation No. 08/02/12, given first reading on August 2, 2012 and given second reading and passed on August 8, 2012 per authority granted by the City Council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE 08/08/2012
Month / Date / Year

DATE EFFECTIVE 10/01/2012
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Superintendent

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



FOR Princeton, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

5th Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

4th Revised SHEET NO. 1

City of Princeton Water & Wastewater Commission
(Name of Municipal Utility)

RATES AND CHARGES

Caldwell County Water District

Monthly Customer Service Charge
All Usage

\$4.00 per meter
\$2.024 per 100 cubic feet

Lyon County Water District

Monthly Customer Service Charge
All Usage

\$4.00 per meter
\$2.024 per 100 cubic feet

These rates/fees were approved by the City of Princeton Water and Sewer Commission in Regulation No. 06/14/13, given first reading on June 14, 2013 and given second reading and passed on June 21, 2013 per authority granted by the City Council of the City of Princeton by Ordinance No. 2-21-83 (4).

Water Purchase Contracts between the City of Princeton and Caldwell County Water District entered into on the 16th day of October 2002, and between the City of Princeton and the Lyon County Water District entered into on the 23rd day of October 2000, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE 06/21/13
Month / Date / Year

DATE EFFECTIVE 10/01/13 *HBM*
Month / Date / Year

ISSUED BY *Joseph W. Parkers*
(Signature of Officer)

TITLE Superintendent

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

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 10/1/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

2. Provide a schedule of wastewater rates employed by Princeton from the year 2000 to the current date categorized by customer classification and the date range that a particular rate was in effect.

- (a) Provide any and all tariffs, rate sheets, or other such documents which provide backup for the schedule requested above.
- (b) Provide copies of all minutes, resolutions and/or regulations of the City of Princeton Water and Sewer Commission authorizing the implementation of wastewater rates during this period.

Response: PWWC objects to this request as being overly broad and not proportional to the needs of the case. Notwithstanding this objection, PWWC states as follows:

Please see the attached Excel file titled WD 1-1 and 1-2 Rate History. In addition, see attached Exhibit 1-2 Minutes.

Witness: Legal; Tracy Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit 1-2

Minutes

**Princeton Water & Wastewater
Commission Meeting
August 26, 2004**

The Princeton Water & Wastewater Commission met in regular session on August 26, 2004. Commission member, Bob Hayes called the meeting to order. Those present for the meeting were: Bob Hayes, Tracy Musgove, Doug Osting, Todd Wetzel, and Virginia Routen. Absent with prior notification was Commission member Jim Bob Kevil. Also absent was Commission member Iris Brantley.

A motion was made by Doug Osting and seconded by Tracy Musgove to appoint Bob Hayes as Vice-Chairman of the Commission. All Ayes.

A motion was made by Tracy Musgove and seconded by Doug Osting to approve the minutes of the previous meeting.

A motion was made by Doug Osting and seconded by Tracy Musgove to approve all financial statements and bills. All Ayes.

George Woolwine of Quest Engineers informed the commission that Caldwell Tanks plans to send a change order to the Commission in mid September. The change order will request an extension for the completion date of the project as well as offer various "goods-in-kind" for the extra time that will be requested. The items that were mentioned were a fence around the Linton Hill water storage tank, a fire hydrant for flushing at the new water storage tank, and the reimbursement of labor charges that will be incurred during the initial change over to the new tank.

The Commission requested that Maintenance Foreman, Joey Anderson prepare a report for the next meeting that will compare the present telephone data line system vs. an upgrade to radio waves for communication purposes between the water storage tanks and the water treatment plant.

A motion was made by Doug Osting and seconded by Tracy Musgove to approve the pay request for the amount of \$54,322.20 to Caldwell Tanks. All Ayes

Attorney Todd Wetzel reported the lots that are for sale next to the water treatment plant in Lyon Co. have restrictions placed on them, and that it would not be feasible for PW&W to purchase them. Superintendent Routen informed the Commission that she had already informed the owner of the property.

The employee handbook has been entered into the computer system at the PW&W office, however, to date, no action has been taken toward updating the handbook.

The budget for FY2004-2005 as well as a possible rate increase may be ready for the next monthly meeting.

The Commission instructed Superintendent Routen to transfer excess funds from the 1997 Debt Service Reserve to the Depreciation account whenever the C.D. matures. Also, the C.D. for the Meter Deposit account will be renewed at the best available rate.

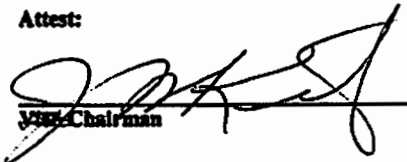
Pursuant as to analysis of actual costs incurred for services provided to others, a motion was made by Doug Osting and seconded by Tracy Musgove that effective as of September 1, 2004, the PW&W will no longer pay interest on meter deposits, also that a new fee schedule will go into effect and will be posted on the front office bulletin board. All Ayes.

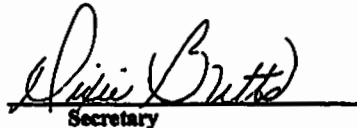
Attorney Todd Wetzel read the first reading of Regulation #082604, which is a regulation amending sewer surcharge rates.

A motion was made by Tracy Musgove and seconded by Doug Osting to approve Change Order #1 from Caldwell Tanks. All Ayes.

The meeting was adjourned by Vice-Chairman Bob Hayes.

Attest:


Vice-Chairman


Secretary

**Princeton Water & Wastewater
Commission Meeting
September 23, 2004**

The Princeton Water & Wastewater Commission met in regular session on September 23, 2004. Commission Chairman, Jim Bob Kevil called the meeting to order. Those present for the meeting were: Jim Bob Kevil, Bob Hayes, Iris Brantley, Tracy Musgove, Doug Osting, Todd Wetzel, and Virginia Routen.

A motion was made by Doug Osting and seconded by Tracy Musgove to approve the minutes of the previous meeting. All Ayes.

A motion was made by Bob Hayes and seconded by Doug Osting to approve all financial statements. All Ayes.

A motion was made by Doug Osting and seconded by Bob Hayes to approve all bills. All Ayes.

A motion was made by Bob Hayes and seconded by Doug Osting to authorize Superintendent Routen to pay the pay request from Caldwell Tanks for the amount of \$67,902.75. All Ayes.

Supt. Routen informed the commission that P.W.&W. has received a Notice of Violation from the Division of Water. During two testing periods, P.W.&W. was over on the allowable amount of Haloacetic Acids in the drinking water. She also informed the commission that there is no immediate risk to anyone who consumes the water. However, as a result of the violation, P.W.&W will be mailing out explanations to the customers next week. Also, in order to help remedy the problem, Division of Water will require quarterly flushing of water hydrants rather than the regular semi-annual flushing. The flushing will be coordinated with the county water system so that they may flush their lines as well.

Commission member, Tracy Musgove presented the new proposed budget for FY 2004-2005. She also explained the new proposed rate increase for the customers of P.W.&W. During her presentation, she informed everyone that the rate increase was inevitable, and that the increase would be between 10% & 11% overall. She then answered questions from Mr. Gary Fuller who was present as a representative of the Caldwell County Water District. Mr. Fuller asked that he receive a copy of the data that was used in order to derive at the increased proposed rate for the county system.

Attorney Todd Wetzel read the first reading of Regulation No. 09/26/04 which is a regulation providing for the adjustment of water and sewer rates charged by the city of Princeton Water and Sewer Commission for the public and private use of the municipal water and sewer system through the amendment of rate schedules adopted in Regulation 07-25-02 water and sewer with section 3 amended 10-24-02.

A motion was made by Tracy Musgove and seconded by Iris Brantley to have a special called meeting on Thursday, September 30, 2004 @ 4:30p.m. in City Hall Chambers for the purpose of discussing the SCADA system cost for the P.W.&W. as well as for the second reading of Regulation No. 09/26/04.

After Attorney Wetzel read the second reading of Regulation #082604, which is a regulation amending sewer surcharge rates, a motion was made by Doug Osting and seconded by Bob Hayes to approve the reading and adopt the regulation. All Ayes.

A motion was made by Tracy Musgove and seconded by Bob Hayes to renew the C.D. in the Revenue account for \$30,000.00 and move the extra \$6,000.00 to the Depreciation account, and to renew the C.D. for the Equipment Replacement Fund account for \$173,000.00 and to keep \$2,284.00 cash in the account for a total of \$175,840.00, and to renew the Depreciation account C.D. for \$300,000.00. All Ayes.

A motion was made by Doug Osting and seconded by Bob Hayes to put the bid notice for the farm lease in the local newspaper. All Ayes.

The Commission instructed Maintenance Foreman, Joey Anderson to check on the total cost of installation of the SCADA system for the complete P.W.&W. He is to also discuss it at the next project meeting, and have the information available at the special called meeting.

A motion was made by Tracy Musgove and seconded by Doug Osting to go into executive session due to threatened litigation. All Ayes.

A motion was made by Bob Hayes and seconded by Doug Osting to return to open session. All Ayes.

No action was taken during executive session.

A motion was made by Iris Brantley and seconded by Tracy Musgove to adjourn. All Ayes.

Attest:



Chairman



Secretary

□

□

□

Princeton Water & Wastewater Commission
Minutes of Meeting
June 28, 2012

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 p.m. on June 28, 2012.

II. Roll Call

Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Doug Osting and Irl Stevens, along with Attorney Todd Wetzel and Director of Finance Tracy Musgove. Commissioner Boyd was absent with prior notification.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

A motion was made by Doug Osting and seconded by Brent Ladd to approve the minutes as written. All Ayes. A motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. A motion was made by Doug Osting and seconded by Brent Ladd to approve all bills. All Ayes.

IV. New Business

(a) Ms. Musgove presented two sets of budget information to those present. The first version resulted in a Net Loss of \$108,000 and illustrated where the Commission would be without additional revenues. The second version includes additional fee income from a proposed service fee and additional sewer revenues required to meet additional WWTP debt service. The service fee is being enacted in order to offset administrative costs (billing, accounting, front office personnel) that are not offset by miscellaneous revenues. These costs currently amount to \$3.26 per meter per month (based on average # of water meters only since those who have sewer generally have water also). Therefore, a service charge of \$3 per month for customers having both water and sewer is being proposed (\$100,800 annually) versus \$2 for those having only one service (\$16,800 annually). *Information gathered subsequent to the meeting indicated that all major local utilities have a basic service fee (PEPB = \$9.68 but is buried within total electric charge; Atmos Energy = \$12.50; and KU recently requested approval from the PSC to increase their basic service fee from \$8.50 to \$13.00).*

In addition to the planned service fee, additional sewer revenues are needed to offset the increase in debt service from the recent improvements to Basins 5&6; Jeff Watson Rd; and the lift station at Cardinal Lane. It appears an approximate 7% increase is needed based on current data; therefore, a rate increase on sewer customers is being proposed effective October 1st. Water rates are being held at current levels in order to see if planned decreases in labor and expenses materialize as expected.

The second version, being the PROPOSED budget, shows revenues of \$2,943,450; expenses of \$2,901,000; a Net Income of \$42,400; and a 1.86x debt service coverage ratio. This budget should produce additional cash with which the department can undertake repairs at the Skyline Water Tank and finish the Hill and Dale and maintenance building projects without dipping further into cash reserves.

Discussion arose about the cash balances held at the department and increasing revenues while excess cash is available. Ms. Musgove explained that funding of unbudgeted capital expenditures have amounted to \$170k (i.e. screw pumps, bearings, WWTP AC unit, camera system) in FY2012 alone and 2013 projects include the Hill and Dale water line improvement and the construction of a new maintenance building which combined will total approximately \$150k. Major repairs and improvements do not flow through the income statement; therefore, continuing to operate at a loss eventually erodes cash balances making the need for increased revenues imperative. To illustrate, Ms. Musgove presented a Cash Flow Trend Report taken from audited data since 6/30/09. This report indicated there had been unfunded capital expenditures > \$600k and cash balances had declined > \$200k since June 2009. *(Copy of attachments in board package).* Finally, bond and loan covenants place restrictions on approximately \$464k of the total \$1.2 million in cash balances while sinking fund accounts total \$89k and meter deposits total \$90k. Therefore, unrestricted cash is less than \$600k representing two months of operating expenses.

After a lengthy discussion, a motion was made by Brent Ladd and seconded by Doug Osting to pass the final budget as presented with both additional revenue items being implemented. All Ayes.

(b) A handout was given to all in attendance with information gathered from the chemical bid process. The providers currently being used were all considered to be the low bidder with the exception of Brenntag's polymer being used at the WWTP. Gordon is planning on conducting trials with a polymer from Jones that is almost \$0.50 per pound cheaper to see if it can be substituted for Brennfloc. Recommend to stay with C.I. Thornburg on everything they currently provide even though Brenntag was a little cheaper on chlorine and sulfur dioxide cylinders due to their overall service.

V.

Old Business

- (a) New Maintenance Building. Mr. Anderson received the permit back from DOW stating that no special flood proofing would be required. Forms and rock and plumbing supplies are on hand currently waiting on plumbing permit and finalizing Hill and Dale.
- (b) The Hill and Dale Project is well underway with 2,180 feet of line already laid and all hydrants set. Approximately 820 feet of line still needs to be laid then service connections and final yard cleanup with be done. Seeding will be done in the fall.
- (c) The first round of FOG maintenance began during the past week with Onsite Environmental spending two full days in town going to the food service establishments with interceptors. Those establishments with traps only have not been cleaned yet. Some interceptors had deteriorated due to poor or inadequate maintenance and cleaning. Superintendent Anderson was with Onsite personnel at almost 90% of the restaurants.

VI.

Adjourn

A motion was made by Brent Ladd and seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

INCOME CATEGORIES	2013 BUDGET
4000 WATER SALES	1,445,000
4010 SEWER SALES	1,276,000
4020 PENALTY INCOME	45,000
4030 SALE OF STORES	7,500
4040 LABOR SALES	6,000
4045 CREDIT CARD CONV.FEE	2,500
4046 BANK CUSTOMER CONV.FEE	800
4050 EQUIP RENTAL	4,000
4060 INT INCOME/DEPR.	500
4065 INT INC. EQUIP.REPAIR	3,250
4075 INT INC. KIA SINKING FUND	100
4080 MISC.INC. S.C.& CONN.	13,000
4081 INT.INCOME/SINKING FUND	-
4082 MISC.INC-GENERAL	12,000
4084 INT.INCOME/PASSBOOK	500
4085 FARM RENTAL INCOME	38,700
4087 RECOVERY OF BAD DEBTS	400
4098 OTHER REVENUE - new service fee	88,200

TOTAL INCOME \$ 2,949,450

EXPENSE CATEGORIES	
6010 SALARIES	722,000
6020 PAYROLL TAX	55,000
6030 EMPLOYEE BENEFITS	279,000
6040 UNIFORMS	4,450
6050 TRAINING EXPENSE	5,000
6060 RETIREMENT FUND	141,000
6070 UTILITIES	318,000
6080 GASOLINE & OIL	27,500
6090 EQUIP.REPAIR & MAINT.	60,000
6100 SUPPLIES	25,000
6105 CHEMICALS	190,000
6110 INSURANCE	85,000
6120 PROF.SERVICES (LAB FEES)	22,500
6121 PROF.SERVICES (OTHER)	30,000
6130 MISC. EXPENSE	8,000
6131 ON-LINE/CREDIT CARD FEE EXP.	2,500
6135 POSTAGE EXPENSE	16,000
6140 RENTAL & LEASE	3,000
6150 ATTORNEYS FEES	6,000
6155 CONSULTANT FEE	18,000
6160 TOOLS & EQUIP.	15,000
6180 BUILDING REPAIR & MAINT.	3,500
6185 SLUDGE REMOVAL	68,000
6650 INVENTORY EXP.	-
6660 MISC.MATERIAL EXPENSE	30,000
6665 FREIGHT EXPENSE	4,000
6670 CAPITAL COST/LABOR/MACH.	(10,000)
6675 BOND INTEREST EXP	-
6676 KIA INTEREST EXP (WWTP)	3,900
6677 KIA INT EXP (WTP)	34,500
6678 RD INT EXP (WTP)	57,200
6680 DEPRECIATION EXP	650,000
6681 KIA INTEREST (AARA A2 09-11)	4,900
6682 KIA INT (FUND A LOAN A09-27)	6,300
6683 KIA INTEREST (FUND B #10-06)	3,800
6685 BOND COST AMORTIZATION	6,000
6699 FEE EXPENSE	4,900

TOTAL EXPENSE \$ ~~2,901,050~~ 2,910,050 *
NET INCOME \$ ~~42,400~~ 33,400 *

ADD DEPRECIATION EXPENSE	650,000
ADD BOND COST AMORTIZATION	6,000
LESS BOND PRINCIPAL PMT. 1997	-
LESS KIA PRINCIPAL PMT WWTP #A95 15(1)	(121,114)
LESS KIA PRINCIPAL PMT WWTP #A95 15(2)	(32,009)
LESS KIA PRINCIPAL PMT WTP Tank #F00-02	(73,262)
LESS RD PRINCIPAL PAYMENT WTP	(23,500)
LESS KIA PRINCIPAL PMT ARRA #A2 09-11	(24,387)
LESS KIA PRINCIPAL PMT Fund A #A09-27	(31,427)
LESS KIA PRINCIPAL PMT Fund B #10-06	(18,329)

CASH AVAILABLE AFTER DEBT SERVICE \$ ~~374,393~~
365,393 *

* Changed approved at Aug 30th meeting.

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting
August 2, 2012

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 p.m. on August 2, 2012. This meeting was in lieu of the regular July meeting scheduled for July 26, 2012.

II. Roll Call

Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Carroll Boyd and Irl Stevens, along with Attorney Todd Wetzel and Director of Finance Tracy Musgove. Commissioner Osting was absent with prior notification.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

A motion was made by Irl Stevens and seconded by Carroll Boyd to approve the minutes as written. All Ayes. The next piece of business was the review of the financial statements. Mr. Stevens questioned the accrued vacation amount showing on the balance sheet given the fact that a significant amount of vacation time has been paid out in order to reduce this liability. *It was later learned that this amount is only adjusted at the time of the audit. Rather than having a balance of \$21,503 the correct amount is approximately \$13,000. Ms. Musgove will get with Thurman and Campbell to review the method of adjusting accrued liability accounts for the future.* A motion was made by Brent Ladd and seconded by Carroll Boyd to approve the financial statements as presented. All Ayes. A motion was made by Irl Stevens and seconded by Brent Ladd to approve all bills. All Ayes.

IV. New Business

(a) Ms. Musgove informed the members that she had been in contact with Mr. Brent Kirtley at the Public Service Commission's office regarding the timing of the implementation of the customer charge and its impact on the two water districts. Mr. Kirtley was in agreement that due to the negligible amount there should be no delay in implementation. Final information on the sewer rate increase was also given with the minimum bill (before tax) going from \$8.33 to \$8.97 (a 7.68% increase). Ms. Musgove urged the members to adopt the new policy/regulation with the effective date being September 2012 for all non-wholesale customers and October 1st for the wholesale customers. With the information at hand, a motion was made by Carroll Boyd and seconded by Brent Ladd to adopt the new sewer rates as presented. All Ayes. A motion was then made by Irl Stevens and seconded by Brent Ladd to adopt the customer service fee as presented. All Ayes. A special called meeting will be held on Wednesday, August 8th at 10:00 a.m. for second reading of the rate/fee proposed regulations. Both motions carried unanimously and are considered to be the FIRST READING of Regulation #080212. Copies of new rates and fee information are attached.

(b) Superintendent Anderson informed members about the high service pump situation at the WTP. Cost of a new pump was estimated at \$33k and the cost of repairing the existing pump was \$13k; therefore, repairs were done. Rental of a portable crane cost an additional \$600 and is required again. Therefore, we are looking to purchase one for ~ \$2.5k. Lastly, the lagoons at the WTP have been cleaned with all work being performed by H&A Resources considered excellent and on-time.

V. Old Business


(a) New Maintenance Building. Mr. Anderson stated that since the Hill and Dale project is winding down, work on the maintenance building is ramping up. Concrete has been poured and plumbing rough-in is complete.

(b) Service connections and yard seeding is all that is lacking with the Hill and Dale Project. Seeding will not be done until the fall when hopefully we will get some much need moisture in the ground.

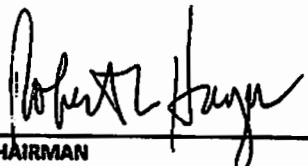
VI. Adjourn

A motion was made by Brent Ladd and seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

CUBIC FOOT RATE
Effective September 2012 Billing
(Based on August 2012 Usage)

Meter Size	Cubic Feet	Cost per 100 cu ft	Water	Cost per 100 cu ft	Sewer	Combined
5/8"	150 Cubic Feet Minimum		\$ 8.00		\$ 8.97	\$ 16.97
	Next 600 cubic feet 2.814/100 WA 5.625/100 SW	2.814	\$ 16.88	5.625	\$ 33.75	
1"	750 Cubic Feet Minimum		\$ 24.88		\$ 42.72	\$ 67.60
	Next 350 cubic feet 2.814/100 WA 5.625/100 SW	2.814	\$ 9.85	5.625	\$ 19.69	
	Next 900 cubic feet 2.442/100 WA 5.644/100 SW	2.442	\$ 21.98	5.644	\$ 50.79	
1 1/2"	2,000 Cubic Feet Minimum		\$ 86.71		\$ 113.20	\$ 199.91
	Next 1,800 cubic feet 2.442/100 WA 5.644/100 SW	2.442	\$ 43.98	5.644	\$ 101.59	
2"	3,800 Cubic Feet Minimum		\$ 100.67		\$ 214.78	\$ 315.45
	Next 3,600 cubic feet 2.442/100 WA 5.644/100 SW	2.442	\$ 87.91	5.644	\$ 203.17	
3"	7,400 Cubic Feet Minimum		\$ 188.58		\$ 417.95	\$ 606.53
	Next 2,600 cubic feet 2.442/100 WA 5.644/100 SW	2.442	\$ 63.49	5.644	\$ 146.73	
	Next 9,450 cubic feet 2.024/100 WA 5.713/100 SW	2.024	\$ 191.27	5.713	\$ 539.85	
4"	19,450 Cubic Feet Minimum		\$ 443.34		\$ 1,104.54	\$ 1,547.88

MONTHLY WATER AND SEWER RATES

	Water	Sewer	Wtr 40% more Outside City
First 150 cubic ft per month - Minimum	\$ 8.00	\$ 8.97	\$ 11.20
Next 950 cubic ft per month (per 100 cubic ft)	\$ 2.81	\$ 5.62	\$ 3.94
Next 8,800 cubic ft per month (per 100 cubic ft)	\$ 2.44	\$ 5.64	\$ 3.42
Over 10,000 cubic ft per month (per 100 cubic ft)	\$ 2.02	\$ 5.71	\$ 2.83

WHOLESALE RATE: Flat Rate of \$ 2.024 per 100 cubic feet
\$ 2.708 per 1,000 gallons

**Princeton Water & Wastewater
Customer Service Fee**

POLICY # A-080212

First Reading: August 2, 2012

Second Reading: August 8, 2012

PURPOSE: The Princeton Water and Wastewater Commission moved to adopt a customer service fee for all customers in order to cover unfunded administrative, billing, customer service and accounting costs.

Effective with the September 2012 billing, a monthly customer service fee of \$3.00 per month per meter will be charged for those customers having both water and sewer services. For those customers having only one service, a monthly customer service fee of \$2.00 per month per meter will apply.

The effective date for wholesale customers will be October 1, 2012.

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting
August 8, 2012

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 10:00 a.m. on August 8, 2012. This meeting was being held in order to pass the second reading of the new sewer rate regulation and the new customer service fee policy presented at the previous meeting conducted August 2nd.

II. Roll Call

Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, and Irl Stevens, along with Director of Finance Tracy Musgove. Both Commissioners Boyd and Osting were absent with prior notification.

III. New Business

Second reading of Regulation #080212 (sewer rate increase) was completed with a motion being made by Brent Ladd and seconded by Irl Stevens to adopt the proposed rates with an effective date of September 1, 2012 based on August usage. All Ayes. Second reading of the new policy/regulation implementing a new monthly customer service fee was completed and a motion was made by Irl Stevens and seconded by Brent Ladd to adopt the new policy/regulation with the effective date being September 2012 for all non-wholesale customers and October 1st for the wholesale customers. All Ayes. This was considered to be the SECOND READING of Regulation #080212. Copies of new rates and fee information were attached to the minutes of the August 2, 2012 meeting.

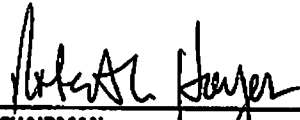
IV. Adjourn

With no further business to be conducted, the meeting was adjourned by Chairman Hayes.

ATTEST:



SECRETARY




CHAIRMAN

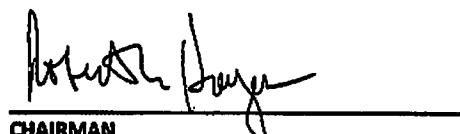
**Princeton Water & Wastewater Commission
Minutes of Regular Meeting
August 30, 2012**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 p.m. on August 30, 2012.
- II. **Roll Call**
Superintendent Joseph W. Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Brent Ladd, Doug Osting and Irl Stevens, along with Attorney Todd Wetzel and Director of Finance Tracy Musgove. Commissioner ~~Ladd~~ ^{Bob} was absent with prior notification due to medical reasons.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
A motion was made by Brent Ladd and seconded by Irl Stevens to approve the minutes of both August 2nd and August 8th as written. All Ayes. The next piece of business was the review of the July financial statements. Significantly higher revenues and lower expenses due to the end of year adjustments made for a banner July. A motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. A motion was made by Irl Stevens and seconded by Doug Osting to approve all bills. All Ayes.
- IV. **New Business**
- (a) Mr. Anderson spoke about the progress being made on being able to add volume to the Industrial Park tank. After a discussion with Wayne Sledge, the PEPB is going to install three-phase electricity in order to allow for the installation of VFDs on the booster pumps. The proposal from Wascon on the purchase and installation of two variable speed drives including labor and equipment was \$8,928.10. Last year the estimate to fix this situation was \$125,000 - \$150,000. The Superintendent feels this will allow better usage of the full capacity of the Industrial Park Tank and will also help with the turnover of the water which will then help with the chlorine issue on 62W. The Board authorized the Superintendent to move forward with the upgrade.
- (b) Superintendent Anderson stated in order to work on the high service pump situation at the WTP an overhead portable chain hoist crane was purchased. The motor was pulled back out and a new split seal system is being installed. The split seal system is approximately \$950 more but will allow the continued use of the pump in the future. Once this is installed, both pumps will be back in operation.
- (c) Ms. Musgove requested a motion by the Board to amend the budget to include the \$9,000 in Board fees which was left out of the original budget presented. Once the entry process began, the elimination of the fees was noticed. A motion was made by Brent Ladd and seconded by Irl Stevens to increase the expenses by \$9,000 and to decrease the net income by \$9,000. All Ayes. *The original budget included in the minutes of the June 28th meeting will be marked to indicate the necessary adjustments.*
- V. **Old Business**
- (a) New Maintenance Building. Mr. Anderson stated that the maintenance building will be completely under-roof and dried in tomorrow (Aug 31st). Work on the actual building started Monday.
- (b) The Hill and Dale project has been placed on hold until the maintenance building was under-roof. For the most part, residents in the neighborhood have been understanding and were made to realize on the front end that the project was being worked into the normal maintenance schedule and would take longer than most projects to complete.
- VI. **Executive Session and Adjourn**
A motion was made by Doug Osting and seconded by Brent Ladd to go into closed executive session. All Ayes. A motion was made by Doug Osting and seconded by Brent Ladd to leave closed executive session. All Ayes. A motion was made by Brent Ladd and seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 1, 2016**


- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 9:30 a.m. on Wednesday, June 1, 2016 in the board room of the PWWC main office. This was in lieu of the regular meeting planned for May 26th which had to be rescheduled due to conflicts with several key members.
- II. **Roll Call and Recognition of Visitors**
Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Pat George, Brent Ladd, Doug Osting and Irl Stevens along with Director of Finance Tracy Musgove and Attorney Todd Wetzel. There were two visitors from the Times Leader.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the April meeting were reviewed with a motion made by Doug Osting and seconded by Brent Ladd to approve the minutes as written. All Ayes. April financial statements were reviewed along with YTD information. Revenues continued to outpace budgeted expectations with YTD net income of almost \$217k exceeding the budgeted profit of \$44k by \$173k. A motion was made by Doug Osting and seconded by Pat George to approve the financial statements as presented. All Ayes. The listing of bills to be paid was reviewed with a motion made by Doug Osting and seconded by Brent Ladd to approve all bills. All Ayes.
- IV. **System Expansion**
- (a) An update on the USDA project was given by Superintendent Anderson and Attorney Wetzel regarding the status of the easements with all but two being exercised. One regarding the Wooldridge Estate Trust with heirs in Texas has not been received and Mr. Wetzel reported a second attempt was made by certified mail. Certified mail was delivered but there has still been no response. Due to the necessity for all easements to be in hand prior to USDA approving the bidding of the project, a motion was made by Doug Osting and seconded by Irl Stevens to authorize condemnation filings in order to proceed with eminent domain actions should there be no acceptance by the parties for payment offered. All Ayes. The second easement issue deals with the liquor store adjacent to the Wal-Mart parcel on 62W. The owner of the liquor store was being difficult and Superintendent Anderson requested the Commission allow him to pursue an alternative easement that would involve Wal-Mart and Rodney Heaton. Mr. Anderson has been assured by the local Wal-Mart manager, Allan Dixon, that it should not be a problem to get the easement signed.
- V. **Old Business**
- (a) Mr. Anderson updated the members on the recent issues involving the land farming operations and the need for purchasing two pieces of equipment to be used in the operation. Chief Operator Ramage had reported that the mixed liquor levels at the WWTP were approaching a critical level due to the inability to be able to spread the sludge due to the ongoing wet weather. An all terrain dump truck and a trailer were purchased whereby the sludge could be removed and stockpiled. All members of the WWTP plant crew worked overtime and were able to get the mixed liquor content back within normal ranges. Todd Stephens should be at the plant within the next few weeks to spread the sludge; however, we continue to explore the costs and possible benefits of purchasing equipment to do this ourselves.
- (b) The improvements required for the installation of the Hach phosphorus analyzer have almost been completed with the electrical wiring and controls already installed. Hach personnel are coming to train the operators on the equipment which will be able to monitor the phosphorus levels when water enters the plant and adjust chemical dosages in order to achieve mandated phosphorus limits in the plant's effluent.
- VI. **New Business**
- (a) Mr. Anderson reported on the re-hiring of Phillip Manning. Mr. Manning is dual certified in both water and wastewater treatment and is being brought in as Chief Operating Officer whereby he will become familiar with the operations of both plants due to the impending retirement within a few years of chief operators at both facilities. Due to this being a new position, Mr. Anderson asked for a motion to approve the hiring. A motion was made by Brent Ladd and seconded by Pat George to approve the hiring and the position requested. All Ayes.
- (b) Ms. Musgove presented the members with the chemical bids received for the upcoming fiscal year. All current providers kept their pricing the same and therefore, all current providers are recommended to remain. A motion was made by Doug Osting and seconded by Brent Ladd to accept the bids as received along with the recommendations from management on suppliers. All Ayes.
- (c) Mr. Anderson reported having issues with his Dodge truck similar to those encountered on the other Dodge. It was decided to get an estimate from Trice Hughes on cost to fix along with a diagnosis of the problems. A decision on whether to trade or try and repair will be made at that time.
- (d) Ms. Musgove presented the proposed budget for fiscal year 2017. The budget included 2% raises for most departments with the maintenance department receiving a 3.3% raise in an attempt to minimize the gap between the starting wage at the County Water District and the PWWC. In addition, funding has

been included to pay for a portion of dental and vision insurance for each employee (up to \$36 per month per employee). The budget, with operating revenues of \$3,250,000 prior to any rate increase indicates a net loss of \$114,055 after expenses of \$3,364,055. While debt service remains a non-issue, the increasing amount of capital expenditures due to replacement of worn equipment necessitates the Commission operate as close to the black as possible. A study of the water and sewer departments indicated a need for a sewer increase to offset the added costs of chemicals, utilities, and lab fees associated with the mandated decrease in phosphorus effluent levels. A proposed 7% increase to the sewer rates is deemed necessary in order to offset the total combined proposed cost of production + 25% depreciation reserve to offset ongoing capital expenditures + debt service requirement. This rate increase should yield an additional \$90,000 in revenues, thereby lessening the overall loss to ~ \$24,100 and providing an overall debt service coverage ratio of 3.0x. A motion was made by Brent Ladd and seconded by Doug Osting to approve the budget with the proposed 7% sewer rate increase. This motion shall also serve as the first reading of the Princeton Water and Wastewater Commission Rate Regulation 06-01-2016. All Ayes (Note: Iri Stevens had left the meeting prior to the budget discussion due to personal reasons). Notice was hand delivered to Julie Key at City Hall in order to fulfill the requirement under the Special Purpose Government Entity regulations. A copy of the budget and the rate regulation is included in the minute book for reference


VII. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



 SECRETARY



 CHAIRMAN

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 06-01-2016**

A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM EFFECTIVE JULY 1, 2016

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission sells treated water to customers located outside the corporate limits of the City of Princeton and incurs additional costs for servicing these customers; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. Monthly rates for water service to customers connected to the Commission water system within the corporate limits of the City of Princeton shall remain unchanged and continue as follows:

First	150 cubic ft. / month (min bill):	\$ 8.60	
Next	950 cubic ft. / month		\$ 3.0673 / 100 CF
Next	8,900 cubic ft. / month		\$ 2.6740 / 100 CF
Over	10,000 cubic ft. / month		\$ 2.2871 / 100 CF

Section 2. Monthly rates for water service to customers connected to the Commission water system outside the corporate limits of the City of Princeton shall remain unchanged at 1.75x the city base rates. The rates continue as follows:

First	150 cubic ft. / month (min bill):	\$ 15.05	
Next	950 cubic ft. / month		\$ 5.3677 / 100 CF
Next	8,900 cubic ft. / month		\$ 4.6795 / 100 CF
Over	10,000 cubic ft. / month		\$ 4.0025 / 100 CF

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall remain unchanged and continue as follows:

FLAT RATE - NO TIERS \$ 2.2871 / 100 CF

Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall reflect an approximate 7% increase effective with the July 2016 billing and shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 10.41	
Next	950 cubic ft. / month		\$ 6.5299 / 100 CF
Next	8,900 cubic ft. / month		\$ 6.5519 / 100 CF
Over	10,000 cubic ft. / month		\$ 6.6323 / 100 CF

Section 5. All customers connected to both the water and sewer system will be charged a monthly customer service fee of \$5.00 per month per meter. Customers connected to only one system will be charged a customer service fee of \$4.00 per month per meter. These fees shall remain unchanged.

Section 6. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 7. This Regulation shall become effective upon its adoption, approval and publication as provided by law and the rates set forth herein shall become effective as of July 1, 2016.

Given first reading on the 1st day of June, 2016.

Given second reading and duly passed by the City of Princeton Water and Wastewater Commission on the 30th day of June 2016.


ROBERT L. HAYES, CHAIRMAN

ATTEST:


JOSEPH ANDERSON, SUPERINTENDENT

**PRINCETON WATER & WASTEWATER COMMISSION
FISCAL YEAR 2017 BUDGET
ADOPTED JUNE 1, 2016**

INCOME CATEGORIES		2017 BUDGET
4000	WATER SALES	\$ 1,600,000
4010	SEWER SALES	\$ 1,405,000
4015	CUSTOMER SERVICE FEE	\$ 199,000
4020	PENALTY INCOME	\$ 58,000
4030	SALE OF STORES	\$ 9,000
4040	LABOR SALES	\$ 4,000
4045	CREDIT CARD CONV.FEE	\$ -
4046	BANK CUSTOMER CONV.FEE	\$ 1,000
4050	EQUIP RENTAL	\$ 3,000
4065	INT INC. EQUIP.REPAIR	\$ 500
4080	MISC.INC. S.C.& CONN.	\$ 21,000
4082	MISC.INC-GENERAL	\$ 5,000
4085	FARM RENTAL INCOME	\$ 34,500
4098	GRANT REVENUE	\$ -
TOTAL INCOME		\$ 3,340,000
EXPENSE CATEGORIES		
6010	SALARIES	\$ 800,000
6020	PAYROLL TAX	\$ 60,500
6030	EMPLOYEE BENEFITS	\$ 271,200
6040	UNIFORMS	\$ 4,000
6050	TRAINING EXPENSE	\$ 5,000
6060	RETIREMENT FUND	\$ 147,800
6070	UTILITIES	\$ 370,000
6080	GASOLINE & OIL	\$ 25,000
6090	EQUIPMENT REPAIR & MAINT	\$ 75,000
6100	SUPPLIES	\$ 25,000
6105	CHEMICALS	\$ 255,000
6110	INSURANCE	\$ 125,000
6120	LAB FEES	\$ 70,000
6121	PROF.SERVICES(OTHER)	\$ 20,000
6122	DATA PROCESSING	\$ 10,600
6125	CONTRACTED SERVICES	\$ 10,000
6130	MISCELLANEOUS EXPENSE	\$ 10,000
6131	ON-LINE/CREDIT CARD FEE	\$ -
6135	POSTAGE EXPENSE	\$ 12,000
6140	RENTAL & LEASE	\$ 7,000
6150	ATTORNEYS FEES	\$ 6,000
6160	TOOLS & EQUIPMENT	\$ 35,000
6180	BUILDING REPAIR & MAINT	\$ 15,000
6185	SLUDGE REMOVAL	\$ 85,000
6650	INVENTORY EXP	\$ 35,000
6660	MISC MATERIAL EXPENSE	\$ 20,000
6665	FREIGHT EXPENSE	\$ 5,500
6670	CAPITAL COST/LABOR/MACH.	\$ (1,000)
6676	KIA INTEREST EXP.(WWTP)	\$ 12,000
6678	RD INTEREST EXPENSE (WTP)	\$ 75,300
6680	DEPRECIATION EXPENSE	\$ 770,000
6699	FEE EXPENSE	\$ 3,200
TOTAL EXPENSES		\$ 3,364,100
NET INCOME		\$ (24,100)
Cash Available for Debt Service (NI + Deprec/Amor + Int)		\$ 833,200
Scheduled Principal and Interest Payments		\$ 278,172
Debt Service Coverage		3.00
$(NI + Deprec/Amort + Int) / (Prin + Int + Capex (20\% Deprec))$		1.93

Princeton Water & Wastewater Commission
Minutes of Regular Meeting – June 30, 2016

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, June 30, 2016 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Superintendent Anderson conducted a roll call. The following Commission members were present: Bob Hayes, Pat George, Brent Ladd, Doug Osting and Irl Stevens along with Director of Finance Tracy Musgove and Attorney Todd Wetzel. There were no visitors.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the June 1st Special Called meeting were reviewed with a motion made by Doug Osting and seconded by Brent Ladd to approve the minutes as written. All Ayes. May financial statements were reviewed. A motion was made by Doug Osting and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The listing of bills to be paid was reviewed with a motion made by Doug Osting and seconded by Pat George to approve all bills. All Ayes.

IV. System Expansion / Old Business

(a) Questions regarding the easement needing signature from the Wooldridge Estate Trust with heirs in Texas were directed to Mr. Wetzel who reported an offer to purchase with a deadline on the response was made by certified mail. Like the second attempt to contact, the certified mail was delivered but there has still been no response. Condemnation filings for eminent domain will proceed once the deadline has passed. Mr. Anderson reported the paperwork for the 62 West easement needing Wal-Mart and Rodney Heaton's approval is being completed. The survey has been finished and the property description should be available to Mr. Wetzel soon. Members also voiced their concern regarding the Omega Rail easement on the Maple/Varmint Trace bridge over the RR. Mr. Wetzel still asserts that the line being attached to the city owned bridge will not invade the space of the RR and therefore an easement is not needed.

(b) Mr. Anderson stated that the stockpile of sludge at the WWTP was recently spread by Todd Stephens of H&A Resources at a cost of approximately \$10,500. In order to spread the sludge ourselves, a tractor, probably in the 130 hp range would be needed in addition to the spreader which should run around \$29k- \$39k. While the preference would be for Commission personnel to be able to spread the sludge ourselves, an analysis is necessary to compare the efficiencies and costs related to subbing out the work versus doing it internally but having to purchase the needed equipment.

(c) Superintendent Anderson reported that the official start date for beginning the treatment of phosphorus with the Hach analyzer is set for July 13th. Hach personnel will be on hand during the start up and plan to monitor the system for the first full year.

V. New Business

(a) Second reading of Regulation No. 06-01-2016 concerning the July 1st 7% sewer increase was discussed with questions concerning the reasoning behind a rate increase when the Commission is currently having a very good year financially. Ms. Musgove reported that equipment purchased at both plants to replace old equipment does not flow through the income statement and that between \$300k - \$400k has been spent this year with an additional \$250k+ in replacements needed. The Commission must be able to operate in the black and post strong cash flows in order to pay for the ongoing replacement of critical plant components. More importantly, the immediate reason for higher expenditures at the WWTP are due to the mandated removal of phosphorus from the effluent which will add > \$100k in operating costs annually. This, along with continued loss of sewer revenues from Con-Agra, places the burden squarely on the consumer. After the discussion, a motion was made by Doug Osting and seconded by Brent Ladd to adopt the aforementioned regulation as presented. All Ayes.

(b) Mr. Anderson briefed the members regarding recent usage by the Caldwell County Water District which has exceeded the 12 million gallon maximum provided within the contract. The Division of Water has contacted the County for the need to revise the contract upwards. For our benefit, if we were to increase the monthly maximum, we would also like to extend the term and the maturity date of the contract to extend past the date of the upcoming loan. Mr. Wetzel will coordinate with the Superintendent and the Director of Finance once contacted by the County.

(c) Two estimates on replacing the control systems at the WTP were reviewed. This project will completely upgrade the software, hardware and controls of the plant originally installed in the 2000 Actiflo upgrade. Due to the size of the project, advertising for bids will be necessary. A motion was made by Brent Ladd and seconded by Pat George to advertise for bids for the SCADA software control upgrade at the WTP. All Ayes.

(d) A copy of the response letter from the DOW on the recent Sanitary Survey with recommendations for the O&M Manual at the WTP was reviewed. Ms. Musgove pointed out the need for potentially expanding the rate structure to include surcharges in times of drought and water loss and additional measures needed for long term planning to project capital expenditures and their effects on rates.

VI. Executive Session

Pursuant to KRS 61.810(1)(f), a motion was made by Doug Osting and seconded by Brent Ladd to go into Executive Session to discuss personnel matters. All Ayes. A motion to return to Regular Session was made by Pat George and seconded by Doug Osting. All Ayes. After return to regular session, a motion to establish a new salary of the Director of Finance and Special Projects consistent with the amount recommended by the Superintendent was made by Brent Ladd and seconded by Doug Osting. All Ayes. A motion was then made by Doug Osting to increase the salary of the Superintendent consistent with the percentage increase previously approved by the Board for the distribution personnel. This motion was seconded by Pat George. All Ayes.

VII. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

3. Furnish all documents which Princeton provided to representatives of Caldwell and Lyon Districts at the October 22, 2019 meeting between them referenced in Beth Musgove's November 20, 2019, letter to Gwen R. Pinson, Executive Director, Kentucky Public Service Commission.

- (a) Furnish all workpapers generated to create the data contained on all such documents.

Response: Please refer to the documents filed with the Commission by PWWC on November 27, 2019, and Response to PSC 2-21 Unit Cost Worksheet Excel File also Excel file attached as WD 1-3 Presentation Graphs.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

4. Provide a complete copy of Princeton's Cost of Service Study relied upon in support of this wholesale rate adjustment request, or, if no Cost of Service Study was performed, a detailed step-by-step description of the analysis which was employed to support the requested wholesale rate adjustment and include all work papers, notes and other documents used or generated in preparing same.

- (a) Identify by name, address and employer all individuals involved in preparing Princeton's Cost of Service Study, or, if no Cost of Service Study was performed the analysis described above.
- (b) If Princeton did not use an outside rate consultant to prepare the Cost of Service Study or other analysis described above, identify the individual(s) having primary responsibility for its preparation.
- (c) Describe in detail how Princeton arrived at the requested wholesale rate of \$2.97/100 cu.ft. or \$3.95/1000 gallons, and include a detailed re-creation of the mathematical calculations employed to arrive at the results relied upon by Princeton in this case.

Response: Refer to Response to PSC 1-26 and Item 17 below. Also Refer to Unit Cost Worksheet Excel File produced in response to PSC 2-21.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

5. Provide any and all documents, including, but not limited to board minutes, board presentations, letters or emails, which were created and used in conjunction with Princeton's Water and Sewer Commission's consideration of approval of the subject wholesale rate increase and which resulted in the passage of Regulation No. 07-02-2019.

Response: See Response to Item 18 below and Response to PSC 2-21 Unit Cost Worksheet Excel File.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

6. In its proposed wholesale tariff Princeton refers to a December 15, 2016, Water Purchase Contract between Princeton and Lyon District which is "on file at the Kentucky Public Service Commission." This contract was provided in Princeton's response to Commission's First Information Request 30. A search of the Commission's website does not reveal that this contract is on file with the Commission as stated by Princeton. Explain why Princeton believed the contract was on file at the Commission and the reason why it is not.

Response: PWWC simply believed that Lyon District was filing the contract with the Public Service Commission. It appears that this belief was erroneous. PWWC does not know the reason why it was not filed.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

7. State whether Princeton performed a depreciation study in conjunction with the decision to proceed with this rate adjustment.

- (a) If Princeton did not perform a depreciation study state why it did not do so.
- (b) State whether the depreciation values used by Princeton in performing its Cost of Service Study, or, if no Cost of Service Study was performed whatever other analysis was performed, were for Princeton's Water Treatment Plant and only such other assets as are employed for the provision of water to its wholesale customers, or conversely, were for Princeton's entire system.
- (c) If no depreciation study was performed in conjunction with this case provide any previous depreciation studies performed by Princeton.
- (d) Describe how Princeton determined the useful lives of its capital assets for accounting purposes.
- (e) Identify the publications, texts or treatises that Princeton or its agents used to determine the useful lives of Princeton's capital assets for accounting purposes and for ratemaking purposes.

Response: (a & c) No depreciation study was performed or had ever been performed. A depreciation study would likely be expensive.

(b) Subsequent to the rate filing, Musgove and Noel categorized all assets as provided in data from the CPA as to the appropriate department to which they belong and calculated a revised depreciation amount utilizing the NARUC study's mid-point value.

(d & e) Princeton allowed its outside CPA to determine the useful lives based upon their

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

experience and expertise.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

8. Refer to Princeton's Response to Commission Staff's First Information Request 2.
- (a) Refer to Princeton's 2019 Audit at page 14. State whether the depreciation rates mentioned comport with those typically employed by the Commission for water utilities similar to Princeton. If they do not, state why.
 - (b) Refer to Princeton's 2017 Audit at page 15. State why the depreciation rates mentioned are different from those contained in Princeton's 2018 Audit (page 15), and its 2019 Audit (page 14).
 - i. Who recommended this change and what was the basis for it?
 - ii. Provide any correspondence or other documents between Princeton and its Auditors referencing this change.

Response:

- (a) PWWC has not reviewed sufficient amount of Commission decisions to determine whether the depreciation rates in PWWC's audit comport with those typically employed by the Commission for water utilities similar to PWWC. It acknowledges that some of the average service lives identified in the audit are different than the NARUC Manual mentioned in Response to PSC 2-13.
- (b) PWWC's auditors made this change in the audit reports. When questioned by PWWC as a part of this response, an email from Megan Johnson, CPA dated 2/14/20 states, "In regards to the depreciation question: As a firm we have begun to streamline our audit reports so that there is similar formatting across the firm. We chose at that time to modify the report to include wording more specific to the utility company as opposed to just general categories."

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

9. Refer to Princeton's Response to Commission Staff's First Information Request
- 6c. Discuss in detail when Princeton upgraded its water treatment plant from 2.0 to 3.0 MGD, the reasons for such upgrade and the total cost for the upgrade.
- (a) Provide a chart, similar to that provided in Princeton's Response to Commission Staff's First Information Request 16b., demonstrating total system annual water usage, broken down by wholesale and retail usage, for the five years preceding this upgrade and for all years following the upgrade to the current date.
 - (b) Provide the total amount of the original bond issue to finance this upgrade and include documentation evidencing same.
 - (c) Refer to Princeton's Response to Commission Staff's First Information Request, Exhibit 6a, KACo Revenue Lease. Princeton states that this lease refinanced the RD Series 200 Bond Issue used to increase the Water Treatment Plant's capacity from 2.0 MGD to 3.0 MGD. Please explain how this Revenue Lease works as a way to refinance the original Bond Issue.
 - (d) Refer to Princeton's Response to Commission Staff's First Information Request, Exhibit 6a, KACo Revenue Lease, page 10, Exhibit A, "Description of Project", where it is stated that the purpose of the Revenue Lease was to refund the original Bond Issue "originally issued to finance the cost of the construction of extensions, additions and improvements to the existing combined and consolidated water and sewer system of the City [of Princeton]." State with specificity what extensions, additions and improvements to Princeton's Sewer system the RD Series 200 Bond Issue

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

financed.

Response: (a) Princeton changed billing systems in January 2014 and does not have access to information needed in order to comply with this request. Some consumption data is provided in Response to PSC 1-16.

(b) Refer to pdf Exhibit WD 1-9 KIA Minutes and Conditional Commitment

(c) The lease is much like a loan and was offered at a rate lower than what was being paid on the previously mentioned issue. Reserves applicable to this issue were used to reduce the principal of the obligation and the term was shortened with the new instrument.

(d) Refer to the above-referenced document which includes the credit analysis completed by KIA dated July 18, 2000 and which also describes the project and lists the sources and uses.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit 1-9

KIA Minutes and

Conditional Commitment

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of Full Board Meeting
July 18, 2000

A meeting of the Kentucky Infrastructure Authority (KIA) was called to order by Chairman John P. McCarty at 1:30 p.m. on July 18, 2000, in Suite 131, Capitol Annex, Frankfort, Kentucky.

Other members present: Secretary James Bickford, Natural Resources and Environmental Protection Cabinet; Commissioner Bob Arnold, Department for Local Government; Commissioner J. R. Wilhite, proxy for Secretary Gene Strong, Economic Development Cabinet; Mr. Rick Starks, Tennessee Valley Authority; and Ms. Lanola Parsons, Harlan, Kentucky.

Guests present were: Mr. Will Brown, Superintendent, and Mr. Brad Hall, Controller, both representing the Mountain Water District, and Ms. Holly Nicholas, PDR Engineers, representing the Mountain Water District and the cities of Wurtland and Hardinsburg.

Chairman McCarty noted a quorum was present and the press had been notified regarding the meeting.

NEW BUSINESS

**RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE
KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING THE FUND B
AND FUND E INDEX RATES FOR THE PERIOD JULY 1, 2000 THROUGH
SEPTEMBER 30, 2000**

Chairman McCarty called for a motion to approve the resolution. Mr. Starks moved to approve the resolution; Secretary Bickford seconded and motion carried.

**RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE
KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL OF
A FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN (FUND A) OF
\$997,734 TO THE MOUNTAIN WATER DISTRICT, PIKE COUNTY, FOR
SEWER SYSTEM REHABILITATION AND SEWER LINE EXTENSION**

Mr. Bill Gatewood, Division of Water, and Ms. Debby Milton, KIA, presented the resolution. The Mountain Water District (the District) has an existing sewage treatment plant and intends to add a surge tank to equalize the flow into the plant and also to extend sewer lines to eliminate two (2) existing package treatment plants. The total project is for approximately \$1.2 million with the KIA loan amount being \$997,734 and an Economic Development grant has been approved. The debt service will be approximately \$74,000 for twenty (20) years at 3.8%. The District is adding fifty-three (53) new sewer customers. There will be no change in the rate structure. The 1996-97 audit illustrates that the District has been in the hole although they have made all debt service payments to KIA and Rural Development. The District has added to their customer base significantly over the past years and is beginning to financially recover. KIA does not have the 1999 audit but does have unaudited figures from the District. Both DOW and KIA recommended the project for approval based on conditions noted in the 7/18/00 board book. Chairman McCarty asked Ms. Milton if the loans with Mountain Water District required submission of audits and the timeframe for receiving the audits. Ms. Milton explained that all KIA borrowers are notified regarding the submission of audits. Ms. Denise Pitts, KIA, noted that

audits are requested for submittal within sixty (60) days after the fiscal year. Chairman McCarty asked Ms. Milton if the numbers on the pro forma include depreciation. Ms. Milton replied that they do not. Chairman McCarty called for a motion to approve the resolution. Commissioner Arnold moved to approve the resolution; Secretary Bickford seconded and motion carried.

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL OF A FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN (FUND A) OF \$1,314,480 TO THE CITY OF WURLAND, GREENUP COUNTY, FOR SEWER PLANT REHABILITATION

Mr. Gatewood and Ms. Milton presented the resolution. The City of Wurland has an existing wastewater treatment plant that was designed to handle waste from both residential and industrial areas and has had a corrosion problem over the years, which has damaged the plant. The total \$1.3 million will be used for the treatment plant to make modifications and includes the Planning and Design loan that was approved in December 1998. Also, the City is modifying the process hopefully to prevent future corrosive problems. No new customers will be added and the rate structure will not change. The City has adequately provided debt coverage over the past several years and with this additional debt the system should be able to cash flow easily. Both DOW and KIA recommended the project for approval. Secretary Bickford asked Mr. Gatewood what the nature of the corrosive problem was. Mr. Gatewood responded that the it was a pH problem coming from the industry. A soda ash process will be added at the plant which will help both the corrosive problem and the treatment process in the plant. Chairman McCarty called for a motion to approve the resolution. Secretary Bickford moved to approve the resolution; Ms. Parsons seconded and motion carried.

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL OF A FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN (FUND F) OF \$1,500,000 TO THE CITY OF PRINCETON, CALDWELL COUNTY, FOR WATER TREATMENT PLANT UPGRADE

Ms. Donna Marlin, DOW, and Ms. Milton presented the resolution. The City of Princeton proposes to expand their water treatment plant from 2 to 3 million gallons per day. This project will benefit 14,500 people. The City provides water to both the Caldwell County and Lyon County Water Districts. The need for this project is to comply with the new 1996 amendment of the Safe Drinking Act. The City's average production for the last year has been about 48%. The project will benefit the area and also serve as emergency backup to Eddyville. The total project amount is approximately \$3.8 million, with the Fund F amount being \$1.5 million and other funding sources have been approved. The debt service will be \$120,000 per year for 20 years at 3.8%. No new customers will be added and the City is proposing a rate increase. Both DOW and KIA recommended the project for approval. Chairman McCarty called for a motion to approve the resolution. Ms. Parsons moved to approve the resolution; Commissioner Arnold seconded and motion carried.

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL OF A FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN (FUND F) OF \$500,000 TO THE CITY OF HARDINSBURG, BRECKINRIDGE COUNTY, FOR WATER LINE EXTENSION

Ms. Donna Marlin, DOW, and Ms. Milton presented the resolution. The City proposes to construct approximately 23 miles of 6" water line, a 200,000 gallon storage tank and a pump station to serve the area of Custer, the Custer Elementary School and residents along a number of roads in the county. There are approximately 395 potential customers in this proposed area. With this line extension the Custer Elementary School will be eliminated as a public water supply. The water line will also loop two (2) dead-end lines to increase liability and service to existing customers in the area, which have experienced pressure problems in the past. The line will also have a potential interconnection to allow Hardin County Water District to connect to the system and will have an interconnection with the Grayson County Water District. The total project amount is \$2 million of which the KIA portion is \$500,000. The Block Grant and State 1998 Surplus Grant has been approved and the City has drawn money on those amounts. The debt service will be \$31,000 per year for 20 years at 1.8%. Both DOW and KIA recommended the project for approval. Chairman McCarty called for a motion to approve the resolution. Ms. Parsons moved to approve the resolution; Commissioner Arnold seconded and motion carried.

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

Mr. John Covington, KIA, presented the resolution. He noted that the resolution was routine, and allows the Authority to reimburse expenses that are paid out of KIA funds with bond proceeds. The projects covered under this resolution are listed in the 7/18/00 board book. Chairman McCarty called for a motion to approve the resolution. Commissioner Arnold moved to approve the resolution; Secretary Bickford seconded and motion carried.

FINANCIAL STATUS REPORT ON FUNDS A, A1, B, B1, B2, C, E, F and F1

Financial status reports were included in the 7/18/00 board book for information purposes. There were no questions or discussions regarding the status reports.

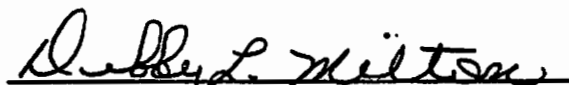
APPROVAL OF THE MINUTES OF THE FULL BOARD MEETING OF JUNE 6, 2000

Secretary McCarty called for a motion to approve the minutes of the Full Board meeting of June 6, 2000. Mr. Starks moved to approve the minutes, Ms. Lawson seconded, and motion carried.

OTHER BUSINESS

There being no further business the meeting was adjourned.

Submitted by:



Debby L. Milton, Secretary
Kentucky Infrastructure Authority



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KENTUCKY INFRASTRUCTURE AUTHORITY

KENTUCKY INFRASTRUCTURE AUTHORITY

Finance and Administration Cabinet
702 Capitol Avenue
Suite 261, Capitol Annex
Frankfort, Kentucky 40601-3453
(502) 564-2090
Telefax (502) 564-7416

PAUL E. PATTON
GOVERNOR

JOHN P. McCARTY
CHAIRMAN

GORDON L. MULLIS, JR.
EXECUTIVE DIRECTOR

SECRETARY/TREASURER

July 19, 2000

RECEIVED
JUL 21 2000

Honorable Danny Beavers
Mayor, City of Princeton
101 E. Market Street
Princeton, Kentucky 42445

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (F00-02)

Dear Mayor Beavers:

The Kentucky Infrastructure Authority (KIA) commends your efforts to improve public service facilities in your community. Your loan application to the KIA for expansion and upgrade to the water treatment plant was approved by KIA on July 18, 2000. The total cost of the project shall not exceed \$3,858,000 of which the KIA loan shall provide up to \$1,500,000. Other anticipated funding for the project is reflected in the attached credit analysis. The credit analysis and the Application for Loan Assistance incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between KIA and the city of Princeton upon satisfactory performance of the conditions set forth in this letter. A period of six months from the date of this letter (January 19, 2001) will be allowed for you to meet the conditions set forth in this letter. Funds will be available for disbursement only after execution of the loan agreement.

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The KIA project loan shall not exceed \$1,500,000.
2. The loan shall bear interest at the rate of 3.8% per annum commencing with the first draw of funds.



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3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.025% of the annual outstanding loan balance shall be payable to KIA as a part of each interest payment.
7. Loan funds will be disbursed after execution of the loan agreement as project costs are incurred.
8. KIA loan funds must be expended within six months of official date of initiation of operation.
9. KIA Fund "F" loan funds are considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$300,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. KIA requires an annual audit to be performed for the life of the loan.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the agreement. Any required documentation must be submitted to the Division of Water (DOW).

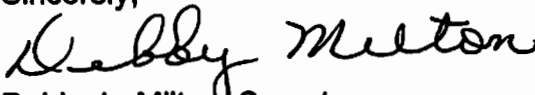
1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 21 days of bid opening.

Mayor Beavers
July 19, 2000
Page Three

2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. The final plan of operation must be approved prior to 50 percent payment.
4. The draft operation and maintenance manual must be approved prior to 90 percent payment. The final operation and maintenance manual must be approved prior to final payment and loan closing.
5. The city must agree to expend all KIA loan funds within six months of the date of initiation of operation.
6. Documentation of final funding commitments from all parties other than KIA as reflected in the credit analysis shall be provided prior to preparation of the loan agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration. (KIA)
7. The consulting engineer shall certify the expected life of the project. (KIA)
8. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
9. The city must complete and return to KIA the attached "Authorization For Electronic Deposit of Vendor Payment" Form.

Please inform KIA of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Debby L. Milton, Secretary
Kentucky Infrastructure Authority

Attachments

cc: Bill Gatewood, Division of Water
Dirk Bedarff, Peck, Shaffer & Williams LLP
Audrey Brown, State Local Debt Office, DLG
George Woolwine, Quest Engineers

Mayor Beavers
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Page Four

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.

Samuel J. Beavers
Accepted

August 4, 2000
Date

**KENTUCKY INFRASTRUCTURE AUTHORITY
FUND F, FEDERALLY ASSISTED DRINKING WATER
REVOLVING FUND LOAN**

Reviewer: Debby Milton
Date: July 18, 2000

BORROWER:	City of Princeton, Caldwell County			
BRIEF DESCRIPTION:	The City proposes to expand and upgrade the current water treatment plant from 2.0 MGD to 3.0 MGD to ensure a reliable water supply for the Princeton service area. This project also includes improvements to the high service pumps and an interconnection with the City of Eddyville for mutual emergency back-up supply. The existing water plant, located on Lake Barkley in Lyon County, serves the local community as well as Caldwell County Water District and part of the Lyon County Water District.			
PROJECT FINANCING:		PROJECT BUDGET:		
KIA Fund F Loan	\$1,500,000	Administrative	\$25,000	
RD Grant	900,000	Engineering	302,500	
RD Loan	<u>1,458,000</u>	Construction	3,141,100	
		Cap Interest	75,000	
		Contingencies	<u>314,400</u>	
Total	\$3,858,000	Total	\$3,858,000	
REPAYMENT:	Rate: 3.8%	Est. Payment:	\$111,503	
	Term: 20 yrs	1st Payment:	P&I: 12/2001	
PROFESSIONAL:	Engineer: Quest			
	Bond Counsel: PSW			
PROJECT SCHEDULE:	Const Award	7/00		
	Const Start	9/00		
	Const Stop	9/01		
OTHER DEBT:	see attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS:	None			
CUSTOMERS:	Current:	3,519		
	Proposed:	0		
RATES:		Inside City	Outside City	
	Current:	\$ 9.63/4,000	\$13.48/4,000	
	Proposed:	\$12.52/4,000	\$17.53/4,000	
JOBS:	N/A			
CASHFLOW (\$000):	Cash Avail for Debt Service	Debt Service	Cashflow	Coverage Ratio
Audit FY98	846	441	405	1.92
Audit FY99	633	441	192	1.44
Proforma FY00	559	441	118	1.27
Proforma FY01	725	558	167	1.30
Proforma FY02	691	614	77	1.13
Proforma FY03	630	614	16	1.03

Reviewer: Debby L. Milton
Date: July 18, 2000

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER REVOLVING LOAN FUND (FUND "F")
CITY OF PRINCETON, CALDWELL COUNTY
CREDIT ANALYSIS**

I. PROJECT DESCRIPTION

The city proposes to expand and upgrade the current water treatment plant from 2.0 MGD to 3.0 MGD to ensure a reliable water supply for the Princeton service area. This project also includes improvements to the high service pumps and an interconnection with the City of Eddyville for mutual emergency back-up supply. The existing water plant, built in the 1960s and located on Lake Barkley in Lyon County, serves the local community as well as Caldwell County Water District and part of the Lyon County Water District.

II. PROJECT COSTS AND FUNDING

EXPENSES

Administrative (RD)	\$ 25,000
Engineering (RD)	302,500
Construction (RD & KIA)	3,141,100
Interest During Construction (RD)	75,000
Contingencies (RD & KIA)	<u>314,400</u>
TOTAL PROJECT COST	\$3,858,000

FUNDING

KIA Fund F loan	\$1,500,000
RD Grant (appv'd)	900,000
RD Loan (appv'd)	<u>1,458,000</u>
TOTAL	\$3,858,000

III. LOAN SIZE AND DEBT SERVICE ESTIMATE

Project Funding	\$1,500,000
Annual Debt Service (3.8% for 20 years)	\$ 107,753
Administrative Fee (.25% of loan amt)	<u>\$ 3,750</u>
DEBT SERVICE REQUIREMENT	\$ 111,503

Note: Princeton's median family income of \$15,367 is below the state average of \$22,534. However, the proposed water rate for 4,000 gallons of \$12.52 does not exceed the 1.25% of median household income rate (1.25% X \$15,367 divided by 12 months = \$16.01). Although the proposed outside city rate of \$17.53 exceeds \$16.01, 85% of customer base is within city limits. Therefore, the standard rate applies.

IV. PROJECT SCHEDULE

Construction Award Date: 07/00
Construction Start Date: 09/00
Construction Stop Date: 09/01

V. KEY CONTACTS

Honorable Danny Beavers
City of Princeton
101 E. Market Street
Princeton, KY 42445
270-365-9575
Virginia Routen
Water & Sewer Department
270-365-9301

George Woolwine, P.E.
Quest Engineering, Inc.
881 Corporate Drive
Lexington, KY 40503
606-223-3755

VI. OUTSTANDING DEBT

1990 W/S Rev Bonds	\$ 420,000
1997 W/S Rev Bonds	\$2,135,000
1996 KIA Fund A Loan (sewer)	\$2,194,589
1996 KIA Fund A Loan (sewer)	\$ 554,543

Princeton has an excellent repayment history with the Authority.

VII. OTHER STATE/FEDERAL FUNDING IN PAST FIVE YEARS:

None

VIII. DEMOGRAPHICS/RATE STRUCTURE

The city of Princeton is located in Caldwell County, in the western part of the state. The city receives its raw water from Lake Barkley.

A. SEWER CUSTOMER MIX

	Current
Residential	2,965
Commercial	550
Industrial	<u>4</u>
Total	3,519

By contract, the city provides water service to the Caldwell County Water District and Lyon County Water District.

B. RATE STRUCTURE

Current (Effective 7/1/96)

	Inside City	Outside City
First 150 cubic feet	\$4.25 (minimum bill)	\$5.95 (minimum bill)
Next 950 cubic feet	\$1.40/100 cubic feet	\$1.96/100 cubic feet
Next 8,900 cubic feet	\$1.10/100 cubic feet	\$1.54/100 cubic feet
Over 10,000 cubic feet	\$0.85/100 cubic feet	\$1.10/100 cubic feet
Minimum water bill:	\$ 4.25/150 cubic feet	\$ 5.95/150 cubic feet
Bill for 4,000 gal:	\$ 9.63/534 cubic feet	\$13.48/534 cubic feet

The city currently has a 99% collection rate.

Proposed (Effective 9/1/00)

	Inside City	Outside City
First 150 cubic feet	\$5.53 (minimum bill)	\$7.74 (minimum bill)
Next 950 cubic feet	\$1.82/100 cubic feet	\$2.55/100 cubic feet
Next 8,900 cubic feet	\$1.43/100 cubic feet	\$2.00/100 cubic feet
Over 10,000 cubic feet	\$1.43/100 cubic feet	\$2.00/100 cubic feet
Proposed:		
Minimum water bill:	\$ 5.53/150 cubic feet	\$ 7.74/150 cubic feet
Bill for 4,000 gal:	\$12.52/534 cubic feet	\$17.53/534 cubic feet

IX. FINANCIAL ANALYSIS (See Exhibit 1)

The Princeton Water and Sewer Department is considered to be a component unit of the City of Princeton with each fund fully segregated.

Water revenues derived from the Caldwell County Water District and Lyon County Water District accounts for approximately 10% and 9% respectively of total system revenues.

Historical

Water sales accounted for 38% of system revenues for FY98 and 42% for FY99. FY99 total system revenues did drop approximately 8% over FY98 due mainly to general drought conditions.

Water expenses represent 43% of total expenses for both FY98 and FY99. FY99 total system expenses increased by 3% over previous year figures.

Although the city has experienced little growth over the past two years, system revenues have been more than adequate to cover operation, maintenance and debt service.

Proforma

The following assumptions were used in the cashflow forecast:

- 1) No additional customers as a direct result of project
- 2) Water rate increase effective Sept 2000
- 3) A 10% annual increase in water system expenses for both FY02 and FY03
- 4) A 3% annual increase in sewer expenses
- 5) \$4,000 annual Replacement Reserve for KIA Fund F Loan
- 6) Estimated annual RD Loan Debt Service of \$61,000
- 7) Estimated annual KIA Fund F Loan Debt Service of \$111,503

Projected FY 2001 revenues only include ten months of water rate increase. Based on current water consumption records supplied by the city, FY2002 and FY2203 revenues are projected to increase to approximately \$931,696 as a result of the 30% water rate increase. Water expenses have been projected to increase 10% annually for both FY02 and FY03 due to the system upgrades. Based on trend, annual sewer expenses are estimated to increase approximately 3% annually.

The RD Loan Debt Service is estimated at \$61,000. Full principal and interest on the KIA Fund F Loan will commence December 1, 2000.

Assuming no new customers, Debt Coverage would drop to 1.03 for FY2003. KIA prefers coverage of at least 1.1. The city will need to closely monitor revenues and expenses for adequate coverage.

Replacement Reserve Account

The city will be required to make annual deposits of \$4,000 into a borrower held account until the balance reaches \$80,000 and maintained for the life of the loan.

XI. RECOMMENDATIONS

KIA staff recommends this project for approval.

**EXHIBIT 1
CITY OF PRINCETON
WATER AND SEWER FUND
PROFORMA CASHFLOW (\$000)**

	AUDITED 1998	AUDITED 1999	PROFORMA 2000	PROFORMA 2001	PROFORMA 2002	PROFORMA 2003
REVENUES						
Water Sales	675	681	681	888	931	931
Sewer Sales	1098	967	967	967	967	967
Other Income	137	92	75	75	75	75
Interest Income	102	103	83	83	83	83
Total Revenues	2,012	1,843	1,806	2,013	2,056	2,056
EXPENSES (less depreciation)						
Operation & Maintenance - Water	507	522	538	554	609	670
Operation & Maintenance - Sewer	659	688	709	730	752	752
Rep Reserve (KIA Fund F Loan)				4	4	4
Total Expenses	1,166	1,210	1,247	1,288	1,365	1,426
INCOME AVAILABLE FOR DEBT SERVICE						
	846	633	559	725	691	630
OUTSTANDING DEBT						
Current Debt Service	441	441	441	441	441	441
RD Loan				61	61	61
KIA Fund F Loan				56	112	112
Total Debt	441	441	441	558	614	614
NET INCOME						
	405	192	118	167	77	16
DEBT COVERAGE RATIO						
	1.92	1.44	1.27	1.30	1.13	1.03

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Responses to Caldwell/Lyon's Information Requests

10. Refer to Princeton's Response to Commission Staff's First Information Request
6c. With regard to the RD Water Revenue Series 2019 bond issue in the amount of \$2,739,000, state how the projects associated with this borrowing, to wit, the 16" transmission line upgrade to Industrial Park Tank, refurbishment of the Skyline Tank and the Sandlick Road service switch-over benefitted either Lyon or Caldwell Districts?

(a) State the total final cost for each of the projects listed above.

Response: Refer to Response to PSC 2-8.

Witness: Tracy B. Musgove

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11. Refer to Princeton's response to Commission Staff's First Information Request 1, the testimony of Beth Musgove, to respond to the following questions:

- (a) Refer to page 4, line 10 and following, regarding the activities of the University of North Carolina Environmental Finance Center ("UNC").
 - i. What audits did UNC review "to determine strengths and weaknesses of Princeton's finances"?
 - ii. What did UNC determine were those strengths and weaknesses?
 - iii. State whether UNC's Affordability Tool was used by Princeton in place of a Cost of Service Study.
 - iv. Identify all individuals providing data to UNC for input into the Affordability Tool.
 - v. Provide all written and electronic correspondence and documents of any kind between Princeton and UNC which relate to the Affordability Tool and any other work performed by UNC for Princeton.
 - vi. Provide any and all other "runs" of the Affordability Tool besides the final one discussed in Ms. Musgove's testimony and provided by Princeton in its response to Commission Staff's Initial Information Request 33.
 - vii. State whether Princeton asked UNC to perform a similar Affordability Tool for those retail customers of Lyon and Caldwell Districts which will be directly affected by Princeton's wholesale rate increase. If so, provide the result of UNC's work.

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- viii. Provide a chart summarizing Princeton's retail customer delinquency rates for FY 2014, 2015, 2016, 2017, 2018 and 2019 before the revised retail customer rates were implemented in August 2019.
 - ix. Provide a chart summarizing Princeton's retail customer delinquency rates since the revised retail customer rates were implemented in August 2019.
 - x. Provide any written or electronic correspondence which Princeton received from 2014 to date from any of its retail water customers complaining about Princeton's retail water rates.
 - xi. Provide any meeting minutes from either Princeton Water and Wastewater Commission or City of Princeton from 2014 to date which identifies any discussion of customer complaints concerning Princeton's retail water rates.
- (b) Refer to page 4, line 20 and following.
- i. State with specificity what research Princeton conducted related to industry "water rates and trends" which led it to replace the declining block rate structure with a uniform rate structure. Provide copies of all documents and authority Princeton reviewed and relied upon in making this decision.
- (c) Refer to page 5, line 11 and following.
- i. State with specificity Princeton's future intentions regarding the phasing out of the current declining block rate structure. Princeton's response should provide an anticipated timeline for this phasing out and whether

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additional downward retail rate adjustments coincident with upward
wholesale rate adjustments are planned.

- (d) Refer to page 5, line 15 and following.
 - i. How did Princeton arrive at the requested rate of \$2.97/100 cu ft for its largest retail customers and its wholesale customers, and not some other amount, if Princeton's calculated cost of water production was \$3.76/100 cu ft?
- (e) Refer to page 6, line 23 and following.
 - i. Princeton states "Rather than perform an expensive cost of service study, PWWC divided all costs of water production and distribution by the total cubic feet of water produced and available for sale to get a cost per 100 cubic feet. This is the same method PWWC employs to set rates for wastewater." State what authority Princeton relied upon to employ this method of determining cost of service for ratemaking purposes.
 - ii. Provide all documents demonstrating estimates for completion of a Cost of Service Study which Princeton obtained in determining that a reliable Cost of Service Study was "too expensive." If no such documents exist, provide the substance of any verbal estimates Princeton obtained along with when and by whom such estimates were obtained.
- (f) Provide all documentation supporting the results referenced in Ms. Musgove's testimony.

Response:

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Responses to Caldwell/Lyon's Information Requests

- (a i). Audits from 2013 – 2017 were initially provided to UNC prior to the completion of FY2018, which was subsequently provided and used to update the models.
- (a ii) Strengths and weaknesses were outlined in the emails sent in response to Question 29 in the first PSC data request.
- (a iii) Refer to response to PSC 2-6.
- (a iv) Tracy Musgove provided all data to UNC.
- (a v) Refer to emails attached as response to Question 29 in the first PSC data request.
- (a vi) Refer to Excel files attached in Response to Question 19(a)
- (a vii) No.
- (a viii - ix) Retail delinquency rates are not calculated since service is cut off if payment is not received.
- (a x-xi) None known. Typically customers will relate displeasure with increases in rates face to face or via the telephone. (b) Refer to PSC second data request Question 5 and 15.
- (c) The questions premise that there was a “downward retail rate adjustment” is incorrect. The rates for city retail customers approved in 2019 resulted in an increase to those customers. Princeton does not have specific “intentions” as to future rate increases. As Ms. Musgove stated in her testimony, “Data will be analyzed to see the results before phase two is implemented and all tiers are removed.” PWWC will analyze future data to determine the appropriate course of action.
- (d) See Response to PSC 2-17
- (e) (i) M1 Manual of Water Supply Practices - Principles of Water Rates, Fees, and

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Charges - Chapter 10 Uniform Rates

(ii) KRWA Water Law Series seminars in 2018 addressed this. In addition there was general discussions among individuals familiar with utility regulation about ongoing rate cases indicating that cost of service studies are expensive.

(f) Refer to Excel file attached as PSC 2-21 Unit Cost Worksheet

Witness: Tracy B. Musgove

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12. Refer to Princeton's response to Commission Staff's First Information Request 7. State with specificity how Princeton arrived at the stated allocation percentages of particular employees as between water and sewer activities listed in the "FY 2019 Allocation" column. Provide any documents, calculations or other information which Princeton employed in arriving at these allocations.

- (a) For employees 186, 155, 198 and 201 the "FY 2019 Allocation" column refers to them as "100% Admin". Please state the effect of this allocation regarding whether the referenced employees' wages are included for ratemaking purposes by Princeton.

Response: Each of these employees are considered 100% administration and their referenced wages are not included for volumetric ratemaking but are included in the monthly customer service fee. See Response to PSC 2- 26.

Witness: Tracy B. Musgove

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Responses to Caldwell/Lyon's Information Requests

13. Refer to Princeton's response to Commission Staff's First Information Request
- 11.
- (a) Describe in detail each constituent of the benefit package available to Princeton's employees, including the percentage of employee contribution, if any, that is required.
 - (b) Confirm that Princeton's policy regarding the payment for employee health insurance coverage is that Princeton pays the full premium amount for family coverage for the Livingwell CDHP plan without any employee contribution required.
 - (c) Confirm that for the test year, FY 2019, no Princeton employee made any monetary contribution toward his/her health insurance coverage and the resulting amount Princeton paid for employee health insurance coverage was \$94,984.00 .
 - (d) Explain Princeton's policy concerning employee contributions toward Dental, Vision, and Life Insurance/Short Term Disability coverage, including that amount of Life Insurance that Princeton provides to each employee before employee-paid coverage enhancements are available.
 - (e) Confirm that for the test year, FY 2019, no Princeton employee was paid a \$175/month healthcare credit.
 - (f) Explain the "CERS Benefit" and how contributions between Princeton and the employee are calculated.
 - (g) State the period of years that Princeton's policy to pay 100% of employees' health insurance for family coverage has been in effect.

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Responses to Caldwell/Lyon's Information Requests

- (h) State the period of years that Princeton's policy regarding payment/contribution for the other constituents of the employee benefit package has been in effect.

Response: (a)

- (1) Family Health Insurance - Princeton offers employee's a choice of one of the four health plans offered by KEHP. See the Response to PSC 1-12 and Exhibit 12 for information on these plans.
 - (2) Dental Insurance – Offered through KLC and up to \$36.15 paid monthly by PWWC. Employees must pay the difference between family plan and this amount.
 - (3) Vision Coverage – Offered through KLC and only the single rate amount is covered by PWWC. Employees pay the difference between family plan and the single rate.
 - (4) Life Insurance – Two plans are paid for by PWWC. One, offered through the state is a \$20,000 policy at a cost of \$1/month per employee . The other is a \$25,000 policy per employee through the Principal Group at a cost of \$9.88 per month per employee.
 - (5) CERS Employer Match – Required state mandated match on gross wages.
 - (6) Social Security & Medicare – Required federally mandated match on applicable wages.
 - (7) Short Term Disability – Offered to employees and paid 100% by employees.
 - (8) Kentucky Deferred Comp – Offered to employees and paid 100% by participating employees.
- (b) Princeton currently pays 100% of the family coverage of the Livingwell CDHP plan.
- (c) No employee contributed to the cost of their health plans in FY2019. However, the

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Responses to Caldwell/Lyon's Information Requests

amount of \$94,984 was only the amount paid for the maintenance department. Total cost for all departments was \$256, 980. Refer to Exhibit 11 Excel file in the first PSC data request.

(d) See response detailed in (a) above.

(e) Employee # 198 waives coverage and Princeton pays $\$175 \times 12 = \$2,100$ annually to KEHP for flex card.

(f) Refer to pages 21 – 24 of the FY 2019 audit and to Response to PSC 2-4 (a,b,&c)

(g) After reviewing the minutes and conferring with long time employees, Princeton has always paid for a full family plan.

(h) Dental and Vision coverage were added in FY2017. The additional \$20,000 life insurance policy offered through KEHP was added when PWWC enrolled with KEHP effective January 1, 2011. Other offerings have been in place at least since FY2005.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

14. Refer to Princeton's response to Commission Staff's First Information Requests 9 and 11. Using a table format provide a detailed columnar summary of total compensation received by every Princeton employee employed during the test year, FY 2019.

Response: Refer to Excel file attached as Exhibit WD 1-14 Total Employee Compensation

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

15. Using a table format provide a detailed summary of total compensation, including any health insurance, bonuses or other benefits, received by each of Princeton's Commissioners and Princeton's attorney for the test year, FY 2019.

- (a) If Princeton's Commissioners or attorney receive any compensation other than the \$150 monthly fee, provide all minutes of Commissioners' meetings where such benefits were authorized.

Response:

Position	Total Compensation	Other Benefits or Compensation
040123	\$1,800	No other benefits paid
040120	\$1,800	No other benefits paid
040122	\$1,800	No other benefits paid
040121	\$1,800	No other benefits paid
123120	\$1,800	No other benefits paid
Attorney	\$6,000	\$4,058 fees for financing KACO/KADD lease

Witness: Tracy B. Musgove

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Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

16. Refer to Princeton's response to Commission Staff's First Information Request
- 22.
- (a) As of the end of the test year, FY 2019, state how many inside-city retail customers and outside-city retail customers Princeton had.
 - (b) At the time Princeton adjusted its rates for inside-city retail customers effective August, 2019, why did it decide to wait on the approval of its wholesale rate adjustment before making an adjustment to rates for outside-city customers?
 - (c) Once the current wholesale rate adjustment is approved, state Princeton's intention regarding whether outside-city retail customers' rates will become identical to inside-city retail customers' rates. If this is not Princeton's intention provide what its intention regarding such customers will be along with detailed reasons for this position.

Response:

- (a) Refer to Response to PSC 2-12.
- (b) The rates for Princeton's inside City retail customers were based on interim March 2019 financials that were annualized and projected. The decision to wait on the wholesale rates was based on the need to have accurate twelve month "known and measurable" information, preferably after all audit adjustments. Refer to the previous response in PSC 1-26.
- (c) Princeton does not have specific timeline as to future rate increases. As Ms. Musgove stated in her testimony, "Data will be analyzed to see the results before phase

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Responses to Caldwell/Lyon's Information Requests

two is implemented and all tiers are removed.” PWWC will analyze future data to determine the appropriate course of action.

Witness: Tracy B. Musgove

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Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

17. Refer to Princeton's response to Commission Staff's First Information Request
26.

- (a) In its response Princeton failed to "provide all supporting documentation for the proposed rate" as requested by Commission Staff. Princeton is requested to provide all such supporting documentation for the proposed rate in its response to this Information Request.
- (b) In its response Princeton failed to identify all individuals "who participated in the determination" as requested by the Commission Staff. Princeton is requested to identify by name, address, occupation, specific subject areas of participation and prior experience of all such individuals participating in the determination.

Response: (a) Refer to Excel file attached as PSC 2-21 Unit Cost Worksheet and previously supplied General Ledger.

- (c) Tracy Musgove presented the above information to the PWWC Board and they passed the necessary resolutions to adopt the new rates.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

18. Refer to Princeton's response to Commission Staff's First Information Request
- 27.
- (a) Provide all handouts, electronic/written presentations, and any other documents used, reviewed or referred to at the 5/29/18, 6/21/18, 10/25/18, 11/29/18, 1/31/19, 6/5/19, 6/7/19 and 7/2/19 Princeton Commissioners' meetings.
 - (b) The 7/2/19 Princeton's Commissioners' meeting minutes indicate that the wholesale rate increase Regulation was given a First Reading. However, Princeton failed to furnish subsequent meeting minutes where a Second Reading occurred. Provide a copy of such meeting minutes and provide all handouts, electronic/written presentations, and other documents used, reviewed or referred to at this subsequent meeting.
 - (c) Provide all meeting agendas for the meetings referenced in these Information Requests 19 (a) and 19 (b) above.
 - (d) Provide copies of all published statutory public notices pertaining to the First and Second readings of the Regulations for both the retail and wholesale rate increases.
 - (e) State whether Princeton's Commissioner's meetings are either audio or video recorded. If they are recorded provide such recordings for the meeting dates listed in these Information Requests 19 (a) and (b) above.

Response: (a) Refer to attached Exhibits WD 1-18 Agendas;

(b) Refer to pdf Exhibit WD 1-18 Agendas and WD 1-18b Minutes from November 5,

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

2019.

(c) See aforementioned files referenced in Response to 18 (a) & (b) above.

(d) PWWC objects to this request as it is not relevant to this proceeding. In *City of Russellville v. Public Service Commission*, the Franklin Circuit Court found that the Commission's requirement that Russellville enact an ordinance precisely identifying the proposed rate increase before applying for the increase was unlawful. The Court of Appeals affirmed the circuit court's decision. See *City of Russellville v. Public Serv. Comm'n*, No. 2003-CA-002132-MR, 2005 WL 385077 (Ky. App. Mar. 15, 2006).

(e) No audio or video recordings are maintained by PWWC once the minutes have been transcribed and approved.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit WD 1-18

Agendas

**PRINCETON WATER & WASTEWATER COMMISSION
SPECIAL CALLED MEETING AGENDA
MAY 29, 2018
4:00 PM**

1. CALL TO ORDER
2. ROLL CALL
3. RECOGNITION OF VISITORS – HETHCOAT & DAVIS
4. READING OF MINUTES
5. FINANCIAL STATEMENTS
6. APPROVAL OF BILLS
7. SYSTEM EXPANSION AND OLD BUSINESS
 - ❖ USDA PROJECT – BID COMPILATION
 - ❖ ENGINEER’S RECOMMENDATION
 - ❖ AWARDING OF BIDS
 - ❖ UPDATE ON PLANNED REFINANCING OF INDUSTRIAL PARK TANK USDA LOAN
8. NEW BUSINESS AND SUPERINTENDENT’S REPORT
 - ❖ CHEMICAL TRIALS AT PLANTS
 - ❖ PLANT REPAIRS
 - ❖ FY2019 BUDGET
9. ADJOURN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – April 24, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, April 24, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Irl Stevens with Commissioner Parrent and Superintendent James Noel being absent with prior notice. Attorney Todd Wetzel joined the meeting at 4:30 p.m. Chairman Hayes also recognized Ricky Oakley from the Nashville engineering firm of Hethcoat and Davis.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the March 29th meeting were reviewed with a motion made by Irl Stevens and seconded by Pat George to approve the minutes as written. All Ayes. The March financial statements were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The March bills were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve. All Ayes.

IV. System Expansion / Old Business

Ricky Oakley was pleased to report that the approval had been given by the USDA to proceed with bidding the project. A new timeline was presented with May 22nd slated for the date that the bids would be opened. It is hoped there will be a good mix of contractors since the project is being offered as two separate projects (water line improvements and tank rehab). The tank rehab is tentatively being planned for the fall since the tank will be down and out of commission for approximately 90 days.

V. New Business and Superintendent's Report

- (a) Due to the Superintendent's illness, Ms. Musgove tried to address the items listed under Mr. Noel's planned report which included the following:
- ❖ TMB is conducting chemical trials at both treatment facilities as a precursor to the upcoming chemical bids. The chemical bids were received with at least three new companies joining into the bid process. Many of the same companies seemed to have retained their position; however, TMB is testing a couple of chemicals, which appear to be more costly but is supposed to treat up to 25% more water. Those trials, mentioned above, will determine whether a change is made.
 - ❖ The new parts for the WWTP screw pump have been installed but it now appears that the oxidation ditches need new stainless steel paddles. Ms. Musgove did not know the exact price point of the aeration paddles; therefore, Brent Ladd made a motion to advertise for bids in case the price exceeds the \$20,000 level. Motion was seconded by Irl Stevens. All Ayes.
 - ❖ Ms. Musgove stated the time has arrived to upgrade the Badger meter billing software to the new Beacon system. Cost of the conversion is expected to be approximately \$15,000 - \$20,000 with monthly fees replacing annual maintenance contracts.
- (b) Mr. Wetzel explained the documents needed in order to move forward with the refinancing of the existing USDA loan through the KADD program. Mr. Wetzel presented a resolution to approve the refinancing with the PWWC indemnifying the City for all payments due under the loan and approving the hiring and fee scale of Compass Municipal Advisors to the Board. Brent Ladd made a motion to approve Resolution 04-24-2018 which was seconded by Pat George. All Ayes.

VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 04/30/18

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,168,788.03
ACCOUNTS RECEIVABLE	211,852.89
OTHER RECEIVABLES	212,736.97
INVENTORIES	282,925.44
TOTAL CURRENT ASSETS	<u>2,876,303.33</u>
SPECIAL FUNDS - RESTRICTED	153,851.46
UTILITY PLANT	31,484,233.05
ACCUMULATED DEPRECIATION	18,095,459.01CR
DEFERRED PENSION OUTFLOWS	254,803.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	<u>13,797,429.08</u>
TOTAL ASSETS	<u>16,673,732.41</u>
CURRENT MATURITIES OF LONG TERM DEBT	190,877.77CR
ACCOUNTS PAYABLE - TRADE	9,500.00
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	103,765.31CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	37,101.39CR
INTEREST AND FEES PAYABLE	35,621.47CR
INSURANCE, TAXES AND OTHER MISC	72,090.21CR
TOTAL CURRENT LIABILITIES	<u>429,956.15CR</u>
LONG TERM DEBT LESS CMLTD	2,513,671.74CR
NET PENSION LIABILITY & DEFERRED INFLOWS	1,531,382.87CR
TOTAL NON-CURRENT LIABILITIES	<u>4,045,054.61CR</u>
TOTAL LIABILITIES	<u>4,475,010.76CR</u>
RETAINED EARNINGS	12,082,979.77CR
TOTAL RETAINED EARNINGS	<u>12,082,979.77CR</u>
TOTAL FUND EQUITY	<u>12,082,979.77CR</u>
BALANCE	115,741.88

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
April 30, 2018

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	% Diff	Annual Budget
Operating Income							
Water Sales	115,676	120,000	1,235,391	1,262,000	(26,609)	-2.11%	1,527,000
Sewer Sales	111,515	116,000	1,161,886	1,213,000	(51,114)	-4.21%	1,450,000
Customer Service Fees	16,425	16,583	165,068	165,833	(765)	-0.46%	199,000
Penalty Income	4,592	5,000	56,832	50,000	6,832	13.66%	60,000
Farm Income	-	-	34,500	34,500	-	0.00%	34,500
Other Operating Income	4,222	2,750	35,080	27,500	7,580	27.56%	33,000
Operating Revenues	252,430	260,333	2,688,757	2,752,833	(64,076)	-2.33%	3,303,500
Operating Expenses							
Salaries & Benefits	97,654	97,348	1,020,455	1,041,282	(20,827)	-2.00%	1,253,493
Utilities	32,179	31,792	277,314	286,950	(9,637)	-3.36%	381,500
Chemicals & Lab Fees	19,940	26,917	219,549	251,938	(32,388)	-12.86%	323,000
Insurance	9,304	10,796	111,839	134,408	(22,569)	-16.79%	156,000
Bldg & Equip Repair & Maintenance	14,506	10,417	86,855	93,932	(7,077)	-7.53%	125,000
Supplies, Postage & Credit Card Fees	3,236	3,163	27,860	30,082	(2,222)	-7.39%	38,000
Professional Services & Consulting	2,786	3,194	43,343	50,609	(7,266)	-14.36%	57,100
Sludge Removal	-	-	10,593	12,500	(1,907)	-15.26%	25,000
Tools, Inventory & Misc Material	4,185	8,334	51,841	79,167	(27,326)	-34.52%	100,000
Gas & Oil	2,582	2,083	15,825	18,750	(2,925)	-15.60%	25,000
Freight, Rental & Lease, & Misc	715	2,000	9,283	18,373	(9,090)	-49.47%	24,000
Capital Cost/ Labor & Machinery	(860)	(333)	(7,258)	(3,000)	(4,258)	141.92%	(4,000)
Operating Expenses	186,227	195,709	1,867,500	2,014,991	(147,491)	-7.32%	2,504,093
Total Income (Loss) from Operations	66,203	64,624	821,257	737,842	83,415	11.31%	799,407
Other Income (Expense)							
Interest Income	17	-	158	-	-	-	-
Grant Revenue	-	-	-	-	-	-	-
Other Income	500	417	10,116	4,167	5,949		5,000
Depreciation Expense	(64,034)	(64,167)	(640,338)	(641,667)	1,329		(770,000)
Interest and Loan Fee Expense	(7,545)	(9,413)	(75,452)	(94,125)	18,673		(112,950)
Other Income (Expense)	(71,062)	(73,163)	(705,515)	(731,625)	26,110	-3.57%	(877,950)
Net Income (Loss)	(4,858)	(8,539)	115,742	6,217	109,525	1761.65%	(78,543)
Cash Available for Debt Service less Grant	66,721	65,041	831,531	742,009	89,522		804,407
LESS: Scheduled Principal and Interest	(23,116)	(23,116)	(231,158)	(231,158)	-		(277,390)
Excess Cash	43,605	41,925	600,373	510,850	89,522	17.52%	527,017
Debt Service Coverage Ratio	2.89	2.81	3.60	3.21			2.90
(Net Inc + Deprec + Amort + Int Exp) /							
(Principal Pmt+ Interest Exp)							

**Princeton Water & WasteWater
Financial Results for Ten Months Ending April 30, 2018**

Results for the Month of April

- Water sales continued the trend and were > \$ 4.3k lower for the month. As was the case in the previous month, sewer sales were also under budget by almost the same amount (\$4.5k).
- Other income categories continued to meet projections and combined to total almost \$25k in other operating revenues.
- Total Operating Revenues for the month of April were short by almost \$8k or almost 3%.
- Operating expenses for the month were \$ 9.5k lower than budget with this month's variance being driven by lower chemicals and lab fees along with lower costs generated from the maintenance area related to inventory usage and miscellaneous material expenses. Savings in these two areas was able to offset higher than planned repair expenses related to equipment breakdowns at the plants.
- Although revenues continued to lag budgeted projections, the savings generated through expense control pushed income from operations slightly higher than the budgeted amount of \$64.6k. This, along with lower interest expense due to the delay in funding the USDA project, helped to lessen the budgeted net loss from a projected loss of \$8,539 to an actual loss of \$4,858 for the month
- With the loss, the Commission was still able to post a strong debt service coverage ratio due to the large amount of depreciation expense realized monthly and the low amount of scheduled principal and interest. The DSC ratio for the month ended up at 2.89x with > \$ 43.6k in excess cash generated after servicing debt.

Year to Date Results

- For the year, water revenues are almost \$ 27k under budget with sewer revenues down by \$ 51k. Treehouse continues to reduce usage and comprises > 40% of the sewer variance.
- Customer service fees, penalty income, farm income and other charges derived from new accounts and meter settings, etc., are performing better than expected and are almost \$14k ahead of budget.
- Total Operating Revenues for the year stands at \$2,689k and are \$ 64.1k lower than the projected budget.
- Operating expenses are under budget by > 7.3% or \$147.5k and luckily have been able to offset the lower than projected revenue stream. Every expense category continues to perform under budget with salaries and benefits, chemicals and lab fees, insurance and tools, inventory and miscellaneous materials all beating the respective budgets by > \$20k.
- On the strength of expense control, total income from operations exceeds the budgeted amount by ~ \$83.4k while the YTD Net Income of \$ 115.7k is \$ 109.5k ahead of the budgeted \$6.2k.
- For the year, the Commission has generated over \$600k in excess cash after debt service and the debt service coverage ratio for the year stands at 3.60x as compared to the budgeted 3.21x.

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - APRIL 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
KY LOCAL GOVERNMENT TRUST	4/1/2018	418	\$ 1,099.41	
CERS-COUNTY RETIREMENT	4/2/2018	418	\$ 13,657.18	
KENTUCKY DEPT OF REVENUE	4/2/2018	418	\$ 2,533.93	
PRINCIPAL LIFE	4/6/2018	418	\$ 323.64	
EFTPS	4/6/2018	418	\$ 3,287.31	
KENTUCKY INSURANCE (BC/BS)	4/11/2018	418	\$ 23,415.12	
EFTPS	4/13/2018	418	\$ 3,307.39	
CALDWELL CO.BD. OF ED.	4/17/2018	418	\$ 2,220.98	
LYON COUNTY BD. OF ED.	4/17/2018	418	\$ 98.54	
KENTUCKY STATE TREASURER	4/17/2018	418	\$ 3,143.02	
EFTPS	4/20/2018	418	\$ 3,206.98	
EFTPS	4/27/2018	418	\$ 3,409.45	
TOTAL ELECTRONIC CHECKS			\$ 59,702.95	
AT & T MOBILITY	4/2/2018	13735	\$ 34.40	
AKRIDGE FARM SUPPLY	4/6/2018	13736	\$ 267.70	
AMERICAN DEVELOPMENT CORP.	4/6/2018	13737	\$ 396.00	
CALDWELL COUNTY TREASURER	4/6/2018	13738	\$ 2,060.57	Quarterly Payroll Taxes
CITY OF PRINCETON	4/6/2018	13739	\$ 516.06	
COLE LUMBER CO. INC.	4/6/2018	13740	\$ 16.93	
COLEMAN AUTO PARTS	4/6/2018	13741	\$ 200.31	
ELECTRIC PLANT BOARD (P'TON)	4/6/2018	13742	\$ 17,216.64	
HACH CHEMICAL CO.	4/6/2018	13743	\$ 272.41	
HAYES, ROBERT L.	4/6/2018	13744	\$ 150.00	
JOINER HARDWARE COMPANY	4/6/2018	13745	\$ 13.38	
KENTUCKY LEAGUE OF CITIES	4/6/2018	13746	\$ 1,064.12	
LADD, BRENT	4/6/2018	13747	\$ 150.00	
LAKESIDE EQUIPMENT CORPORATION	4/6/2018	13748	\$ 9,814.00	WWTP Upper Bearing w/o shaft
MCCOY & MCCOY LABS.	4/6/2018	13749	\$ 1,412.00	
NEWTEC	4/6/2018	13750	\$ 1,052.50	
PARRENT, JAY	4/6/2018	13751	\$ 150.00	
PATRICIA GEORGE	4/6/2018	13752	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP.	4/6/2018	13753	\$ 13,025.09	
PIONEER MAINTENANCE	4/6/2018	13754	\$ 250.00	
POSH OF PRINCETON	4/6/2018	13755	\$ 77.00	Uniform Logo Printing
RED BUD SUPPLY	4/6/2018	13756	\$ 1,604.42	
SLEDGES ELECTRIC SERVICE	4/6/2018	13757	\$ 1,365.78	WTP Repairs
STEVENS, IRL	4/6/2018	13758	\$ 150.00	
TREASURES REMEMBERED	4/6/2018	13759	\$ 53.00	
VERIZON WIRELESS	4/6/2018	13760	\$ 481.36	
WETZEL, TODD B. ATTORNEY @ LAW	4/6/2018	13761	\$ 500.00	
ATHLETIC CENTER	4/10/2018	13762	\$ 395.25	Uniforms
FREEDOM WASTE SERVICE	4/10/2018	13763	\$ 375.27	
HACH CHEMICAL CO.	4/10/2018	13764	\$ 149.02	
MAX ARNOLD & SONS	4/10/2018	13765	\$ 317.52	
PROJECT GRADUATION	4/18/2018	13767	\$ 250.00	
AT & T	4/19/2018	13768	\$ 648.64	
ATMOS ENERGY	4/19/2018	13769	\$ 369.52	
U.S. POSTAL SERVICE	4/20/2018	13770	\$ 850.00	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - APRIL 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
AIRGAS USA LLC	4/23/2018	13771	\$ 36.74	
AT & T - U-VERSE	4/23/2018	13772	\$ 181.20	
AT & T MOBILITY	4/23/2018	13773	\$ 34.90	
ATHLETIC CENTER	4/23/2018	13774	\$ 74.50	Uniforms
BADGER METER	4/23/2018	13775	\$ 390.00	Maintenance agreement
C.I. THORNBURG CO., INC.	4/23/2018	13776	\$ 8,883.70	
CARDMEMBER SERVICE	4/23/2018	13777	\$ 1,012.73	
FARM PLAN	4/23/2018	13778	\$ 45.17	
HACH CHEMICAL CO.	4/23/2018	13779	\$ 309.34	
KENTUCKY DEFERRED COMPENSATION	4/23/2018	13780	\$ 1,128.00	
LAKESIDE EQUIPMENT CORPORATION	4/23/2018	13781	\$ 204.00	
MAX ARNOLD & SONS	4/23/2018	13782	\$ 2,264.28	
MCCOY & MCCOY LABS.	4/23/2018	13783	\$ 3,685.00	
MCCOY & MCCOY LABS.	4/23/2018	13784	\$ 1,560.00	
MEDIACOM	4/23/2018	13785	\$ 113.25	
MEUTH CONCRETE SERVICES	4/23/2018	13786	\$ 1,390.00	210 Cardinal Ln driveway repairs
MONITORING & MANAGEMENT SERVIC	4/23/2018	13787	\$ 1,440.00	Pre-Treatment work
NEWTEC	4/23/2018	13788	\$ 2,220.00	
PIPECHECK, LLC	4/23/2018	13789	\$ 2,078.00	Robotic Pipe Repair Work
QS/1	4/23/2018	13790	\$ 906.40	
RAWDON MYERS INC.	4/23/2018	13791	\$ 221.00	
ROGERS GROUP INC.	4/23/2018	13792	\$ 273.17	
TELEDYNE INSTRUMENTS, INC	4/23/2018	13793	\$ 233.00	WWTP Lab Equipment
WAL MART	4/23/2018	13794	\$ 615.62	
TOTAL CHECKS ISSUED FOR APRIL 2018			\$ 144,801.84	

Princeton Water & Wastewater Commission
2013 Water System Improvements
Bid Opening: May 22, 2018 @ 11:00 a.m. local time
Contract A: Water Lines & Master Meters
Bid Compilation and Ranking

Rank	Company Name	Schedule A	Schedule B	Total
1	J S J Construction, LLC	\$ 1,656,593.00	\$ 235,508.00	\$ 1,892,101.00
2	United Pipeline, Inc.	\$ 2,191,226.00	\$ 265,634.00	\$ 2,456,860.00
3	Cleary Construction	\$ 2,344,014.00	\$ 326,252.00	\$ 2,670,266.00
4	Garney Construction	\$ 2,603,620.00	\$ 354,504.00	\$ 2,958,124.00
5	Norris Brothers Excavating, LLC	\$ 2,647,642.00	\$ 367,496.14	\$ 3,015,138.14
6	Youngblood Excavating & Contracting	\$ 3,685,110.00	\$ 485,985.50	\$ 4,171,095.50

Contract B: Skyline Tank Rehabilitation
Bid Compilation and Ranking

Rank	Company Name	Base Bid	Deductive Alternate 1
1	Preferred Sandblasting & Painting, LLC	\$ 327,855.00	\$ 198,900.00
2	Utility Service Co., Inc.	\$ 389,600.00	\$ 191,900.00
3	Scott I. Enterprises	\$ 418,250.00	"subtract \$4k"
4	Currens Construction Services, LLC	\$ 419,640.00	\$ 230,640.00
5	Horizon Bros. Painting Corp.	\$ 475,800.00	\$ 8,000.00

The bulk of the project centered around the water line improvements and the bid price came in slightly more than 2% higher than projected. The Skyline Tank project, on the other hand, was more than 32% higher than projected but the extra six years of wear and tear on the outside of the tank required a complete sandblasting of the exterior whereas the original projection was not taking this into consideration.

In total, should we go with the apparent low bidders, the projects are \$119,956 (5.7%) higher than originally projected. The good news is that the balance on the KIA loan that was to be refunded has been reduced to \$442,000 versus the \$815,000 used in the initial projections. Therefore, with that \$373,000 cushion in addition to our original contingency of \$210,000, it appears we have more than enough for the initial overage and hopefully, as the project progresses, for the clearwell and surge tank rehabs at the treatment plant also.

**PRINCETON WATER & WASTEWATER COMMISSION
SPECIAL CALLED MEETING AGENDA
JUNE 21, 2018
4:00 PM**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **RECOGNITION OF VISITORS**
4. **READING OF MINUTES**
5. **FINANCIAL STATEMENTS**
6. **APPROVAL OF BILLS**
7. **SYSTEM EXPANSION AND OLD BUSINESS**
 - ❖ **USDA PROJECT UPDATE**
 - ❖ **REFINANCING OF SERIES 2000 USDA LOAN**
8. **NEW BUSINESS AND SUPERINTENDENT'S REPORT**
 - ❖ **SEWER USE ORDINANCE**
 - ❖ **ADOPTION OF FY2019 BUDGET**
 - ❖ **CUSTOMER SERVICE FEE INCREASE**
9. **ADJOURN**

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – May 29, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, May 29, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Jay Parrent, and Irl Stevens along with Attorney Todd Wetzel and Superintendent James Noel. Commissioner Pat George was absent with prior notification. Chairman Hayes also recognized Ricky Oakley from the Nashville engineering firm of Hethcoat and Davis.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the April 24th meeting were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. The April financial statements were presented by Ms. Musgove with a motion made by Irl Stevens and seconded by Jay Parrent to approve the financial statements as presented. All Ayes. The April bills were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve. All Ayes.

IV. System Expansion / Old Business

- a) Ricky Oakley presented the bid compilation for the USDA project from the May 22nd bid opening. There were six bids for the water line portion of the project with five bids on the tank rehabilitation. JSJ Construction, LLC was the low bidder on the water line project and came in at \$1,892,101 (2% higher than projected). Preferred Sandblasting & Painting, LLC was the low bidder on the Skyline Tank Rehab and came in at \$327,855 (32% higher due to the current condition of the outside steel now requiring complete sandblasting and more coats of paint than what was projected 6 years earlier). While the project is \$120k more than projected, it remains within the \$373k cushion established by the continued reduction of the KIA issue being refunded. This, coupled with a \$210k contingency, should hopefully allow funding of the clearwell and surge tank improvements at the WTP. Mr. Oakley stated that both contractors were known to Hethcoat & Davis and he had no reservations in recommending both to the Commission. Conversation regarding timelines and length of the project ensued with a motion made by Brent Ladd and seconded by Jay Parrent to accept the recommendation of the engineers and to award the water line improvement project to JSJ Construction, LLC and to award the Skyline Tank Rehab project to Preferred Sandblasting & Painting, LLC both subject to USDA approval. All Ayes.
- b) Ms. Musgove updated the Commissioner's on the refinancing of the USDA loan that originally funded the Actiflo improvements at the water treatment plant. The bond sale is currently set for June 13th with closing to take place on June 27th. Currently rates are trending slightly lower.

V. New Business and Superintendent's Report

- (a) Superintendent Noel presented his report to the Commission which included the following:
 - TMB is conducting chemical trials at both treatment facilities for a replacement to the DelPac currently being used. They are also testing their phosphate to see if we can have less corrosion and better results than the current ADC product. While TMB's chemicals are more expensive, should the feed rate be lower a switch could be in order.
 - The east side WWTP screw pump has been fixed and new paddles for the oxidation ditches have been ordered at a cost of approximately \$13,000.
 - Mr. Noel also stated it was his opinion that the Commission should look into the feasibility of upgrading the wastewater plant. After discussing all of the current technology, the board agreed that our current engineers be hired to identify what is needed to bring the plant up to date with current technology and the cost estimate to do so.
- (b) Ms. Musgove briefly reviewed the 2019 budget and the burden that the CERS retirement system is placing on the PWWC along with higher chemical and lab fees, electricity charges and the need to

upgrade the billing software. With fixed costs rising, she stated it was time to look at an increase in both the customer service fee and rate increases. Water rates have not increased in four years but she stated a complete overhaul is in order to get closer to a unit cost method similar to the sewer rates. After presenting data on what it costs to produce a gallon of water versus the wholesale price, the Commission agreed that the current declining balance system is outdated and a newer more simpler structure should be implemented.

VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

**Princeton Water & WasteWater
Financial Results for Eleven Months Ending May 31, 2018**

Results for the Month of May

- Revenues for the month continued to lag budget with both water and sewer sales each being approximately \$10k under their respective budgets. May's revenues were the second lowest of any month during the 2018 fiscal year so far.
- Other income categories were slightly higher than budget and helped to offset some of the negative variance cause by lackluster water sales.
- With both of the main categories falling short of budget, total operating revenues for the month of May were short by more than \$15k or almost 6%.
- Throughout most of the year, operating expenses have trended lower than budget. However, for the month of May, expenses were \$36.6 higher than budget with the largest contributing categories being salaries and benefits (\$24k), repairs and maintenance (\$21k) and insurance (\$6k). May's salaries and benefits was originally budgeted for a four week payroll but with the change in the workweek, May ended up having five pay periods instead of June. This variance will work through next month since June will now have four pay periods instead of the budgeted five. Similarly, insurance expense was doubled this month in order to catch up the accrual where we could pay the City before end of year. Therefore, June will not have a normal insurance accrual. Additionally, Stacey Boone notified us that they intend to pay the entire insurance premium up front rather than financing it which will save the City several thousand dollars. This will require us to also pay the City in a lump sum and have a prepaid asset versus a liability for the upcoming fiscal year. Finally, rotor blades and screw pump repairs at the WWTP were very costly (> \$24k) and could have easily been capitalized instead of being expensed; however, management has decided to take the conservative route and expense these costly repairs due to the amount of the capital item being such a small portion of the overall cost of the plant equipment.
- For the first time in a while, both revenues and expenses trended negatively and income from operations was under budget by \$52k and led to the largest monthly loss of the year at \$67k versus the projected loss of \$17k.
- With the sizeable loss, the Commission was unable to cover its debt obligations without having to utilize cash reserves generated during prior months. The DSC ratio for the month ended up at 0.20x with \$ 18.6k in cash reserves needed to offset the shortfall.

Year to Date Results

- For the year, water revenues are 2.6% (\$36k) under budget with sewer revenues down by 4.5% or \$60k.
- Customer service fees, penalty income, farm income and other charges derived from new accounts and meter settings, etc., are performing better than expected and are almost \$17k ahead of budget.
- Total Operating Revenues for the year are roughly \$2,938k and are almost \$80k (2.6%) under the projected budget.
- For the year, operating expenses are 5% lower than projected with the \$111k variance being able to offset the lower than projected revenue stream. Every expense category except repair and maintenance and salaries and benefits continues to perform under budget.
- On the strength of expense control, total income from operations exceeds the budgeted amount by ~ \$31.4k while the YTD Net Income of \$ 48.7k is almost \$60k ahead of the budgeted loss of (\$10.9k).
- For the year, the Commission has generated over \$580k in excess cash after debt service and the debt service coverage ratio for the year stands at 3.29x.

Princeton Water & Wastewater Commission
Condensed Income Statement
May 31, 2018

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	% Diff	Annual Budget
Operating Income							
Water Sales	115,615	125,000	1,351,006	1,387,000	(35,994)	-2.60%	1,527,000
Sewer Sales	105,870	115,000	1,267,756	1,328,000	(60,244)	-4.54%	1,450,000
Customer Service Fees	16,507	16,583	181,575	182,417	(842)	-0.46%	199,000
Penalty Income	4,219	5,000	61,051	55,000	6,051	11.00%	60,000
Farm Income	-	-	34,500	34,500	-	0.00%	34,500
Other Operating Income	6,693	2,750	41,773	30,250	11,523	38.09%	33,000
Operating Revenues	248,903	264,333	2,937,661	3,017,167	(79,506)	-2.64%	3,303,500
Operating Expenses							
Salaries & Benefits	121,595	97,406	1,142,050	1,138,688	3,362	0.30%	1,253,493
Utilities	31,128	31,792	308,442	318,742	(10,300)	-3.23%	381,500
Chemicals & Lab Fees	21,643	26,917	241,192	278,854	(37,662)	-13.51%	323,000
Insurance	16,480	10,796	128,320	145,204	(16,885)	-11.63%	156,000
Bldg & Equip Repair & Maintenance	31,080	10,417	117,935	104,349	13,586	13.02%	125,000
Supplies, Postage & Credit Card Fees	1,882	3,163	29,742	33,245	(3,503)	-10.54%	38,000
Professional Services & Consulting	5,619	3,194	48,962	53,803	(4,841)	-9.00%	57,100
Sludge Removal	-	12,500	10,593	25,000	(14,407)	-57.63%	25,000
Tools, Inventory & Misc Material	12,701	8,333	64,542	87,500	(22,958)	-26.24%	100,000
Gas & Oil	1,611	2,083	17,436	20,833	(3,398)	-16.31%	25,000
Freight, Rental & Lease, & Misc	2,115	2,000	11,398	20,373	(8,975)	-44.05%	24,000
Capital Cost/ Labor & Machinery	(988)	(333)	(8,245)	(3,333)	(4,912)	147.35%	(4,000)
Operating Expenses	244,867	208,267	2,112,367	2,223,258	(110,892)	-4.99%	2,504,093
Total Income (Loss) from Operations	4,037	56,066	825,294	793,908	31,386	3.95%	799,407
Other Income (Expense)							
Interest Income	18	-	176	-	-	-	-
Grant Revenue	-	-	-	-	-	-	-
Other Income	500	417	10,616	4,583	6,032	-	5,000
Depreciation Expense	(64,034)	(64,167)	(704,371)	(705,833)	1,462	-	(770,000)
Interest and Loan Fee Expense	(7,545)	(9,413)	(82,997)	(103,538)	20,541	-	(112,950)
Other Income (Expense)	(71,061)	(73,163)	(776,576)	(804,788)	28,211	-3.51%	(877,950)
Net Income (Loss)	(67,024)	(17,096)	48,718	(10,879)	59,597	-547.81%	(78,543)
Cash Available for Debt Service less Grant	4,555	56,483	836,086	798,492	37,594		804,407
LESS: Scheduled Principal and Interest	(23,116)	(23,116)	(254,274)	(254,274)	-		(277,390)
Excess Cash	(18,561)	33,367	581,812	544,218	37,594	6.91%	527,017
Debt Service Coverage Ratio	0.20	2.44	3.29	3.14			2.90
(Net Inc + Deprec + Amort + Int Exp) /							
(Principal Pmt+ Interest Exp)							

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 05/31/18

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,118,088.80
ACCOUNTS RECEIVABLE	193,941.36
OTHER RECEIVABLES	162,074.01
INVENTORIES	275,583.90
<u>TOTAL CURRENT ASSETS</u>	<u>2,749,688.07</u>
SPECIAL FUNDS - RESTRICTED	155,075.46
UTILITY PLANT	31,482,966.22
ACCUMULATED DEPRECIATION	18,159,492.76CR
DEFERRED PENSION OUTFLOWS	254,803.58
<u>TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS</u>	<u>13,733,352.50</u>
<u>TOTAL ASSETS</u>	<u>16,483,040.57</u>
CURRENT MATURITIES OF LONG TERM DEBT	195,418.89CR
ACCOUNTS PAYABLE - TRADE	68.80CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	104,029.71CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	32,775.56CR
INTEREST AND FEES PAYABLE	26,687.81CR
INSURANCE, TAXES AND OTHER MISC	94,358.76CR
<u>TOTAL CURRENT LIABILITIES</u>	<u>453,339.53CR</u>
LONG TERM DEBT LESS CMLTD	2,425,406.13CR
NET PENSION LIABILITY & DEFERRED INFLOWS	1,531,382.87CR
<u>TOTAL NON-CURRENT LIABILITIES</u>	<u>3,956,789.00CR</u>
<u>TOTAL LIABILITIES</u>	<u>4,410,128.53CR</u>
RETAINED EARNINGS	12,024,023.12CR
<u>TOTAL RETAINED EARNINGS</u>	<u>12,024,023.12CR</u>
<u>TOTAL FUND EQUITY</u>	<u>12,024,023.12CR</u>
BALANCE	48,888.92

UNAUDITED - FOR MANAGEMENT USE ONLY

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - MAY 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
EFTPS	5/2/2018	518	\$ 575.96	
PRINCIPAL LIFE	5/3/2018	518	\$ 323.64	
CERS-COUNTY RETIREMENT	5/3/2018	518	\$ 13,834.38	
KENTUCKY DEPT OF REVENUE	5/3/2018	518	\$ 2,560.72	
CALDWELL CO.BD. OF ED.	5/3/2018	518	\$ 2,341.85	
LYON COUNTY BD. OF ED.	5/3/2018	518	\$ 104.26	
KENTUCKY STATE TREASURER	5/3/2018	518	\$ 3,330.16	
EFTPS	5/4/2018	518	\$ 3,344.78	
ADT SECURITY SERVICES	5/10/2018	518	\$ 257.94	
KENTUCKY INSURANCE (BC/BS)	5/10/2018	518	\$ 23,415.12	
EFTPS	5/11/2018	518	\$ 3,348.20	
KY LOCAL GOVERNMENT TRUST	5/15/2018	518	\$ 843.21	
EFTPS	5/18/2018	518	\$ 3,259.57	
EFTPS	5/25/2018	518	\$ 3,639.92	
EFTPS	5/31/2018	518	\$ 3,415.43	
TOTAL ELECTRONIC CHECKS			\$ 64,595.14	
JESSE OLIVER	5/4/2018	13800	\$ 251.91	Uniform Reimbursement
AMERICAN DEVELOPMENT CORP.	5/7/2018	13804	\$ 2,280.00	
ATHLETIC CENTER	5/7/2018	13805	\$ 16.00	
C.I. THORNBURG CO., INC.	5/7/2018	13806	\$ 3,585.96	
CITY OF PRINCETON	5/7/2018	13807	\$ 521.40	
E LUMBER CO. INC.	5/7/2018	13808	\$ 44.76	
COLEMAN AUTO PARTS	5/7/2018	13809	\$ 30.95	
COLEMAN SHOES, REPAIR & BOOTS	5/7/2018	13810	\$ 389.90	Uniforms/Boots
COMPUTER CONSULT.SRVS.	5/7/2018	13811	\$ 710.00	
CORE & MAIN LP	5/7/2018	13812	\$ 271.22	
ELECTRIC PLANT BOARD (P'TON)	5/7/2018	13813	\$ 16,794.65	
ENVISION CONTRACTORS LLC	5/7/2018	13814	\$ 3,280.00	Camera Sewer
FREEDOM WASTE SERVICE	5/7/2018	13815	\$ 375.27	
G & C SUPPLY CO, INC.	5/7/2018	13816	\$ 1,704.15	
GO GREEN LAWN CARE, LLC	5/7/2018	13817	\$ 780.00	Subcontract Mowing
HACH CHEMICAL CO.	5/7/2018	13818	\$ 254.46	
HAYES, ROBERT L.	5/7/2018	13819	\$ 150.00	
JIM SMITH CONTRACTING, LLC	5/7/2018	13820	\$ 2,251.60	Cold Mix for Maintenance
JOINER HARDWARE COMPANY	5/7/2018	13821	\$ 20.56	
LADD, BRENT	5/7/2018	13822	\$ 150.00	
MASONRY & STEEL SUPPLY INC.	5/7/2018	13823	\$ 90.00	
MAX ARNOLD & SONS	5/7/2018	13824	\$ 307.71	
MCCOY & MCCOY LABS.	5/7/2018	13825	\$ 1,222.00	
NEWTEC	5/7/2018	13826	\$ 3,162.50	
P'TON/CALD CHAMBER OF COMMERCE	5/7/2018	13827	\$ 554.00	Annual Dues
PARRENT, JAY	5/7/2018	13828	\$ 150.00	
PATRICIA GEORGE	5/7/2018	13829	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP.	5/7/2018	13830	\$ 12,516.08	
PIONEER MAINTENANCE	5/7/2018	13831	\$ 200.00	
PILL CORPORATION	5/7/2018	13832	\$ 69.00	Office Supplies
EVENS, IRL	5/7/2018	13833	\$ 150.00	
THE TIMES LEADER	5/7/2018	13834	\$ 32.40	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - MAY 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
THORNTON-MUSSO-BELLEMIN	5/7/2018	13835	\$ 3,757.05	
ULINE SUPPLY SPECIALISTS	5/7/2018	13836	\$ 1,961.57	2 yard dumping hopper
VERIZON WIRELESS	5/7/2018	13837	\$ 481.15	
WASCON INC.	5/7/2018	13838	\$ 11,673.30	Rebuilt gear box/new shaft screw pump WWTP
WETZEL, TODD B. ATTORNEY @ LAW	5/7/2018	13839	\$ 500.00	
U.S. POSTAL SERVICE	5/22/2018	13844	\$ 900.00	
AIRGAS USA LLC	5/23/2018	13845	\$ 354.46	
AT & T	5/23/2018	13846	\$ 672.14	
AT & T - U-VERSE	5/23/2018	13847	\$ 181.20	
AT & T MOBILITY	5/23/2018	13848	\$ 34.90	
ATMOS ENERGY	5/23/2018	13849	\$ 258.93	
C.I. THORNBURG CO., INC.	5/23/2018	13850	\$ 3,825.74	
CARDMEMBER SERVICE	5/23/2018	13851	\$ 1,964.02	
COLEMAN SHOES, REPAIR & BOOTS	5/23/2018	13852	\$ 119.95	Uniforms/Boots
FARM PLAN	5/23/2018	13853	\$ 466.84	
FIRST LINE FIRE EXTINGUISHER C	5/23/2018	13854	\$ 1,677.70	Serviced WWTP chemical extinguishers
HACH CHEMICAL CO.	5/23/2018	13855	\$ 587.94	
JIM SMITH CONTRACTING, LLC	5/23/2018	13856	\$ 291.84	Sand for Maintenance
KENTUCKY DEFERRED COMPENSATION	5/23/2018	13857	\$ 1,128.00	
LAKESIDE EQUIPMENT CORPORATION	5/23/2018	13858	\$ 12,288.00	Rotor Blades - WWTP
MAX ARNOLD & SONS	5/23/2018	13859	\$ 1,303.54	
MCCOY & MCCOY LABS.	5/23/2018	13860	\$ 1,205.50	
MCCOY & MCCOY LABS.	5/23/2018	13861	\$ 1,652.00	
MEDIACOM	5/23/2018	13862	\$ 113.25	
NEWTEC	5/23/2018	13863	\$ 110.00	
PADUCAH SUN	5/23/2018	13864	\$ 1,224.00	Advertisement for Bids - USDA
PURCELL TIRE	5/23/2018	13865	\$ 740.44	
QS/1	5/23/2018	13866	\$ 906.40	
TRACY MUSGOVE	5/23/2018	13867	\$ 129.17	Reimburse mileage
WAL MART	5/23/2018	13868	\$ 601.16	
WHAYNE SUPPLY COMPANY	5/23/2018	13869	\$ 4,590.15	Annual service of Generators @ WTP & WWTP
TOTAL CHECKS ISSUED FOR MAY 2018			\$ 172,761.96	

2018 Proposed Budget

			11	EOY	FY 2018	FY 2019	
		Actual YTD	Annualized	06/30/17	BUDGET	BUDGET	
4000	WATER SALES	1,351,006	1,473,824	1,550,882	1,527,000	1,483,000	Implement New Tiering and rate adjustments in January
4010	SEWER SALES	1,267,756	1,383,006	1,439,230	1,450,000	1,395,000	
4015	CUSTOMER SERVICE FEE	181,575	198,082	198,274	199,000	262,000	Increase monthly fee to \$6.50 for all customers (3,370x6.5x12)
4020	PENALTY INCOME	61,051	66,601	63,828	60,000	65,000	
4030	SALE OF STORES	11,710	12,774	3,152	4,000	8,000	
4040	LABOR SALES	4,705	5,133	3,670	4,000	4,000	
4046	BANK CUST. CONV. FEE	1,207	1,317	1,230	1,000	1,000	
4050	EQUIPMENT RENTAL	3,740	4,080	2,635	3,000	4,000	
4065	INT INCOME	176	192	195	-	-	
4080	MISC INCOME SC & CONN.	20,204	22,040	21,101	21,000	22,000	Reconnect fees & Misc billing
4082	MISC INC-GENERAL	10,616	10,616	20,808	5,000	7,500	
4085	FARM RENTAL INCOME	34,500	34,500	34,500	34,500	34,500	
4087	RECOVERY OF BAD DEBTS	-	-	-	-	-	
4090	DISCOUNTS TAKEN	-	-	-	-	-	
4095	PMT PLAN MISC INVOICE	208	227	211	-	-	
4098	GRANT REVENUE	-	-	-	-	-	
	TOTAL REVENUES	2,948,452	3,212,392	3,339,716	3,308,500	3,286,000	
6010	SALARIES	705,654	769,805	764,508	760,000	775,500	8 wks VAC payout + 2% inc + BOARD + Xmas + OT
6020	PAYROLL TAX	52,680	57,469	56,625	57,452	58,600	7.65% on total salaries less Board commissions
6030	EMPLOYEE BENEFITS	239,316	261,072	252,239	280,000	276,000	6% increase
6040	UNIFORMS	6,488	7,077	5,207	4,000	5,000	
6050	TRAINING EXPENSE	10,308	11,245	8,111	8,000	10,000	
6060	RETIREMENT FUND	127,604	139,205	136,698	144,042	159,000	21.48% less Commission
6070	UTILITIES	308,442	370,130	362,824	381,500	388,500	5% increase over annualized amt
6080	GASOLINE & OIL	17,436	20,923	22,845	25,000	23,000	
6090	EQUIPMENT REPAIR & MAINT	99,443	119,331	114,637	115,000	100,000	
6100	SUPPLIES	17,839	21,407	25,185	25,000	22,000	
6105	CHEMICALS	184,297	221,157	221,994	258,000	225,000	Annualized + S4 Order on Hand 7/1/17
6110	INSURANCE	128,320	128,320	144,993	156,000	120,000	liability/property = \$97k + wks comp = \$23k
6120	PROF.SERVICES(LAB FEES)	56,895	68,274	65,172	65,000	68,000	
6121	PROF.SERVICES(OTHER)	18,483	20,163	37,417	20,000	35,000	Hethcoat + Upgrade to Beacon (\$15K) + Monthly Badger fees (\$252x12)
6122	DATA PROCESSING	10,360	11,302	10,586	11,100	12,000	QS1
6125	CONTRACTED SERVICES	14,619	15,948	23,379	20,000	15,000	Envision Sewer Camera
6130	MISCELLANEOUS EXPENSE	8,967	9,782	9,787	10,000	10,000	
6135	POSTAGE EXPENSE	10,857	11,844	12,417	13,000	13,000	
6140	RENTAL & LEASE	882	963	11,825	10,000	3,000	Less Corp of Engineers expense

2018 Proposed Budget

			11	EOY	FY 2018	FY 2019	
		Actual YTD	Annualized	06/30/17	BUDGET	BUDGET	
6150	ATTORNEYS FEES	7,775	8,482	6,030	6,000	6,000	
6160	TOOLS & EQUIPMENT	27,522	33,026	52,348	50,000	33,000	
6180	BUILDING REPAIR & MAINT	16,312	17,795	16,639	10,000	20,000	
6185	SLUDGE REMOVAL	10,593	11,556	68,193	25,000	83,000	WTP Lagoons @ \$60k + WWTP \$23k
6200	SEWER REPAIRS	-	-	1,160	-	-	
6210	WATER REPAIRS	-	-	-	-	-	
6650	INVENTORY EXP	28,703	31,312	28,685	30,000	30,000	
6660	MISC MATERIAL EXPENSE	7,723	8,425	22,234	20,000	8,000	
6665	FREIGHT EXPENSE	2,013	2,196	3,330	4,000	3,000	
6670	CAPITAL COST/LABOR/MACH.	(8,245)	(8,995)	(4,255)	(4,000)	(9,000)	
6676	KIA INTEREST EXP.(WWTP)	11,013	12,014	12,014	11,250	10,500	ARRA + Fund A + Fund B
6678	RD INTEREST EXPENSE (WTP)	68,420	74,640	74,640	98,200	100,000	KACO (\$30k) + 6 mo Indus Pk tank (\$9k)+\$2.5M x 3.25% for 9 mo (\$61k)
6680	DEPRECIATION EXPENSE	704,371	768,405	768,405	770,000	770,000	After construction, deprec expense will increase ~ \$88k
6699	FEE EXPENSE	3,565	3,889	3,889	3,500	3,200	Need to add KACO loan fees.
	TOTAL EXPENSES	2,899,734	3,229,340	3,340,346	3,387,043	3,376,300	
	NET INCOME	48,718	(16,948)	(630)	(78,543)	(90,300)	
	CASH AVAILABLE	832,521	838,110	854,428	800,907	790,200	
	SCHEDULED DEBT SERVICE	278,172	278,172	278,172	277,390	277,390	
	COVERAGE RATIO	2.99	3.01	3.07	2.89	2.85	
	Cash After Debt Service	\$ 554,349	\$ 559,938	\$ 576,256	\$ 523,517	\$ 512,810	

Water Treatment Plant

	AUDITED ACTUAL 6/30/2014	AUDITED ACTUAL 6/30/2015	AUDITED ACTUAL 6/30/2016	after adj ACTUAL 6/30/2017
Water Revenues	1,390,745	1,535,120	1,646,495	1,550,882
Salaries & Payroll Taxes	167,762	154,465	162,155	172,345
Employee Benefits	58,965	45,370	51,603	60,563
Uniforms & Training	1,178	243	1,751	2,311
Retirement	28,889	24,445	27,093	30,278
Utilities	170,803	171,772	165,849	164,469
Gas & Oil	4,947	1,093	864	2,457
Bldg & Equip Repair & Maint	20,870	21,637	52,652	44,430
Supplies & Chemicals	135,841	133,681	108,209	128,443
Insurance	19,042	19,523	33,776	38,811
Professional Services & Lab Fees	28,074	20,311	17,067	32,767
Consultant Fee	7,393	-	-	-
Rental & Lease Expense	1,800	6,581	-	11,398
Sludge Removal	-	62,524	-	55,143
All Other Miscellaneous	3,970	6,480	5,065	8,613
Total WTP Expenses	649,534	668,125	626,084	752,028
50% Unallocated Commission Expense	11,021	11,717	18,941	13,878
50% Superintendent & Finance	77,071	77,951	78,503	87,291
Interest Expense	87,841	83,236	79,213	74,640
Debt Service Principal Requirement	100,630	105,235	108,521	113,667
Repair & Maintenance Reserves	12,100	12,100	12,100	12,100
Depreciation	421,886	422,623	430,277	422,623
Maintenance Allocation	238,501	261,328	262,476	271,599
Total Cost of Production	1,598,583	1,642,313	1,616,114	1,747,826
Revenues Less Cost of Production	\$ (207,838)	\$ (107,193)	\$ 30,381	\$ (196,944)
Water Produced (Discharged) (cuft)	73,626,872	75,037,032	69,362,701	65,476,203
Less: Flushing, Fire Protection & Internal Use	3,109,162	3,630,893	3,654,667	5,713,243
NET Water Produced for Sale (cubic feet)	70,517,710	71,406,139	65,708,034	59,762,960
NET Water Produced for Sale (gallons)	527,472,471	534,117,920	491,496,094	447,026,941
Unit Cost Per 100 Cubic Feet	\$ 2.27	\$ 2.30	\$ 2.46	\$ 2.92
Unit Cost per 1,000 Gallons	\$ 3.03065	\$ 3.07481	\$ 3.28815	\$ 3.90989
Cost with 15% Water Loss				
Unit Cost Per 100 Cubic Feet	\$ 2.67	\$ 2.71	\$ 2.89	\$ 3.44
Unit Cost per 1,000 Gallons	\$ 3.57	\$ 3.62	\$ 3.87	\$ 4.60

**PRINCETON WATER & WASTEWATER COMMISSION
REGULAR MEETING AGENDA
OCTOBER 25, 2018
4:00 PM**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **RECOGNITION OF VISITORS**
4. **READING OF MINUTES**
5. **FINANCIAL STATEMENTS**
6. **APPROVAL OF BILLS**
7. **SYSTEM EXPANSION AND OLD BUSINESS**
 - ❖ **CONSTRUCTION PAY REQUEST #2**
8. **NEW BUSINESS AND SUPERINTENDENT'S REPORT**
 - ❖ **CHRISTMAS BONUSES**
 - ❖ **PENNYRILE AREA WATER RATE COMPARISON**
9. **ADJOURN**

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – September 27, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, September 27, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Jay Parrent, and Irl Stevens along with Superintendent James Noel and Attorney Todd Wetzel. CPAs Matt Hale and Megan Johnson from the accounting firm of Alexander, Thompson Arnold, PLLC were present and recognized by Chairman Hayes.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the July meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve the minutes as written. All Ayes. Since there wasn't an August meeting date, both the July and August financial statements were presented and reviewed by Ms. Musgove with the results of the first two months showing net income outpacing budget by almost \$50k. A motion was made by Brent Ladd and seconded by Pat George to approve the financial statements. All Ayes. The July and August bills were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve. All Ayes.

IV. System Expansion / Old Business

a) Pre-closing on the USDA loan occurred Wednesday, August 8th at 11:00 CST at City Hall. Interim financing with Planters Bank was also completed at that time. Mr. Noel reported on the work completed to date and also presented paperwork for the first construction draw in the amount of \$108,684.75 and does not include any materials purchased and stored on site. A motion was made by Irl Stevens and seconded by Brent Ladd to approve the draw as requested. All Ayes.

V. New Business and Superintendent's Report

- (a) Auditors from ATA presented the findings of the 2017 audit and spoke highly of the controls that were in place for such a small entity. It was suggested that we begin listing chemical and fuel amounts in inventory; however, this will be started with the 2019 audit since the time has passed to verify the amounts for the 6/30/18 fiscal year end. There being little discussion, a motion was made by Brent Ladd and seconded by Pat George to accept the audit as presented. All Ayes
- (b) Mr. Noel updated the board on the two major water main leaks (Bradford Lane and beside Coleman's Shoes). The Bradford Lane property necessitated a Boil Water Order whereas the downtown main was able to be repaired under pressure. Significant flooding occurred in the basements of both the Genealogy Building and the Capital Theatre with an estimated 440,000 gallons lost.
- (c) Mr. Noel also discussed the findings of the DOW pretreatment audit and wet weather audit. While not required at this time, the auditor did make some suggestions that were highly recommended to move forward and implement. It was also suggested that Special Metals be elevated to a Significant Industrial User since they have the "potential" to impact the WWTP should there be a spill, etc.
- (d) Ms. Musgove presented the new health insurance rates for the 2019 calendar year which indicated monthly increases of \$8 and \$10 for couples and family plans, respectively; and she requested that the Commission continue to pay 100% of the family plan. Jay Parrent made the motion and Pat George seconded to accept the new rates and continue paying 100% for the Livingwell CDHP plans. All Ayes.
- (e) A consolidated and updated policies and regulation handbook was presented to each board member. Minor changes were made with the largest changes being the elimination of the policies that have become antiquated. A motion was made by Brent Ladd and seconded by Jay Parrent to adopt the new policies and handbook as presented with an immediate effective date. All Ayes.
- (f) Mr. Noel also updated the Board on personnel changes with the termination of Phillip Manning and subsequent hiring of Billy Asher.

VI. Adjourn

The next meeting date was set for Thursday, October 25th. With no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 09/30/18

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,017,202.26
ACCOUNTS RECEIVABLE	263,117.26
OTHER RECEIVABLES	249,755.30
INVENTORIES	274,948.21
TOTAL CURRENT ASSETS	<u>2,805,023.03</u>
SPECIAL FUNDS - RESTRICTED	275,140.65
UTILITY PLANT	31,471,555.66
ACCUMULATED DEPRECIATION	18,469,572.52CR
DEFERRED PENSION OUTFLOWS	366,990.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	<u>13,644,114.37</u>
TOTAL ASSETS	<u>16,449,137.40</u>
*ACCOUNT CODE.....	130,372.28CR
**SUB CODE.....	130,372.28CR
CURRENT MATURITIES OF LONG TERM DEBT	201,593.11CR
ACCOUNTS PAYABLE - TRADE	1,512.55CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	106,343.89CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	36,181.04CR
INTEREST AND FEES PAYABLE	18,017.29CR
INSURANCE, TAXES AND OTHER MISC	18,096.65CR
TOTAL CURRENT LIABILITIES	<u>381,744.53CR</u>
LONG TERM DEBT LESS CMLTD	2,275,731.91CR
NET PENSION LIABILITY & DEFERRED INFLOWS	1,644,941.87CR
TOTAL NON-CURRENT LIABILITIES	<u>3,920,673.78CR</u>
TOTAL LIABILITIES	<u>4,432,790.59CR</u>
RETAINED EARNINGS	11,929,230.99CR
TOTAL RETAINED EARNINGS	<u>11,929,230.99CR</u>
TOTAL FUND EQUITY	<u>11,929,230.99CR</u>
BALANCE	87,115.82

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
September 30, 2018

	Sept Current Actual	Sept Current Budget	YTD Actual	YTD Budget	Variance	Previous YTD Actual	Variance
Operating Income							
Water Sales	138,189	137,600	426,792	399,600	27,192	404,586	22,206
Sewer Sales	117,962	127,900	358,110	370,400	(12,290)	370,184	(12,074)
Customer Service Fees	16,405	21,833	49,234	65,500	(16,266)	49,975	(741)
Penalty Income	6,016	5,417	17,969	16,250	1,719	17,461	508
Farm Income	-	-	-	-	-	-	-
Other Operating Income	1,505	3,250	10,002	9,750	252	13,196	(3,195)
Operating Revenues	280,078	296,000	862,108	861,500	608	855,403	6,705
Operating Expenses							
Salaries & Benefits	94,982	98,183	306,823	318,250	(11,427)	292,814	14,009
Utilities	33,201	32,375	68,067	65,469	2,598	61,206	6,860
Chemicals & Lab Fees	46,708	24,417	76,471	58,534	17,937	65,679	10,792
Insurance	9,965	9,911	30,409	30,798	(389)	50,795	(20,386)
Bldg & Equip Repair & Maintenance	13,105	10,000	24,998	20,397	4,600	28,198	(3,200)
Supplies, Postage & Credit Card Fees	2,437	2,917	4,991	7,381	(2,390)	9,154	(4,163)
Professional Services & Consulting	4,116	4,917	13,251	16,168	(2,917)	10,302	2,949
Sludge Removal	13,257	-	13,257	13,000	257	-	13,257
Tools, Inventory & Misc Material	13,390	5,917	23,521	14,932	8,589	19,575	3,946
Gas & Oil	2,072	1,917	6,828	3,833	2,995	5,455	1,373
Freight, Rental & Lease, & Misc	527	1,333	1,049	2,927	(1,877)	1,975	(925)
Capital Cost/ Labor & Machinery	-	(750)	(1,880)	(1,500)	(380)	(2,528)	648
Operating Expenses	233,761	191,137	567,785	550,189	17,597	542,626	25,160
Total Income (Loss) from Operations	46,317	104,863	294,323	311,311	(16,989)	312,777	(18,455)
Other Income (Expense)							
Interest Income	15	-	46	-	-	44	2
Grant Revenue	-	-	-	-	-	-	-
Other Income	-	625	1,188	1,875	(687)	1,119	69
Depreciation Expense	(64,167)	(64,167)	(192,500)	(192,500)	(0)	(192,101)	(399)
Interest and Loan Fee Expense	(5,148)	(9,475)	(15,941)	(28,425)	12,484	(22,636)	6,694
Other Income (Expense)	(69,300)	(73,017)	(207,207)	(219,050)	11,843	(213,573)	6,367
Net Income (Loss)	(22,983)	31,846	87,116	92,261	(5,145)	99,204	(12,088)
Cash Available for Debt Service less Grant	46,332	105,488	295,557	313,186	(17,629)	313,941	(18,384)
LESS: Scheduled Principal and Interest	(22,563)	(22,563)	(67,689)	(67,689)	-	(69,543)	1,854
Excess Cash	23,769	82,925	227,868	245,497	(17,629)	244,398	(16,530)
Debt Service Coverage Ratio	2.05	4.68	4.37	4.63		4.51	
(Net Inc + Deprec + Amort + Int Exp) /							
(Principal Pmt+ Interest Exp)							

**Princeton Water & WasteWater
Financial Results for First Quarter Ending September 30, 2018**

Results for the Month of September

- Total Operating Revenues generated for the month of September came in \$16,000 under budget with \$10k of the variance due to lower sewer revenues and the balance due to the \$1.50 increase to the monthly customer service fee not yet being enacted. Total operating revenues for the month were \$280.1k as compared to the budgeted revenue of \$296k.
- September's operating expenses were over budget by almost \$43k with chemicals and lab fees (TMB \$16.6 WWTP) and sludge removal showing the largest negative variances accounting for \$35.6k (83%) of the overage. As reported previously, sludge removal was budgeted to occur in August and actually was only \$257 over the amount budgeted for that month while the chemicals used to treat phosphorus for the next five months were received at the WWTP. Tools, Inventory and Miscellaneous Materials were more than double the budgeted amount and repair and maintenance expenses were elevated due to the replacement of the water line to the bus garage at First Baptist where DC Plumbing charged the Commission \$3,500 for the work.
- With revenues lower and expenses higher, total income from operations was negatively impacted and missed budget by almost \$60k leading to a Net Loss for the month of \$23k versus a budgeted income of \$32k.
- Even with the net loss, the Commission was able to generate almost \$24,000 in excess cash after debt service and posted a coverage ratio greater than twice the amount it takes to retire the monthly loan obligations.

Year to Date Results

- YTD information shows operating income categories are slightly over budget by \$608. Water sales are ahead of budget by \$27.2k and have made up for the shortfall in sewer revenues and from the delayed enactment of the customer service fees. As compared to the previous year, operating revenues for the current year are \$6.7k ahead of the same time last year with water revenues increasing by almost 5%.
- Expenses for the year are running 3.2% higher than budget and 4.6% higher than what was realized in the previous year's quarter. Positive variances due to lower salaries and benefits, supplies and professional services were not enough to offset higher amounts in the following categories:
 - ⇒ Chemicals and Lab Fees (\$17.9k higher) – due in large part to timing of some orders but also due to the increased cost of algaecide treatment and the additive to prevent/reduce corrosion in the water lines.
 - ⇒ Tools, Inventory and Miscellaneous Materials (\$8.6k higher) – several items purchased for lift station repairs and cost of road surface patching.
 - ⇒ Repair & maintenance costs are \$4.6k higher due in large part to the subcontractor work done by DC Plumbing at the First Baptist garage site.

For the comparison of fiscal years, savings generated by lower insurance premiums, fewer repairs and lower supply costs were offset by the following main categories:

- ⇒ Salaries and benefits are \$14k higher than 2017 since three employees were not hired in 2017 until mid-way through the first quarter. Additionally, benefits (i.e. retirement and health insurance) for those employees did not begin until the 2nd quarter of 2017.
- ⇒ Chemicals and Lab Fees are almost \$11k higher due to the aforementioned reasons.
- ⇒ Sludge removal via land farming at the WWTP typically occurs in the spring but was delayed this year; hence, a large variance due to timing of expenses.
- The increased expenses led to Total Income from Operations being under budget by almost the same amount as expenses were over. The \$17k operating income difference was positively impacted by interest expenses being less than budget because of fewer draws on the construction loan and the delay in starting the tank rehab portion of the project. Net Income for the year is \$5k lower than budget and \$12k lower than the \$99k recognized through the first quarter of 2017.
- The year to date debt service coverage is > 4x the scheduled principal and interest and is slightly lower than the 4.51x generated through the first quarter of 2017. Excess cash generated during the first quarter was close to \$228k as compared to \$244k last year.

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - SEPTEMBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
CERS-COUNTY RETIREMENT	9/4/2018	E-CHECK	\$ 13,901.85	
KENTUCKY DEPT OF REVENUE	9/4/2018	E-CHECK	\$ 2,425.42	
PRINCIPAL LIFE	9/5/2018	E-CHECK	\$ 230.10	
EFTPS	9/7/2018	E-CHECK	\$ 3,401.17	
KENTUCKY INSURANCE (BC/BS)	9/11/2018	E-CHECK	\$ 20,506.08	
CALDWELL CO.BD. OF ED.	9/11/2018	E-CHECK	\$ 2,808.51	
LYON COUNTY BD. OF ED.	9/11/2018	E-CHECK	\$ 192.29	
KENTUCKY STATE TREASURER	9/11/2018	E-CHECK	\$ 4,086.88	
EFTPS	9/14/2018	E-CHECK	\$ 3,218.90	
KY LOCAL GOVERNMENT TRUST	9/15/2018	E-CHECK	\$ 970.60	
EFTPS	9/21/2018	E-CHECK	\$ 3,346.29	
EFTPS	9/28/2018	E-CHECK	\$ 3,296.50	
TOTAL ELECTRONIC CHECKS			\$ 58,384.59	

AKRIDGE FARM SUPPLY	9/7/2018	14104	\$ 133.52	
AMERICAN DEVELOPMENT CORP.	9/7/2018	14105	\$ 1,438.50	
C.I. THORNBURG CO., INC.	9/7/2018	14106	\$ 4,384.82	
CITY OF PRINCETON	9/7/2018	14107	\$ 492.64	
COLEMAN AUTO PARTS	9/7/2018	14108	\$ 52.24	
COMPUTER CONSULT.SRVS.	9/7/2018	14109	\$ 985.00	
ELECTRIC PLANT BOARD (P'TON)	9/7/2018	14110	\$ 16,227.65	
GO GREEN LAWN CARE, LLC	9/7/2018	14111	\$ 1,600.00	
GRIFFIN DONALDSON	9/7/2018	14112	\$ 77.84	Reimburse Uniforms
H & A RESOURCE MANAGEMENT	9/7/2018	14113	\$ 13,257.00	Land Farming - spread sludge
HACH CHEMICAL CO.	9/7/2018	14114	\$ 206.22	
HAYES, ROBERT L.	9/7/2018	14115	\$ 150.00	
JOINER HARDWARE COMPANY	9/7/2018	14116	\$ 26.99	
LADD, BRENT	9/7/2018	14117	\$ 150.00	
MCCOY & MCCOY LABS.	9/7/2018	14118	\$ 2,092.00	
MEUTH CONCRETE SERVICES	9/7/2018	14119	\$ 1,582.00	Concrete 800 West Main
MONITORING & MANAGEMENT SERVI	9/7/2018	14120	\$ 2,565.00	Pretreatment & Industrial Users services
NEWTEC	9/7/2018	14121	\$ 1,272.50	Lift Station biological treatment
PARRENT, JAY	9/7/2018	14122	\$ 150.00	
PATRICIA GEORGE	9/7/2018	14123	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP	9/7/2018	14124	\$ 15,039.28	
PIONEER MAINTENANCE	9/7/2018	14125	\$ 250.00	
QUILL CORPORATION	9/7/2018	14126	\$ 225.69	
RED BUD SUPPLY	9/7/2018	14127	\$ 465.23	
STEVENS, IRL	9/7/2018	14128	\$ 150.00	
STRAEFFER PUMP & SUPPLY, INC	9/7/2018	14129	\$ 3,014.56	Repairs to Pumpkin Center Lift St
THORNTON-MUSSO-BELLEMIN	9/7/2018	14130	\$ 3,213.60	WTP Corrosion Inhibitor
VERIZON WIRELESS	9/7/2018	14131	\$ 586.28	
WCA WASTE SYSTEMS INC	9/7/2018	14132	\$ 375.27	
WETZEL, TODD B. ATTORNEY @ LA	9/7/2018	14133	\$ 500.00	
AIRGAS USA LLC	9/20/2018	14139	\$ 46.42	
AT & T	9/20/2018	14140	\$ 779.27	
AT & T - U-VERSE	9/20/2018	14141	\$ 181.20	
ATMOS ENERGY	9/20/2018	14142	\$ 143.55	
BAPTIST HEALTH	9/20/2018	14143	\$ 7.00	employee lab work
CORE & MAIN LP	9/20/2018	14144	\$ 1,711.57	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - SEPTEMBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
FARM PLAN	9/20/2018	14145	\$ 1,056.82	
KENTUCKY DEFERRED COMPENSATIO	9/20/2018	14146	\$ 228.00	
MAX ARNOLD & SONS	9/20/2018	14147	\$ 187.18	
MCCOY & MCCOY LABS.	9/20/2018	14148	\$ 1,515.50	
MCCOY & MCCOY LABS.	9/20/2018	14149	\$ 1,021.00	
MEDIACOM	9/20/2018	14150	\$ 113.33	
MUSGOVE, TRACY	9/20/2018	14151	\$ 74.81	Reimburse expenses
NEWTEC	9/20/2018	14152	\$ 2,000.00	
QS/1	9/20/2018	14153	\$ 933.60	
RAWDON MYERS INC.	9/20/2018	14154	\$ 855.00	WTP butterfly valves
SPRINT PRINT	9/20/2018	14155	\$ 190.19	Dell Toner & other supplies
THORNTON-MUSSO-BELLEMIN	9/20/2018	14156	\$ 22,650.65	WWTP = \$16.6k; WTP balance
U.S. POSTAL SERVICE	9/20/2018	14157	\$ 1,000.00	
USA BLUE BOOK	9/20/2018	14158	\$ 5,389.05	3 Submersible pumps & hydrant parts
AT & T MOBILITY	9/27/2018	14160	\$ 35.63	
C.I. THORNBURG CO., INC.	9/27/2018	14161	\$ 5,961.11	
CARDMEMBER SERVICE	9/27/2018	14162	\$ 2,770.48	
CAYCE MILL SUPPLY CO.	9/27/2018	14163	\$ 402.22	Maintenance Supplies
DC PLUMBING	9/27/2018	14164	\$ 3,500.00	First Baptist Bus Garage
KENTUCKY RURAL WATER ASSOC.	9/27/2018	14165	\$ 265.00	Web Hosting Fee
MAX ARNOLD & SONS	9/27/2018	14166	\$ 1,885.31	
MCCOY & MCCOY LABS.	9/27/2018	14167	\$ 952.00	
MEUTH CONCRETE SERVICES	9/27/2018	14168	\$ 793.00	Concrete 828 Maple St
PIPECHECK, LLC	9/27/2018	14169	\$ 1,800.00	Pumpkin Center Jet Vac Services
THE TIMES LEADER	9/27/2018	14170	\$ 58.00	
WAL MART	9/27/2018	14171	\$ 430.43	
WASCON INC.	9/27/2018	14172	\$ 2,937.00	WWTP Fix screw pump bearing
TOTAL CHECKS ISSUED FOR SEPTEMBER 2018			\$ 191,072.74	

ESTIMATE OF FUNDS NEEDED
FOR
30-Day Period Commencing

Name of Borrower CITY OF PRINCETON

Items	Amount of Funds
Development	\$ 164,428.85
Contract or Job No. <u> A </u>	
Contract or Job No. _____	
Contract or Job No. _____	
Land and Rights-of-Way	
Legal Services	
Engineering Fees	11,457.90
Interest	
Equipment	
Contingencies	
Refinancing	
Initial O&M	
Other	
TOTAL	\$ 175,886.75

Prepared by CITY OF PRINCETON - PWWC

By Gregory Mungore, Director of Finance PWWC Name of Borrower

Date 10-18-2018

Approved by _____

Date _____

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0021. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Form RD 1924-18
(Rev. 6-97)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

PARTIAL PAYMENT ESTIMATE

CONTRACT NO

A

PARTIAL PAYMENT ESTIMATE NO

2 - Schedule A Bid Form

PAGE 1

OWNER

City of Princeton, KY

CONTRACTOR

JSJ Construction, LLC

PERIOD OF ESTIMATE

FROM 09-14-18 TO 10-11-18

CONTRACT CHANGE ORDER SUMMARY

ESTIMATE

No.	Agency Approval Date	Amount	
		Additions	Deductions
TOTALS		\$0.00	\$0.00
NET CHANGE		\$0.00	\$0.00

1 Original Contract	\$1,656,593.00
2 Change Orders	\$0.00
3 Revised Contract (1 + 2)	\$0.00
4 Work Completed*	\$280,001.90
5 Stored Materials*	\$0.00
6 Subtotal (4 + 5)	\$280,001.90
7 Retainage*	\$14,000.10
8 Previous Payments	\$101,572.95
9 Amount Due (6-7-8)	\$164,428.85

* Detailed breakdown attached

CONTRACT TIME

Original (days) 240
Revised 63
Remaining 177

On Schedule

Yes
 No

Starting Date 08-13-2018

Projected Completion 04-10-2019

CONTRACTOR'S CERTIFICATION

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due

Contractor JSJ Construction
By [Signature]
Date 10-12-18

APPROVED BY OWNER

City of Princeton
Water & Sewer
Owner James A. Noel
By James A. Noel, Superintendent
Date 10-16-18

ARCHITECT OR ENGINEER'S CERTIFICATION

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents

Architect or Engineer H&D ENGINEERS
By [Signature]
Date 10/15/18

ACCEPTED BY AGENCY

The review and acceptance of this estimate does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the contract documents

By [Signature]
Title Area Director
Date October 16, 2018

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information.

**PRINCETON WATER & WASTEWATER COMMISSION
REGULAR MEETING AGENDA
NOVEMBER 29, 2018
4:00 PM**

1. CALL TO ORDER
2. ROLL CALL
3. RECOGNITION OF VISITORS
4. READING OF MINUTES
5. FINANCIAL STATEMENTS
6. APPROVAL OF BILLS
7. SYSTEM EXPANSION AND OLD BUSINESS
 - ❖ CONSTRUCTION PAY REQUEST #3
 - ❖ PAYOFF KIA LOAN # F00-02
8. NEW BUSINESS AND SUPERINTENDENT'S REPORT
 - ❖ EMPLOYEE HANDBOOK AMENDMENT
 - ❖ LEAK ADJUSTMENT AMENDMENT
 - ❖ SORP/ SEWER USE REGULATION AMENDMENT
 - ❖ UNC ENVIRONMENTAL FINANCE CENTER JOINT EFFORTS
 - ❖ DIRECTOR OF FINANCE SHARED POSITION
9. ADJOURN

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – October 25, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, October 25, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Irl Stevens along with Superintendent James Noel and Attorney Todd Wetzel. Commissioner Parrent was absent with prior notification. No visitors were present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the September meeting were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The first quarter financial statements were presented and reviewed by Ms. Musgove with the YTD results showing net income lagging budget by almost \$5k. A motion was made by Brent Ladd and seconded by Irl Stevens to approve the financial statements. All Ayes. The September bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on the work completed to date on the water line project. Line 5 at the UK Experiment Station passed the pressure test and the BacT samples were good. This line should be tied in next week. Line has been laid behind the street department in the abandoned railroad bed and will be pressure tested soon. Once complete, they will cross bridge on Varmintrace and tie back into existing line and see if tank turnover improves at Industrial Park.

The Skyline Tank rehab has been placed on hold until the springtime due to concerns about the temperature and its affect on the curing process of the exterior paint coating. Documentation was also presented for the second construction draw in the amount of \$175,886.75 (includes \$11,457.90 in H&D engineering fees). A motion was made by Brent Ladd and seconded by Pat George to approve the draw as requested. All Ayes.

V. New Business and Superintendent's Report

- (a) Mr. Noel presented the Board with a proposed payout for Christmas bonuses by department. \$12,250 was budgeted for the Christmas payout and Mr. Noel scheduled a total of \$12,150. A motion was made by Brent Ladd and seconded by Pat George to approve the Christmas bonuses as presented. All Ayes.
- (b) Ms. Musgove presented information gathered from the Pennyriple Area Development District regarding water and sewer rates among the entities of the PADD district. Princeton's rates are below average as is the wholesale rate charged to Lyon and Caldwell County.

VI. Adjourn

The next meeting date was set for Thursday, November 29th. With no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 10/31/18

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,121,785.37
ACCOUNTS RECEIVABLE	218,287.33
OTHER RECEIVABLES	258,887.99
INVENTORIES	267,962.80
TOTAL CURRENT ASSETS	2,866,923.49
SPECIAL FUNDS - RESTRICTED	451,265.13
UTILITY PLANT	31,479,564.30
ACCUMULATED DEPRECIATION	18,533,739.19CR
DEFERRED PENSION OUTFLOWS	366,990.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	13,764,080.82
TOTAL ASSETS	16,631,004.31
CURRENT MATURITIES OF LONG TERM DEBT	201,593.11CR
ACCOUNTS PAYABLE - TRADE	1,817.55CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	107,143.89CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	36,699.27CR
INTEREST AND FEES PAYABLE	23,165.10CR
INSURANCE, TAXES AND OTHER MISC	28,264.43CR
TOTAL CURRENT LIABILITIES	398,683.35CR
LONG TERM DEBT LESS CMLTD	2,581,990.94CR
NET PENSION LIABILITY & DEFERRED INFLOWS	1,644,941.87CR
TOTAL NON-CURRENT LIABILITIES	4,226,932.81CR
TOTAL LIABILITIES	4,625,616.16CR
RETAINED EARNINGS	11,926,730.99CR
TOTAL RETAINED EARNINGS	11,926,730.99CR
TOTAL FUND EQUITY	11,926,730.99CR
BALANCE	78,657.16

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
October 31, 2018

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Annual Budget
Operating Income						
Water Sales	125,344	118,400	552,137	518,000	34,137	1,483,000
Sewer Sales	106,250	112,500	464,360	482,900	(18,540)	1,395,000
Customer Service Fees	16,467	21,833	65,701	87,333	(21,632)	262,000
Penalty Income	4,910	5,417	22,879	21,667	1,213	65,000
Farm Income	-	-	-	-	-	34,500
Other Operating Income	10,638	3,250	20,640	13,000	7,640	39,000
Operating Revenues	263,609	261,400	1,125,717	1,122,900	2,817	3,278,500
Operating Expenses						
Salaries & Benefits	113,070	127,983	419,893	446,233	(26,340)	1,284,100
Utilities	31,512	32,375	99,578	97,844	1,734	388,500
Chemicals & Lab Fees	18,334	24,417	94,805	82,951	11,854	293,000
Insurance	10,528	9,911	40,937	40,709	227	120,000
Bldg & Equip Repair & Maintenance	4,613	10,000	29,611	30,397	(786)	120,000
Supplies, Postage & Credit Card Fees	3,134	2,917	8,125	10,298	(2,172)	35,000
Professional Services & Consulting	10,226	4,917	23,477	21,085	2,392	68,000
Sludge Removal	-	30,000	13,257	43,000	(29,743)	83,000
Tools, Inventory & Misc Material	9,523	5,917	33,044	20,849	12,195	71,000
Gas & Oil	2,563	1,917	9,392	5,750	3,642	23,000
Freight, Rental & Lease, & Misc	2,531	1,333	3,580	4,260	(680)	16,000
Capital Cost/ Labor & Machinery	(3,263)	(750)	(5,143)	(2,250)	(2,893)	(9,000)
Operating Expenses	202,771	250,937	770,557	801,126	(30,569)	2,492,600
Total Income (Loss) from Operations	60,838	10,463	355,160	321,774	33,386	785,900
Other Income (Expense)						
Interest Income	18	-	64	-	-	-
Grant Revenue	-	-	-	-	-	-
Other Income	-	625	1,188	2,500	(1,312)	7,500
Depreciation Expense	(64,167)	(64,167)	(256,667)	(256,667)	(0)	(770,000)
Interest and Loan Fee Expense	(5,148)	(9,475)	(21,089)	(37,900)	16,811	(113,700)
Other Income (Expense)	(69,296)	(73,017)	(276,503)	(292,067)	15,564	(876,200)
Net Income (Loss)	(8,459)	(62,554)	78,657	29,707	48,950	(90,300)
Cash Available for Debt Service less Grant	60,856	11,088	356,413	324,274	32,139	793,400
LESS: Scheduled Principal and Interest	(22,563)	(22,563)	(90,252)	(90,252)	-	(270,756)
Excess Cash	38,293	(11,475)	266,161	234,022	32,139	522,644
Debt Service Coverage Ratio	2.70	0.49	3.95	3.59		2.93
(Net Inc + Deprec + Amort + Int Exp) /						
(Principal Pmt+ Interest Exp)						

Princeton Water & WasteWater
Financial Results for the Month Ending October 31, 2018

Results for the Month of October

- Total Operating Revenues generated for the month of October were \$2.2k over budget on the strength of water sales exceeding budget by almost \$7k which was enough to offset the sewer portion being under budget. Several new meter settings were also completed during the month with four separate settings occurring at Indian Hills. This allowed other operating income to offset the shortage due to delaying the increase in customer service fees.
- October's operating expenses did not include any of the \$30,000 budgeted for cleaning the WTP lagoons and ended the period by being \$48k under budget. Salaries and Benefits were also under budget due to October being budgeted as a five pay period month but only having four periods posted. (*Changes had to be made to the system to enter the payroll as of the date of the check versus the last day of the pay period for accounting purposes*). Both of these variances will eventually reverse themselves at the time the expenses are incurred. Other positive variances included chemical and lab fees and repair and maintenance costs which were offset by overages in tool and inventory charges and professional services.
- With significant expense savings and positive revenue variances, income from operations ended the month at \$60,838 versus the budgeted amount of \$10,463.
- After more than \$69k in interest and depreciation charges, the Commission ended the month with a Net Loss of \$8.5k instead of the budgeted loss of \$62.6k and continued to generate excess cash while posting a strong 2.70x debt service coverage ratio.

Year to Date Results

- YTD information indicates water revenues are ahead of budget by \$34k or 6.6% while sewer revenues were under budget by \$18.5k (3.8%). While the increase in customer service fees has been delayed until simultaneously increasing water and sewer rates, the total operating revenues for the year are slightly over budget by \$2.8k.
- Delays in expense recognition with sludge removal at the lagoons have enabled operating expenses to be under budget so far for the year. Total operating expenses are running almost \$30.6k lower than budget and can be traced directly to the delay in sludge removal. Other significant variances (both positive and negative) were noted in the following accounts:
 - ⇒ Salaries and Benefits were under budget by \$26.3k due to the aforementioned delay in one week of payroll posting and the savings gained by employee attrition
 - ⇒ Chemicals and lab fees, on the other hand, were over budget by almost \$12k but seemed to be related more to timing of purchases of some bulk chemicals at the WWTP versus usage.
 - ⇒ Tools, Inventory and Miscellaneous Material expenses were more than 58% higher than budget due to some costly repair work that has occurred with several main breaks and replenishing inventory which was allowed to drop to some lower levels during the previous fiscal year.
- Net Income for the year stands at \$78.7k as compared to the budgeted amount of \$29.7k resulting in a debt service coverage ratio of 3.95x YTD with excess cash of ~ \$266k generated. Given the fact that the sludge difference (\$30k) and the payroll posting (\$18k) are expenses that will or have occurred, the Commission is currently operating only slightly better than budget.

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - OCTOBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
KENTUCKY DEPT OF REVENUE	10/2/2018	E CHECK	\$ 2,614.13	
KENTUCKY DEPT OF REVENUE	10/4/2018	E CHECK	\$ 694.53	Amendment to Return
EFTPS	10/5/2018	E CHECK	\$ 3,582.51	
PRINCIPAL LIFE	10/6/2018	E CHECK	\$ 290.34	
CERS-COUNTY RETIREMENT	10/8/2018	E CHECK	\$ 14,926.88	
KENTUCKY INSURANCE (BC/BS)	10/11/2018	E CHECK	\$ 21,224.82	
EFTPS	10/12/2018	E CHECK	\$ 3,467.44	
KY LOCAL GOVERNMENT TRUST	10/15/2018	E CHECK	\$ 1,125.14	
CALDWELL CO.BD. OF ED.	10/16/2018	E CHECK	\$ 2,676.27	
LYON COUNTY BD. OF ED.	10/16/2018	E CHECK	\$ 157.54	
KENTUCKY STATE TREASURER	10/16/2018	E CHECK	\$ 3,893.44	
EFTPS	10/19/2018	E CHECK	\$ 3,275.95	
EFTPS	10/26/2018	E CHECK	\$ 3,217.72	
EFTPS	10/30/2018	E CHECK	\$ 2,883.38	
TOTAL ELECTRONIC CHECKS			\$ 64,030.09	
CITY OF PRINCETON	10/4/2018	14175	\$ 22.05	Correction to Return
CALDWELL COUNTY TREASURER	10/4/2018	14176	\$ 102.14	Correction to Return
PLANTERS BANK	10/5/2018	14180	\$ 237.73	Monthly Interest on Loan
AMERICAN DEVELOPMENT CORP.	10/8/2018	14181	\$ 780.00	
CALDWELL COUNTY TREASURER	10/8/2018	14182	\$ 2,093.03	Quarterly Return
CITY OF PRINCETON	10/8/2018	14183	\$ 542.70	
COLEMAN AUTO PARTS	10/8/2018	14184	\$ 6.20	
ELECTRIC PLANT BOARD (P'TON)	10/8/2018	14185	\$ 14,979.29	
G & C SUPPLY CO, INC.	10/8/2018	14186	\$ 3,328.79	
GO GREEN LAWN CARE, LLC	10/8/2018	14187	\$ 1,200.00	
HACH CHEMICAL CO.	10/8/2018	14188	\$ 975.20	
HAYES, ROBERT L.	10/8/2018	14189	\$ 150.00	
JOINER HARDWARE COMPANY	10/8/2018	14190	\$ 23.86	
KENTUCKY STATE TREASURER	10/8/2018	14191	\$ 40.00	Notary Renewal
LADD, BRENT	10/8/2018	14192	\$ 150.00	
MAX ARNOLD & SONS	10/8/2018	14193	\$ 321.15	
MCCOY & MCCOY LABS.	10/8/2018	14194	\$ 855.50	
MUSGOVE, TRACY	10/8/2018	14195	\$ 285.58	Travel Exp - London, KY Conference
NEWTEC	10/8/2018	14196	\$ 2,325.00	
PARRENT, JAY	10/8/2018	14197	\$ 150.00	
PATRICIA GEORGE	10/8/2018	14198	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP	10/8/2018	14199	\$ 14,467.19	
PIONEER MAINTENANCE	10/8/2018	14200	\$ 200.00	
STEVENS, IRL	10/8/2018	14201	\$ 150.00	
THORNTON-MUSSO-BELLEMIN	10/8/2018	14202	\$ 6,059.85	
VERIZON WIRELESS	10/8/2018	14203	\$ 631.28	
WCA WASTE SYSTEMS INC	10/8/2018	14204	\$ 375.27	
WETZEL, TODD B. ATTORNEY @ LAW	10/8/2018	14205	\$ 500.00	
KENTUCKY INSURANCE (BC/BS)	10/16/2018	2018	\$ 987.78	
AIRGAS USA LLC	10/19/2018	14208	\$ 38.00	
AT & T	10/19/2018	14209	\$ 868.17	
AT & T - U-VERSE	10/19/2018	14210	\$ 181.20	
ATMOS ENERGY	10/19/2018	14211	\$ 143.54	
BAPTIST HEALTH	10/19/2018	14212	\$ 145.60	Asher Physical

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - OCTOBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
BRANDEIS	10/19/2018	14213	\$ 30.92	
CHEMEQUIP	10/19/2018	14214	\$ 3,602.90	
CNA SURETY	10/19/2018	14215	\$ 562.55	Employee Blanket Bond
ENVISION CONTRACTORS LLC	10/19/2018	14216	\$ 5,985.81	TreeHouse & Special Metals CCTV
FARM PLAN	10/19/2018	14217	\$ 1,103.89	
G & C SUPPLY CO, INC.	10/19/2018	14218	\$ 917.76	
HACH CHEMICAL CO.	10/19/2018	14219	\$ 7,447.00	Phosphorus Analyzer Maint Plan
KENTUCKY DEFERRED COMPENSATIO	10/19/2018	14220	\$ 228.00	
KENTUCKY RURAL WATER ASSOC.	10/19/2018	14221	\$ 2,079.00	Annual Fee & Utility Law Seminar
MASONRY & STEEL SUPPLY INC.	10/19/2018	14222	\$ 235.27	
MCCOY & MCCOY LABS.	10/19/2018	14223	\$ 3,293.00	
MCCOY & MCCOY LABS.	10/19/2018	14224	\$ 375.00	
MEDIACOM	10/19/2018	14225	\$ 113.84	
MEUTH CONCRETE SERVICES	10/19/2018	14226	\$ 1,430.00	
NEWTEC	10/19/2018	14227	\$ 3,272.50	
QS/1	10/19/2018	14228	\$ 933.60	
ROGERS GROUP INC.	10/19/2018	14229	\$ 495.49	
SCHAEFFER MFG CO	10/19/2018	14230	\$ 1,401.38	
STALION TRUCKING CO. LLC	10/19/2018	14231	\$ 225.00	Hauling Rock
U.S. POSTAL SERVICE	10/19/2018	14232	\$ 1,000.00	
KERRY DARNALL	10/19/2018	14233	\$ 92.70	Training Reimbursement
ADT SECURITY SERVICES	10/24/2018	14238	\$ 257.94	
AT & T MOBILITY	10/24/2018	14239	\$ 35.63	
ATHLETIC CENTER	10/24/2018	14240	\$ 88.00	Hats
CARDMEMBER SERVICE	10/24/2018	14241	\$ 1,865.18	
G & C SUPPLY CO, INC.	10/24/2018	14242	\$ 490.39	
MAX ARNOLD & SONS	10/24/2018	14243	\$ 840.60	
MCCOY & MCCOY LABS.	10/24/2018	14244	\$ 398.00	
ROGERS GROUP INC.	10/24/2018	14245	\$ 271.68	
SPRINT PRINT	10/24/2018	14246	\$ 443.67	Toner for WTP Printer
WAL MART	10/24/2018	14247	\$ 410.43	
TOTAL CHECKS ISSUED FOR OCTOBER 2018			\$ 157,423.32	

Form RD 1924-18
(Rev. 6-97)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

PARTIAL PAYMENT ESTIMATE

CONTRACT NO
A

PARTIAL PAYMENT ESTIMATE NO.
2 - Schedule A Bid Form

PAGE 1

OWNER:

City of Princeton, KY

CONTRACTOR:

JSJ Construction, LLC

PERIOD OF ESTIMATE

FROM 10-12-18 TO 11-09-18

CONTRACT CHANGE ORDER SUMMARY

ESTIMATE

No.	Agency Approval Date	Amount			
		Additions	Deductions		
				1 Original Contract	\$1,656,593.00
				2 Change Orders	\$0.00
				3 Revised Contract (1 + 2)	\$0.00
				4 Work Completed*	\$455,799.40
				5 Stored Materials*	\$0.00
				6 Subtotal (4 + 5)	\$455,799.40
				7 Retainage*	\$22,789.97
				8 Previous Payments	\$266,001.80
				9 Amount Due (6-7-8)	\$167,007.63
TOTALS		\$0.00	\$0.00		
NET CHANGE		\$0.00	\$0.00		

* Detailed breakdown attached

CONTRACT TIME

Original (days) 240
Revised 93
Remaining 147

On Schedule

Yes
 No

Starting Date 08-13-2018
Projected Completion 04-10-2019

CONTRACTOR'S CERTIFICATION:

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.

Contractor

JSJ Construction LLC

By



Date

11-12-18

ARCHITECT OR ENGINEER'S CERTIFICATION:

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents

Architect or Engineer

HETHWAT & DAVIS, INC.

By



Date

11/12/18

APPROVED BY OWNER:

Owner

By

Date

ACCEPTED BY AGENCY:

The review and acceptance of this estimate does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the contract documents

By

Title

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information.

HETHCOAT DAVIS

November 13, 2018

Invoice No. 1037-07-09

Mr. James Noel, Superintendent
 Princeton Water/Wastewater Department
 PO Box 231
 Princeton KY 42445

RE: **RDA 16" Water Transmission Line**
For Period Through 10/28/2018

<u>Task Description</u>	<u>Contract Amount</u>	<u>% Complete</u>	<u>Total Billed</u>
Study/Report Phase	\$ 18,000.00	100.0%	\$ 18,000.00
Engineering Design & Construction			
a. Preliminary Design (30%)	\$ 47,640.00	100.0%	\$ 47,640.00
b. Final Design Submittal (20%)	\$ 31,760.00	100.0%	\$ 31,760.00
c. Final Design Approval (20%)	\$ 31,760.00	100.0%	\$ 31,760.00
d. Construction Administration (25%)	\$ 39,700.00	23.0%	\$ 9,131.00
e. Post Construction (5%)	\$ 7,940.00	0.0%	\$ -
Resident Project Inspection	\$ 92,000.00	23.0%	\$ 21,160.00
Other Engineering Services	\$ 20,000.00	100.0%	\$ 20,000.00
a. Hydraulic Analysis (\$ 8,500)			
b. Permits (\$ 4,500)			
c. Easement Description Prep (\$ 7,000)			

Total Billed to Date	\$ 179,451.00
Less Previous Invoices	\$ 167,729.70
Total Billed this Invoice	\$ 11,721.30

Submitted by: Alton Hethcoat
 Alton Hethcoat, PE

	<u>Contract</u>	<u>Complete</u>
Contract A	\$ 1,656,593.00	\$ 455,799.40
Contract B	\$ 327,855.00	\$ -
Total	\$ 1,984,448.00	\$ 455,799.40
Percent Complete	23.0%	

Please remit payment to:
 1457 Willowbrooke Cir., Franklin TN 37069

**PRINCETON WATER & WASTEWATER COMMISSION
REGULAR MEETING AGENDA
JANUARY 31, 2019
4:00 PM**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. RECOGNITION OF VISITORS**
- 4. READING OF MINUTES**
- 5. FINANCIAL STATEMENTS**
- 6. APPROVAL OF BILLS**
- 7. SYSTEM EXPANSION AND OLD BUSINESS**
 - ❖ **CONSTRUCTION PAY REQUEST #4 & 5**
 - ❖ **GOVERNMENT SHUTDOWN**
 - ❖ **UNC ENVIRONMENTAL FINANCE CENTER**
- 8. NEW BUSINESS AND SUPERINTENDENT'S REPORT**
 - ❖ **OATH OF OFFICE FOR COMMISSIONERS**
 - ❖ **KENTUCKY OPEN RECORDS AND OPEN MEETINGS ACT**
 - ❖ **AMENDMENT TO BUDGET**
- 9. ADJOURN**

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – November 29, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, November 29, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. Commissioner Stevens was absent with prior notification. Mayor Elect Young was recognized as a visitor.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the October meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The October financial statements were presented and reviewed by Ms. Musgove with the YTD results showing a rebound in net income. A motion was made by Brent Ladd and seconded by Jay Parrent to approve the financial statements. All Ayes. The October bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on the work completed to date on the water line project. Documentation was presented for the 3rd construction draw in the amount of \$178,728.93 (includes \$11,721.30 in H&D engineering fees). A motion was made by Jay Parrent and seconded by Brent Ladd to approve the draw as requested. All Ayes.

Ms. Musgove reported that the next draw would include monies to payoff the KIA loan associated with the Industrial Park Tank which was included as a part of the project original funding. Additionally, previously paid engineer's fees and other expenses will be recouped at that time.

V. New Business and Superintendent's Report

- (a) Mr. Noel presented the Board with an amendment to the employee handbook regarding reimbursement for certification training and expenses should an employee leave within two years of receiving a certification. A motion was made by Brent Ladd and seconded by Pat George to approve the amendment with employee's signing a document at time of training outlining cost of training and knowledge of payback requirement. All Ayes. An amendment was proposed to the leak adjustment policy stating the department will make one trip to verify the leak has been fixed and subsequent trips will be at an additional charge. A motion was made by Brent Ladd and seconded by Pat George to approve change as presented. All Ayes. Issues regarding the Pumpkin Center lift station, the need for internal GIS and GPS training and the discovery of another broken sewer lateral on Main Street from the work performed in Basins 5 & 6 were also discussed.
- (b) Mr. Noel reminded everyone of the request by DOW to develop and adopt a Sewer Overflow Response Plan (SORP). After reviewing several online SORPs and making necessary modifications, Mr. Noel has developed a plan appropriate for PWWC which was included in the Board package. In addition, an amendment to the Sewer Use Regulation regarding the repair and maintenance of private sewer lines is requested. A motion was made by Brent Ladd and seconded by Jay Parrent to adopt the SORP and to amend the Sewer Use Regulation as presented. All Ayes.
- (c) Ms. Musgove informed the members of her efforts in working jointly with the UNC Environmental Finance Center on a Rate Study and other information required by the PSC to establish a new rate system. This entity provides assistance to small utilities free of charge and she requests that a formal motion be made to allow the sharing of information with this entity. A motion was made by Jay Parrent and seconded by Brent Ladd to allow Ms. Musgove to share audits, financial, and billing data in order to fully utilize the services of this center. All Ayes.

VI. Adjourn

It was decided that the December meeting would be cancelled due to the holidays; therefore, the next meeting date will be Thursday, January 31st. With no further business to discuss, Brent Ladd made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

Princeton Water & WasteWater
Financial Results for Six Months Ending December 31, 2018 and Comparisons to Previous Year

Results for the Months of November and December

- Operating Revenues generated in the month of November were over budget by almost \$6.7k with both water and sewer revenues exceeding the budget. December's water sales continued the positive trend with sales \$5.7k ahead of budget, enough to offset a sewer shortfall of \$1.8k but not being enough to offset the planned but not implemented increase in monthly customer service fees. Customer service fees were budgeted to be increased by slightly more than \$5,000 per month and the shortfall on total operating revenue was \$4,100 for the month despite the collection of the annual farm rental income.
- Expenses for the month of November were \$46,000 lower than budgeted with the delay in sludge removal at the WTP comprising 65% of the variance. December's expenses were in line with November's and were almost \$24,000 short of budget with the largest amount of the difference being professional services and consulting expenses. The original budget had > \$15k budgeted for the Beacon upgrade and payment of audit fees included in the first half of the year and these have not occurred yet.
- With timing differences of almost \$50,000 lowering the expected operating expenses, the Income from Operations for both months ended up being considerably higher than budgeted. November outpaced budget by > 2.5x while December's income from Operations was 25% higher. Combined operating income for the two months totaled ~ \$185k vs the combined budget amount of \$112k, (65% higher).
- Other Expenses also continued to be lower due to slower construction draws than were initially anticipated which have led to lower interest costs of ~ \$8.6k for the two months combined.
- Net income for the combined two months exceeded \$46.2k versus a planned loss of - \$ 33.7k (almost an \$80k swing). Strong coverage ratios were recorded for both months with almost \$140k in excess cash generated.

Year to Date Results

- Halfway through the fiscal year, operating revenues are \$5.4k over budget with water revenues being high enough to offset the shortfalls in sewer revenues (-\$14.4k); customer service fees (-\$32.4k) and penalty income shortage of -\$700. If the budget were amended to decrease the customer service fees by \$31.5k for the first six months of the year, the YTD variance of \$36,900 would be more reflective of the strengthening water sales. *(See budget amendment discussion)*
- On the expense side, YTD operating expenses of \$1,148.1k are \$100.4k (8%) under budget due in large part to the aforementioned delay in the sludge removal from the WTP lagoons which was budgeted for \$60k. Another \$20k difference is the delay in converting to the Beacon system and the final payment of the 2018 audit. While the Beacon conversion and the audit payment will occur in the upcoming months; it has been decided to delay the lagoon cleanout until July or August of the next fiscal year due to the wet conditions that occur in the late winter and early spring months leaving only May and June available to spread the sludge on the farm. Therefore, this expense should also be removed from the budget since it is known that it will not occur rather than to continue to show inflated variances. *(See budget amendment discussion)* The only expense accounts that are significantly over budget for the year are tools, inventory and miscellaneous materials and gas and oil. Every other expense account is currently under budget YTD.
 - The combined expenses of tools, inventory and miscellaneous materials are currently \$9.5k over budget; however, inventory expense has been overstated by \$2,079 in gas charges due to incorrect entries in trying to begin properly accounting for all gasoline purchases within the inventory system. The actual invoices were being entered in the system as an expense to gas and oil while the individual "fill-ups" of the vehicles were also being expensed through inventory expense. A correction and a change in the way this is handled will be forthcoming in January. Miscellaneous materials are over budget by almost \$5k with the bulk of this being large amounts of concrete and flowable fill used in several large water main breaks and in the project along Maple Ave and Varmintrace. Tools and small equipment purchases also included three submersible pumps which totaled slightly more than \$3k.

On a positive note:

- Salaries and benefits are \$11.4k under budget due to the decision not to replace Phillip Manning and continuing to better utilize personnel at both treatment facilities.
 - Utilities are under budget by \$2.7k mainly from savings associated with changes made after the energy audit at the WWTP, which also has lowered some of the chemical costs at the WWTP.
 - Finally, fewer repairs have led to savings of almost \$6.5k
- Total Income from Operations is currently \$106k ahead of budget. However, if budgeted revenues are decreased by the customer service fees of \$31,500 and the expenses are lowered by the \$60,000 in sludge removal at the WTP, the actual YTD Income from Operations will be ~ \$77k.
 - Net Income stands at \$124,900 for the year and will be \$100k+ ahead of budget after the aforementioned amendments. For the year, the Commission has generated almost \$406,000 in excess cash and has a coverage ratio of 4.0x, both indicative of continued financial strength.

Comparison of Six Months FY2019 versus FY2018

- Operating revenues for the first six months of fiscal year 2019 were \$23k higher than the previous year with water sales rebounding by > \$38,000. Sewer revenues decreased by \$14k with \$17k being tied directly to Treehouse. Revenues for Treehouse in the first half of 2018 were \$45.7k vs \$28.7k for the current year (a 37% decrease).
- Operating expenses for FY2019 are 2.8% higher than the previous year with salaries and benefits along with utility costs showing the largest overall increases. Salaries and benefits in 2019 are running almost \$32k higher than 2018 due in large part to three associates not receiving benefits until after the first quarter in 2018 and also several merit increases that have taken place due to employees completing various certifications. Utilities are higher with the majority being linked to increases at the WTP by Pennyrile Rural Electric. The energy audit that was completed at the WWTP indicated the savings that could be generated by following simple guidelines on running the plant. Some of these are now being implemented at the WTP and it is hoped that lower power costs will result.
- There have also been smaller increases in professional service fees (\$2.2k) related to the loan closings; tools inventory and miscellaneous materials (\$4.3k) related to the several major line breaks and costly repairs at First Baptist Church and the Soybean Association Bldg and higher sludge removal costs (\$3.9k) at the WWTP due to skipping the 2018 spring land farming rotation and the fall spreading having higher tonnage.
- Other accounts with positive swings from the previous year are:
 - Chemicals and lab fees are \$3.1k under budget due to fewer trials being conducted at both plants and savings generated via implementation of the energy audit at the WWTP.
 - Insurance costs fell 20% with the 2019 fiscal year and are due to much lower worker's compensation rates, reviewing and subsequently cancelling some bonds, and lower premiums on the property and casualty insurance policy through the City.
- For the first half of the 2019 fiscal year, Income from Operations stands at \$540k vs \$548.6k a year ago (\$8.6k lower) and Net Income of \$125k is \$3.5k lower than the previous year.
- Meeting the expected debt service coverage ratio has not been an issue for many years and the Commission continues to post cash flows close to 4x the amount required to service debts. Excess cash after debt service is \$13,000 less than last year and stands at \$ 405.9k after six months of operations.

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 12/31/18

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,601,995.28
ACCOUNTS RECEIVABLE	239,397.44
OTHER RECEIVABLES	252,879.70
INVENTORIES	265,687.17
TOTAL CURRENT ASSETS	<u>3,359,959.59</u>
SPECIAL FUNDS - RESTRICTED	644,342.91
UTILITY PLANT	31,481,142.53
ACCUMULATED DEPRECIATION	18,662,072.53CR
DEFERRED PENSION OUTFLOWS	366,990.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	<u>13,830,403.49</u>
TOTAL ASSETS	<u>17,190,363.08</u>
CURRENT MATURITIES OF LONG TERM DEBT	201,593.11CR
ACCOUNTS PAYABLE - TRADE	1,817.55CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	105,275.17CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	40,426.00CR
INTEREST AND FEES PAYABLE	24,513.06CR
INSURANCE, TAXES AND OTHER MISC	24,712.97CR
TOTAL CURRENT LIABILITIES	<u>398,337.86CR</u>
LONG TERM DEBT LESS CMLTD	3,095,501.67CR
NET PENSION LIABILITY & DEFERRED INFLOWS	1,644,941.87CR
TOTAL NON-CURRENT LIABILITIES	<u>4,740,443.54CR</u>
TOTAL LIABILITIES	<u>5,138,781.40CR</u>
RETAINED EARNINGS	11,926,730.99CR
TOTAL RETAINED EARNINGS	<u>11,926,730.99CR</u>
TOTAL FUND EQUITY	<u>11,926,730.99CR</u>
BALANCE	124,850.69

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
December 31, 2018

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Previous YTD Actual	Variance
Operating Income							
Water Sales	119,990	114,300	800,177	752,500	47,677	761,895	38,282
Sewer Sales	109,041	110,800	698,184	712,600	(14,416)	712,205	(14,021)
Customer Service Fees	16,386	21,833	98,566	131,000	(32,434)	99,520	(954)
Penalty Income	4,655	5,417	31,791	32,500	(709)	34,052	(2,260)
Farm Income	34,500	34,500	34,500	34,500	-	34,500	-
Other Operating Income	1,433	3,250	24,797	19,500	5,297	23,116	1,681
							-
Operating Revenues	286,005	290,100	1,688,015	1,682,600	5,415	1,665,288	22,727
Operating Expenses							
Salaries & Benefits	106,483	98,083	646,280	657,700	(11,420)	614,379	31,901
Utilities	30,634	32,375	159,904	162,594	(2,689)	146,121	13,784
Chemicals & Lab Fees	19,549	24,417	125,962	131,784	(5,822)	129,064	(3,102)
Insurance	9,965	9,911	60,866	60,532	335	76,555	(15,689)
Bldg & Equip Repair & Maintenance	5,544	10,000	43,919	50,397	(6,478)	46,708	(2,789)
Supplies, Postage & Credit Card Fees	2,085	2,917	12,605	16,131	(3,526)	16,725	(4,119)
Professional Services & Consulting	6,184	24,907	31,845	50,910	(19,065)	29,630	2,215
Sludge Removal	-	-	13,257	73,000	(59,743)	9,393	3,864
Tools, Inventory & Misc Material	6,231	5,917	42,144	32,682	9,462	37,818	4,327
Gas & Oil	1,296	1,917	12,689	9,583	3,106	9,775	2,915
Freight, Rental & Lease, & Misc	422	1,333	4,963	6,927	(1,964)	6,406	(1,443)
Capital Cost/ Labor & Machinery	(1,233)	(750)	(6,375)	(3,750)	(2,625)	(5,873)	(503)
Operating Expenses	187,162	211,027	1,148,062	1,248,490	(100,428)	1,116,701	31,360
Total Income (Loss) from Operations	98,843	79,073	539,954	434,110	105,843	548,587	(8,633)
Other Income (Expense)							
Interest Income	13	-	93	-	-	91	2
Grant Revenue	-	-	-	-	-	-	-
Other Income	-	625	1,188	3,750	(2,562)	9,116	(7,927)
Depreciation Expense	(64,167)	(64,167)	(385,000)	(385,000)	(0)	(384,203)	(798)
Interest and Loan Fee Expense	(5,148)	(9,475)	(31,385)	(56,850)	25,465	(45,271)	13,887
Other Income (Expense)	(69,302)	(73,017)	(415,103)	(438,100)	22,997	(420,267)	5,164
Net Income (Loss)	29,541	6,056	124,851	(3,990)	128,840	128,320	(3,470)
Cash Available for Debt Service less Grant	98,855	79,698	541,235	437,860	103,375	557,794	(16,559)
LESS: Scheduled Principal and Interest	(22,563)	(22,563)	(135,378)	(135,378)	-	(139,086)	3,708
Excess Cash	76,292	57,135	405,857	302,482	103,375	418,708	(12,851)
Debt Service Coverage Ratio	4.38	3.53	4.00	3.23		4.01	
(Net Inc + Deprec + Amort + Int Exp) /							
(Principal Pmt+ Interest Exp)							

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 11/30/18

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,163,250.58
ACCOUNTS RECEIVABLE	244,170.11
OTHER RECEIVABLES	262,280.98
INVENTORIES	264,973.17
TOTAL CURRENT ASSETS	<u>2,934,674.84</u>
SPECIAL FUNDS - RESTRICTED	640,457.87
UTILITY PLANT	31,480,350.53
ACCUMULATED DEPRECIATION	18,597,905.86CR
DEFERRED PENSION OUTFLOWS	366,990.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	<u>13,889,893.12</u>
TOTAL ASSETS	<u>16,824,567.96</u>
CURRENT MATURITIES OF LONG TERM DEBT	201,593.11CR
ACCOUNTS PAYABLE - TRADE	1,817.55CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	106,343.89CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	33,102.17CR
INTEREST AND FEES PAYABLE	28,312.91CR
INSURANCE, TAXES AND OTHER MISC	25,680.86CR
TOTAL CURRENT LIABILITIES	<u>396,850.49CR</u>
LONG TERM DEBT LESS CMLTD	2,760,719.87CR
NET PENSION LIABILITY & DEFERRED INFLOWS	1,644,941.87CR
TOTAL NON-CURRENT LIABILITIES	<u>4,405,661.74CR</u>
TOTAL LIABILITIES	<u>4,802,512.23CR</u>
RETAINED EARNINGS	11,926,730.99CR
TOTAL RETAINED EARNINGS	<u>11,926,730.99CR</u>
TOTAL FUND EQUITY	<u>11,926,730.99CR</u>
BALANCE	95,324.74

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
November 30, 2018

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Annual Budget
Operating Income						
Water Sales	128,050	120,200	680,187	638,200	41,987	1,483,000
Sewer Sales	124,783	118,900	589,143	601,800	(12,657)	1,395,000
Customer Service Fees	16,479	21,833	82,180	109,167	(26,987)	262,000
Penalty Income	4,257	5,417	27,136	27,083	52	65,000
Farm Income	-	-	-	-	-	34,500
Other Operating Income	2,724	3,250	23,364	16,250	7,114	39,000
Operating Revenues	276,293	269,600	1,402,010	1,392,500	9,510	3,278,500
Operating Expenses						
Salaries & Benefits	119,904	113,383	539,797	559,617	(19,819)	1,284,100
Utilities	29,692	32,375	129,270	130,219	(949)	388,500
Chemicals & Lab Fees	11,608	24,417	106,413	107,367	(954)	293,000
Insurance	9,965	9,911	50,901	50,621	281	120,000
Bldg & Equip Repair & Maintenance	8,764	10,000	38,375	40,397	(2,023)	120,000
Supplies, Postage & Credit Card Fees	2,395	2,917	10,520	13,214	(2,694)	35,000
Professional Services & Consulting	2,185	4,917	25,661	26,003	(341)	68,000
Sludge Removal	-	30,000	13,257	73,000	(59,743)	83,000
Tools, Inventory & Misc Material	2,869	5,917	35,913	26,765	9,148	71,000
Gas & Oil	2,002	1,917	11,393	7,667	3,727	23,000
Freight, Rental & Lease, & Misc	945	1,333	4,526	5,593	(1,068)	16,000
Capital Cost/ Labor & Machinery	-	(750)	(5,143)	(3,000)	(2,143)	(9,000)
Operating Expenses	190,327	236,337	960,884	1,037,463	(76,579)	2,492,600
Total Income (Loss) from Operations	85,966	33,263	441,126	355,037	86,089	785,900
Other Income (Expense)						
Interest Income	16	-	80	-	-	-
Grant Revenue	-	-	-	-	-	-
Other Income	-	625	1,188	3,125	(1,937)	7,500
Depreciation Expense	(64,167)	(64,167)	(320,833)	(320,833)	(0)	(770,000)
Interest and Loan Fee Expense	(5,148)	(9,475)	(26,237)	(47,375)	21,138	(113,700)
Other Income (Expense)	(69,298)	(73,017)	(345,802)	(365,083)	19,282	(876,200)
Net Income (Loss)	16,668	(39,754)	95,325	(10,046)	105,371	(90,300)
Cash Available for Debt Service less Grant	85,982	33,888	442,395	358,162	84,233	793,400
LESS: Scheduled Principal and Interest	(22,563)	(22,563)	(112,815)	(112,815)	-	(270,756)
Excess Cash	63,419	11,325	329,580	245,347	84,233	522,644
Debt Service Coverage Ratio	3.81	1.50	3.92	3.17		2.93
(Net Inc + Deprec + Amort + Int Exp) /						
(Principal Pmt+ Interest Exp)						

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - NOVEMBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
EFTPS	11/2/2018	E CHECK	\$ 3,220.03	
PRINCIPAL LIFE	11/5/2018	E CHECK	\$ 280.46	
CERS-COUNTY RETIREMENT	11/6/2018	E CHECK	\$ 21,946.92	
EFTPS	11/9/2018	E CHECK	\$ 3,328.40	
KENTUCKY INSURANCE (BC/BS)	11/11/2018	E CHECK	\$ 22,682.94	
EFTPS	11/13/2018	E CHECK	\$ 626.49	Vacation Payout - FICA Match & Withholding
KY LOCAL GOVERNMENT TRUST	11/15/2018	E CHECK	\$ 1,125.14	
KENTUCKY DEPT OF REVENUE	11/15/2018	E CHECK	\$ 3,855.80	
CALDWELL CO.BD. OF ED.	11/15/2018	E CHECK	\$ 2,355.82	
LYON COUNTY BD. OF ED.	11/15/2018	E CHECK	\$ 135.50	
KENTUCKY STATE TREASURER	11/15/2018	E CHECK	\$ 3,554.02	
EFTPS	11/16/2018	E CHECK	\$ 3,456.22	
EFTPS	11/23/2018	E CHECK	\$ 3,280.22	
EFTPS	11/30/2018	E CHECK	\$ 3,511.98	5th Pay Period - FICA Match & Withholding
TOTAL ELECTRONIC CHECKS			\$ 73,359.94	
PLANTERS BANK	11/6/2018	14254	\$ 833.81	Interest on USDA Construction Loan
WOODALL AGENCY INC	11/6/2018	14255	\$ 1,018.00	Bonding for USDA
WOODALL AGENCY INC	11/6/2018	14256	\$ 1,018.00	Bonding for USDA
AKRIDGE FARM SUPPLY	11/7/2018	14257	\$ 297.66	
AMERICAN WATER WORKS ASSOC.	11/7/2018	14258	\$ 340.00	Membership Renewal
BUMPER TO BUMPER	11/7/2018	14259	\$ 5.65	
C.I. THORNBURG CO., INC.	11/7/2018	14260	\$ 5,770.72	
CHEMEQUIP	11/7/2018	14261	\$ 619.50	
CITY OF PRINCETON	11/7/2018	14262	\$ 830.46	
COLE LUMBER CO. INC.	11/7/2018	14263	\$ 87.98	
COLEMAN AUTO PARTS	11/7/2018	14264	\$ 321.89	
COLEMAN SHOES, REPAIR & BOOTS	11/7/2018	14265	\$ 609.90	Billy Asher Uniforms & Boots
ELECTRIC PLANT BOARD (P'TON)	11/7/2018	14266	\$ 15,133.96	
ENVISION CONTRACTORS LLC	11/7/2018	14267	\$ 480.90	Bodycote Inspection
GRIFFIN DONALDSON	11/7/2018	14268	\$ 26.28	
HACH CHEMICAL CO.	11/7/2018	14269	\$ 371.52	
HAYES, ROBERT L.	11/7/2018	14270	\$ 150.00	
HTI, INC.	11/7/2018	14271	\$ 7,594.00	Linton Hill SCADA
JASON OLIVER	11/7/2018	14272	\$ 19.00	Reimbursement
JOINER HARDWARE COMPANY	11/7/2018	14273	\$ 10.29	
KENTUCKY RURAL WATER ASSOC.	11/7/2018	14274	\$ 169.00	Utility Law Seminar
LABTRON X	11/7/2018	14275	\$ 892.41	
LADD, BRENT	11/7/2018	14276	\$ 150.00	
MAX ARNOLD & SONS	11/7/2018	14277	\$ 1,782.25	
MCCOY & MCCOY LABS.	11/7/2018	14278	\$ 1,334.00	
MONITORING & MANAGEMENT SERVIC	11/7/2018	14279	\$ 2,610.00	TreeHouse Surcharge and SUO
NEWTEC	11/7/2018	14280	\$ 1,052.50	
PADUCAH GEAR & MACHINE CO.	11/7/2018	14281	\$ 4,542.00	Gear Box
PARRENT, JAY	11/7/2018	14282	\$ 150.00	
PATRICIA GEORGE	11/7/2018	14283	\$ 150.00	
PYRILE RURAL ELECTRIC CORP.	11/7/2018	14284	\$ 12,451.19	
PIONEER MAINTENANCE	11/7/2018	14285	\$ 200.00	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - NOVEMBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
RED BUD SUPPLY	11/7/2018	14286	\$ 350.00	
STEVENS, IRL	11/7/2018	14287	\$ 150.00	
THORNTON-MUSSO-BELLEMIN	11/7/2018	14288	\$ 1,530.00	
TRICE HUGHES CHEVROLET INC.	11/7/2018	14289	\$ 1,620.52	2015 Chevy Repairs
VERIZON WIRELESS	11/7/2018	14290	\$ 631.93	
WCA WASTE SYSTEMS INC	11/7/2018	14291	\$ 375.27	
WETZEL, TODD B. ATTORNEY @ LAW	11/7/2018	14292	\$ 500.00	
CALDWELL COUNTY CLERK'S OFFICE	11/13/2018	14295	\$ 57.00	Notary Fee Renewals
AIRGAS USA LLC	11/19/2018	14300	\$ 48.00	
AMERICAN DEVELOPMENT CORP.	11/19/2018	14301	\$ 780.00	
AT & T	11/19/2018	14302	\$ 876.72	
AT & T - U-VERSE	11/19/2018	14303	\$ 181.20	
ATMOS ENERGY	11/19/2018	14304	\$ 214.87	
CARDMEMBER SERVICE	11/19/2018	14305	\$ 317.21	
FARM PLAN	11/19/2018	14306	\$ 266.90	
KENTUCKY DEFERRED COMPENSATION	11/19/2018	14307	\$ 228.00	
MAX ARNOLD & SONS	11/19/2018	14308	\$ 219.41	
MCCOY & MCCOY LABS.	11/19/2018	14309	\$ 1,439.00	
MEDIACOM	11/19/2018	14310	\$ 113.84	
NEWTEC	11/19/2018	14311	\$ 110.00	
PIONEER MAINTENANCE	11/19/2018	14312	\$ 250.00	
QS/1	11/19/2018	14313	\$ 933.60	
QUILL CORPORATION	11/19/2018	14314	\$ 705.21	Office Supplies
USA BLUE BOOK	11/19/2018	14315	\$ 617.63	
WEST KENTUCKY RENTAL	11/19/2018	14316	\$ 125.00	
TOTAL CHECKS ISSUED FOR NOVEMBER 2018			\$ 147,024.12	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - DECEMBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
PRINCIPAL LIFE	12/6/2018	E-CHECK	\$ 280.46	
CERS-COUNTY RETIREMENT	12/6/2018	E-CHECK	\$ 15,962.72	
KENTUCKY DEPT OF REVENUE	12/6/2018	E-CHECK	\$ 2,816.48	
EFTPS	12/7/2018	E-CHECK	\$ 3,269.05	
KENTUCKY INSURANCE (BC/BS)	12/10/2018	E-CHECK	\$ 22,682.94	
CALDWELL CO.BD. OF ED.	12/13/2018	E-CHECK	\$ 2,595.06	
LYON COUNTY BD. OF ED.	12/13/2018	E-CHECK	\$ 144.55	
KENTUCKY STATE TREASURER	12/13/2018	E-CHECK	\$ 3,965.44	
EFTPS	12/14/2018	E-CHECK	\$ 3,231.70	
KY LOCAL GOVERNMENT TRUST	12/15/2018	E-CHECK	\$ 1,168.20	
EFTPS	12/21/2018	E-CHECK	\$ 3,225.93	
EFTPS	12/28/2018	E-CHECK	\$ 3,734.80	
TOTAL ELECTRONIC CHECKS			\$ 63,077.33	
ADAM ORTT	12/3/2018	14318	\$ 143.82	REIMBURSEMENT-UNIFORMS
AT & T MOBILITY	12/3/2018	14319	\$ 35.63	
PLANTERS BANK	12/3/2018	14320	\$ 1,472.04	USDA LOAN INTEREST
AKRIDGE FARM SUPPLY	12/6/2018	14321	\$ 42.95	
BEC BROWN EQUIPMENT CO	12/6/2018	14322	\$ 250.00	PUSH CAMERA REPAIRS
BRANDEIS	12/6/2018	14323	\$ 56.09	BELT KIT FOR CONCRETE SAW
C.I. THORNBURG CO., INC.	12/6/2018	14324	\$ 4,998.02	
CITY OF PRINCETON	12/6/2018	14325	\$ 580.69	
COLE LUMBER CO. INC.	12/6/2018	14326	\$ 11.30	
LEMAN AUTO PARTS	12/6/2018	14327	\$ 47.86	
ELECTRIC PLANT BOARD (P'TON)	12/6/2018	14328	\$ 15,107.13	
G & C SUPPLY CO, INC.	12/6/2018	14329	\$ 1,065.06	
HAYES, ROBERT L.	12/6/2018	14330	\$ 150.00	
HTI, INC.	12/6/2018	14331	\$ 2,413.00	
LABTRON X	12/6/2018	14332	\$ 2,574.80	METER CALIBRATION
LADD, BRENT	12/6/2018	14333	\$ 150.00	
MAX ARNOLD & SONS	12/6/2018	14334	\$ 1,100.85	
MCCOY & MCCOY LABS.	12/6/2018	14335	\$ 2,184.50	
MCCOY & MCCOY LABS.	12/6/2018	14336	\$ 667.00	
MEUTH CONCRETE SERVICES	12/6/2018	14337	\$ 578.00	W MAIN & LINTON HILL BREAK
MITCHELL'S HEATING AND AIR	12/6/2018	14338	\$ 230.00	SERVICE CALL
NEWTEC	12/6/2018	14339	\$ 2,440.00	
ONSITE ENVIROMENTAL	12/6/2018	14340	\$ 4,435.00	FOG BILLINGS
PARRENT, JAY	12/6/2018	14341	\$ 150.00	
PATRICIA GEORGE	12/6/2018	14342	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP	12/6/2018	14343	\$ 13,158.80	
STEVENS, IRL	12/6/2018	14344	\$ 150.00	
THORNTON-MUSSO-BELLEMIN	12/6/2018	14345	\$ 3,213.60	
VERIZON WIRELESS	12/6/2018	14346	\$ 511.93	
WAL MART	12/6/2018	14347	\$ 336.36	
WATER SOLUTIONS UNLIMITED	12/6/2018	14348	\$ 195.00	
WCA WASTE SYSTEMS INC	12/6/2018	14349	\$ 375.27	
WETZEL, TODD B. ATTORNEY @ LAW	12/6/2018	14350	\$ 500.00	
WISHER, JASON	12/12/2018	14352	\$ 131.56	REIMBURSEMENT LIFE INS OVER PMT
WISGAS USA LLC	12/20/2018	14356	\$ 47.15	
AMERICAN DEVELOPMENT CORP.	12/20/2018	14357	\$ 402.80	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - DECEMBER 2018**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
AT & T	12/20/2018	14358	\$ 899.54	
AT & T - U-VERSE	12/20/2018	14359	\$ 181.20	
ATMOS ENERGY	12/20/2018	14360	\$ 502.59	
BADGER METER	12/20/2018	14361	\$ 780.00	SERVICE AGREEMENT 12/18 - 5/19
C.I. THORNBURG CO., INC.	12/20/2018	14362	\$ 2,152.20	
CARDMEMBER SERVICE	12/20/2018	14363	\$ 708.97	
FARM PLAN	12/20/2018	14364	\$ 469.60	
FIRST LINE FIRE EXTINGUISHER	12/20/2018	14365	\$ 969.35	ANNUAL INSPECTION WTP
G & C SUPPLY CO, INC.	12/20/2018	14366	\$ 572.72	
JAMES NOEL	12/20/2018	14367	\$ 614.78	REIMBURSE TOOLS USED WRONG CARD
JIM SMITH CONTRACTING, LLC	12/20/2018	14368	\$ 2,329.56	COLD MIX
JOINER HARDWARE COMPANY	12/20/2018	14369	\$ 14.36	
KENTUCKY DEFERRED COMPENSATIO	12/20/2018	14370	\$ 228.00	
KENTUCKY RURAL WATER ASSOC.	12/20/2018	14371	\$ 2,100.00	2019 COMPLIANCE CHECK PROGRAM
MAX ARNOLD & SONS	12/20/2018	14372	\$ 195.21	
MCCOY & MCCOY LABS.	12/20/2018	14373	\$ 1,366.50	
MCCOY & MCCOY LABS.	12/20/2018	14374	\$ 772.00	
MCGEE PEST CONTROL INC	12/20/2018	14375	\$ 2,650.00	ANNUAL RENEWAL ALL LOCATIONS
MEDIACOM	12/20/2018	14376	\$ 113.84	OFFICE PHONE
MEUTH CONCRETE SERVICES	12/20/2018	14377	\$ 969.00	GRAPEVINE REPAIRS
NEWTEC	12/20/2018	14378	\$ 1,157.50	
PURCELL TIRE	12/20/2018	14379	\$ 542.11	DODGE TRUCK AT WTP
QS/1	12/20/2018	14380	\$ 933.60	
TRICE HUGHES CHEVROLET INC.	12/20/2018	14381	\$ 155.47	2013 CHEVY
U.S. POSTAL SERVICE	12/20/2018	14382	\$ 1,000.00	
WAL MART	12/21/2018	14389	\$ 586.72	
AT & T MOBILITY	12/31/2018	14393	\$ 35.63	
TOTAL CHECKS ISSUED FOR DECEMBER 2018			\$ 146,133.99	

WARRANT

City of Princeton
Water Project

Request No. 4
Date: 12/17/18

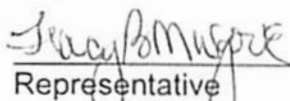
We, the undersigned, hereby certify that the following accounts are due and payable in the amounts shown for work performed by the payee on the City of Princeton's Water Rehabilitation Project. The Secretary is hereby authorized to disburse funds as follows upon receipt of the corresponding draw from USDA, Rural Development Loan & Grant funds:

Name of Payee	Mailing Address	Amount	Source
JSJ Construction, LLC	3995 Memorial Blvd. Springfield, TN 37172	\$148,223.52	RD Loan
Hethcoat & Davis, Inc.	1457 Willowbrooke Cir. Franklin, TN 37069	\$10,272.60	RD Loan
PW&W	101 East Market Street Princeton, KY 42445	\$618,144.93	RD Loan
		TOTAL \$776,641.05	

REQUESTED BY:

ENGINEER'S CERTIFICATION


City of Princeton

 12/18/18

Representative Date Signed

BARBARA GILLUM Digitally signed by BARBARA GILLUM
Date: 2018.12.20 10:57:02 -06'00'

Area Director Date Signed

 12/18/18

Project Engineer Date Signed

WARRANT

City of Princeton
Water Project

Request No. 5
Date: 01/21/19

We, the undersigned, hereby certify that the following accounts are due and payable in the amounts shown for work performed by the payee on the City of Princeton's Water Rehabilitation Project. The Secretary is hereby authorized to disburse funds as follows upon receipt of the corresponding draw from USDA, Rural Development Loan & Grant funds:

<u>Name of Payee</u>	<u>Mailing Address</u>	<u>Amount</u>	<u>Source</u>
JSJ Construction, LLC	3995 Memorial Blvd. Springfield, TN 37172	\$194,793.27	RD Loan
Hethcoat & Davis, Inc.	1457 Willowbrooke Cir. Franklin, TN 37069	\$13,696.80	RD Loan
		<hr/>	
		TOTAL \$208,490.07	

REQUESTED BY:

ENGINEER'S CERTIFICATION

City of Princeton

James A. Noel
Representative Date Signed

Cory B... 01/21/19
Project Engineer Date Signed

Area Director Date Signed

PWWC AMENDED BUDGET 1/31/19

2019
BUDGET

INCOME CATEGORIES

4000	WATER SALES	1,483,000
4010	SEWER SALES	1,395,000
4015	CUSTOMER SERVICE FEE	199,000
4020	PENALTY INCOME	65,000
4030	SALE OF STORES	8,000
4040	LABOR SALES	4,000
4046	BANK CUSTOMER CONV.FEE	1,000
4050	EQUIP RENTAL	4,000
4080	MISC.INC. S.C.& CONN.	22,000
4082	MISC.INC-GENERAL	7,500
4085	FARM RENTAL INCOME	34,500
4098	GRANT REVENUE	-
TOTAL INCOME \$		3,223,000

Decreased by \$63,000. Postponed increase-rate study

EXPENSE CATEGORIES

6010	SALARIES	775,500
6020	PAYROLL TAX	58,600
6030	EMPLOYEE BENEFITS	276,000
6040	UNIFORMS	5,000
6050	TRAINING EXPENSE	10,000
6060	RETIREMENT FUND	159,000
6070	UTILITIES	388,500
6080	GASOLINE & OIL	23,000
6090	EQUIPMENT REPAIR & MAINT	100,000
6100	SUPPLIES	22,000
6105	CHEMICALS	225,000
6110	INSURANCE	120,000
6120	PROF.SERVICES(LAB FEES)	68,000
6121	PROF.SERVICES(OTHER)	35,000
6122	DATA PROCESSING	12,000
6125	CONTRACTED SERVICES	15,000
6130	MISCELLANEOUS EXPENSE	10,000
6135	POSTAGE EXPENSE	13,000
6140	RENTAL & LEASE	3,000
6150	ATTORNEYS FEES	6,000
6160	TOOLS & EQUIPMENT	33,000
6180	BUILDING REPAIR & MAINT	20,000
6185	SLUDGE REMOVAL	23,000
6650	INVENTORY EXP	30,000
6660	MISC MATERIAL EXPENSE	8,000
6665	FREIGHT EXPENSE	3,000
6670	CAPITAL COST/LABOR/MACH.	(9,000)
6676	KIA INTEREST EXP.(WWTP)	10,500
6678	RD INTEREST EXPENSE (WTP)	100,000
6680	DEPRECIATION EXPENSE	770,000
6699	FEE EXPENSE	3,200
TOTAL EXPENSES		3,316,300

Decreased by \$60,000. Moved lagoon cleaning to 2020

NET INCOME (93,300)

Given the fact that the customer service fee increase is being delayed while the rate study is being completed by the UNC Environmental Finance Center, it would be appropriate to lower the budgeted revenues by the amount that was added for this line item (\$31,500 for each half of the fiscal year).

Furthermore, since the decision has been made to delay the WTP lagoon sludge removal until the next fiscal year, expenses should be lowered to reflect this adjustment also. Sludge removal expense was budgeted at \$60,000 with all of this planned to occur in the first half of the year.

These adjustments will almost offset each other by the end of the year; however, the commentary going forward will be more accurate in its description.

After the amendment, financial statements through the first half of the year would be reflected as follows:

	12/31/2018 ACTUAL	12/31/2018 BUDGET	6 MONTH VARIANCE	12/31/2018 AMENDED BUDGET	AMENDED VARIANCE
<i>Operating Revenues</i>	\$ 1,688,000	\$ 1,682,600	\$ 5,400	\$ 1,651,100	\$36,900
<i>Operating Expenses</i>	\$ 1,148,100	\$ 1,248,500	(\$ 100,400)	\$1,188,500	\$40,400
<i>Inc from Operations</i>	\$ 540,000	\$ 434,100	\$105,800	\$ 462,600	\$77,400*
<i>Other Inc (Expense)</i>	(\$415,100)	(\$438,100)	\$23,000	(\$438,100)	\$23,000
<i>Net Income (Loss)</i>	\$ 124,800	(\$4,000)	\$ 128,800	\$ 24,500	\$100,300*

*- ROUNDING

The budget for the full fiscal year would be reflected as follows. See the attached amended line item detail for further information.

	6/30/2019 ORIGINAL	6/30/2019 AMENDED
<i>Operating Revenues</i>	\$ 3,286,000	\$ 3,223,000
<i>Operating Expenses</i>	\$ 2,492,600	\$ 2,432,600
<i>Inc from Operations</i>	\$ 790,400	\$ 790,400
<i>Other Inc (Expense)</i>	(\$883,700)	(\$883,700)
<i>Net Income (Loss)</i>	\$ 90,300	\$ 93,300

**PRINCETON WATER AND WASTEWATER ROLLING 12 MONTH BUDGET
ACTUAL RESULTS THROUGH 12/31/18 WITH AMENDED SECOND HALF PROJECTIONS**

	ACTUAL							
	12/31/2018	Jan	Feb	Mar	Apr	May	June	Total
4 WATER SALES	800,177	116,000	133,100	104,300	114,300	114,200	148,600	1,530,677
4010 SEWER SALES	698,184	117,300	118,600	102,500	111,600	105,900	126,500	1,380,584
4015 CUSTOMER SERVICE FEE	98,566	16,739	16,739	16,739	16,739	16,739	16,739	199,000
4020 PENALTY INCOME	31,791	5,417	5,417	5,417	5,417	5,417	5,417	64,291
4030 SALE OF STORES	8,200	667	667	667	667	667	667	12,200
4040 LABOR SALES	3,825	333	333	333	333	333	333	5,825
4046 BANK CUST. CONV. FEE	686	83	83	83	83	83	83	1,186
4050 EQUIPMENT RENTAL	2,550	333	333	333	333	333	333	4,550
4065 INTEREST INCOME	93	-	-	-	-	-	-	93
4080 MISC INCOME SC & CONN.	9,535	1,833	1,833	1,833	1,833	1,833	1,833	20,535
4082 MISC INC-GENERAL	1,188	625	625	625	625	625	625	4,938
4085 FARM RENTAL INCOME	34,500	-	-	-	-	-	-	34,500
TOTAL REVENUES	1,689,297	259,331	277,731	232,831	251,931	246,131	301,131	3,258,381
	12/31/2018	Jan	Feb	Mar	Apr	May	June	Total
6010 SALARIES	391,267	72,550	58,150	58,050	72,550	58,150	58,050	768,767
6020 PAYROLL TAX	29,153	5,500	4,400	4,300	5,600	4,400	4,300	57,653
6030 EMPLOYEE BENEFITS	136,956	23,200	22,900	23,100	22,900	22,900	23,100	275,056
6040 UNIFORMS	4,446	-	-	-	-	-	-	4,446
6050 TRAINING EXPENSE	3,995	833	833	833	833	833	833	8,995
6060 RETIREMENT FUND	80,464	14,800	11,900	11,900	14,900	11,900	11,900	157,764
6070 UTILITIES	159,904	32,375	32,375	32,375	32,375	32,375	64,031	385,811
6080 GASOLINE & OIL	12,689	1,917	1,917	1,917	1,917	1,917	3,833	26,106
6090 EQUIPMENT REPAIR & MAINT	40,628	8,333	8,333	8,333	8,333	8,333	16,667	98,961
6100 SUPPLIES	6,965	1,833	1,833	1,833	1,833	1,833	3,193	19,325
6105 CHEMICALS	98,699	18,750	18,750	18,750	18,750	18,750	27,799	220,248
6110 INSURANCE	60,866	7,523	7,523	7,523	7,523	7,523	7,523	106,004
6120 PROF.SERVICES(LAB FEES)	27,263	5,667	5,667	5,667	5,667	5,667	11,333	66,930
6121 PROF.SERVICES(OTHER)	11,258	84	84	84	84	84	169	11,848
6122 DATA PROCESSING	5,602	1,000	1,000	1,000	1,000	1,000	1,000	11,602
6125 CONTRACTED SERVICES	7,928	1,250	1,250	1,250	1,250	1,250	1,250	15,428
6130 MISCELLANEOUS EXPENSE	4,559	833	833	833	833	833	1,434	10,160
6135 POSTAGE EXPENSE	5,640	1,083	1,083	1,083	1,083	1,083	1,092	12,149
6140 RENTAL & LEASE	389	250	250	250	250	250	500	2,139
6150 ATTORNEYS FEES	7,058	500	500	500	500	500	500	10,058
6160 TOOLS & EQUIPMENT	11,227	2,750	2,750	2,750	2,750	2,750	5,500	30,477
6180 BUILDING REPAIR & MAINT	3,292	1,667	1,667	1,667	1,667	1,667	2,935	14,560
6185 SLUDGE REMOVAL	13,257	-	-	-	-	10,000	-	23,257
6650 INVENTORY EXP	22,096	2,500	2,500	2,500	2,500	2,500	2,500	37,096
6660 MISC MATERIAL EXPENSE	8,822	667	667	667	667	667	735	12,889
6665 FREIGHT EXPENSE	-	250	250	250	250	250	476	1,726
6670 CAPITAL COST/LABOR/MACH.	(6,375)	(750)	(750)	(750)	(750)	(750)	(1,500)	(11,625)
6676 KIA INTEREST EXP.(WWTP)	5,523	875	875	875	875	875	875	10,773
6678 RD INTEREST EXPENSE (WTP)	24,260	8,333	8,333	8,333	8,333	8,333	8,333	74,260
6680 DEPRECIATION EXPENSE	385,000	64,167	64,167	64,167	64,167	64,167	64,167	770,000
6699 FEE EXPENSE	1,602	267	267	267	267	267	267	3,202
TOTAL EXPENSES	1,564,431	279,007	260,307	260,307	278,907	270,307	322,795	3,236,062
Monthly Net Income	124,866	(19,677)	17,423	(27,477)	(26,977)	(24,177)	(21,664)	22,319
YTD Cumulative	124,866	105,189	122,613	95,136	68,160	43,983	22,319	22,319

ACCOUNTS	CURRENT PERIOD			YEAR-TO-DATE			2018 vs 2017	
	ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE	ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE	ACTUAL 12/31/2017	VARIANCE
ADMINISTRATION								
6010 SALARIES	15,892	16,000	(108)	111,369	112,900	(1,531)	108,516	2,853
6020 PAYROLL TAX	1,182	1,200	(18)	8,319	8,700	(381)	8,147	172
6030 EMPLOYEE BENEFITS	4,825	4,900	(75)	28,951	29,100	(149)	29,732	(781)
6040 UNIFORMS	-	-	-	745	500	245	325	420
6050 TRAINING EXPENSE	50	362	(312)	3,321	2,172	1,149	2,059	1,262
6060 RETIREMENT FUNDING	5,320	3,100	2,220	21,823	21,900	(77)	18,957	2,866
6070 UTILITIES	813	719	94	3,768	4,312	(544)	3,326	442
6080 GAS AND OIL	-	13	(13)	-	67	(67)	-	-
6090 EQUIPMENT REPAIR & M	35	8	27	443	38	405	47	396
6100 SUPPLIES	169	474	(305)	2,663	2,843	(180)	2,823	(160)
6110 INSURANCE	356	184	173	2,139	1,935	204	2,316	(177)
6121 PROFESSIONAL SERVICE	637	2,564	(1,927)	1,172	2,564	(1,392)	1,357	(185)
6122 DATA PROCESSING	934	1,000	(66)	5,602	6,000	(398)	5,438	163
6130 MISCELLANOUS EXPENSE	-	233	(233)	707	1,396	(689)	722	(15)
6135 POSTAGE	1,250	1,037	213	4,830	6,222	(1,392)	5,532	(702)
6140 RENTAL AND LEASE	-	-	-	-	-	-	-	-
6160 TOOLS & SMALL EQUIPM	180	111	69	180	557	(376)	615	(435)
6180 BUILDING REPAIR & MA	28	459	(431)	1,470	2,295	(825)	1,732	(262)
6665 FREIGHT EXPENSE	-	-	-	-	-	-	-	-
	31,672	32,363	(691)	197,500	203,500	(6,000)	191,644	5,856

Administration is currently \$6,000 under budget for the year but almost \$5,900 over what had been spent at 12/31/17. For the current year, employee payroll related savings have been enough to offset slightly higher amounts spent on uniforms and training while small savings in postage, supplies, and professional services added to positive variance. As compared to the previous year, the increases in 2018 YTD expenses were mainly centered around employees salaries and the state mandated 12% increase in retirement funding.

ACCOUNTS

CURRENT PERIOD		
ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE

YEAR-TO-DATE		
ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE

2018 vs 2017	
ACTUAL 12/31/2017	VARIANCE

WATER TREATMENT PLANT

6010 SALARIES	14,269	15,600	(1,331)	89,024	106,700	(17,676)	86,421	2,604
6020 PAYROLL TAX	1,085	1,200	(115)	6,773	8,100	(1,327)	6,583	190
6030 EMPLOYEE BENEFITS	5,812	6,400	(588)	33,561	38,400	(4,839)	29,225	4,337
6040 UNIFORMS	137	-	137	469	1,000	(531)	450	19
6050 TRAINING EXPENSE	-	91	(91)	93	546	(453)	269	(176)
6060 RETIREMENT FUNDING	4,744	3,300	1,444	19,058	22,800	(3,742)	14,982	4,076
6070 UTILITIES	14,445	15,313	(868)	77,038	76,567	471	73,860	3,177
6080 GAS AND OIL	72	72	(0)	1,993	362	1,631	342	1,651
6090 EQUIPMENT REPAIR & M	2,295	2,750	(455)	11,477	13,748	(2,271)	20,489	(9,012)
6100 SUPPLIES	206	299	(92)	1,099	1,493	(394)	2,664	(1,565)
6105 CHEMICALS	10,962	9,049	1,912	54,704	45,247	9,457	51,928	2,776
6110 INSURANCE	3,460	2,202	1,259	20,762	13,210	7,552	19,344	1,418
6120 LAB FEES	1,428	1,996	(568)	7,552	9,980	(2,428)	10,919	(3,367)
6121 PROFESSIONAL SERVICE	1,614	2,083	(469)	3,814	12,498	(8,684)	4,057	(243)
6130 MISCELLANEOUS EXPENSE	74	165	(92)	1,012	825	187	1,085	(73)
6135 POSTAGE	-	3	(3)	810	14	796	-	810
6140 RENTAL AND LEASE	-	-	-	-	-	-	-	-
6160 TOOLS & SMALL EQUIPM	-	459	(459)	134	2,295	(2,162)	5,100	(4,966)
6180 BUILDING REPAIR & MA	969	-	969	969	-	969	5,053	(4,084)
6185 SLUDGE REMOVAL	-	-	-	-	60,000	(60,000)	-	-
6660 MISCELLANEOUS MATERI	-	10	(10)	368	63	305	137	231
6665 FREIGHT EXPENSE	-	3	(3)	-	15	(15)	25	(25)
	61,571	60,996	575	330,709	413,864	(83,155)	332,931	(2,222)

For the year, water treatment plant expenses are under budget by slightly more than \$83k with \$60k being the delay in the lagoon sludge removal. Cleaning the lagoons still has not been scheduled; therefore, when completed, expenses are expected to increase by that amount. The remainder of savings is due to the resignation of an operator at the end of July which led to labor related savings of almost \$30k. Other dual-certified operators have been utilized to fill in during vacation and holidays and numbers on treated water and plant operating hours are slightly higher than during the last six months of 2017. Without sludge removal costs, total expenses at the WTP were similar to the previous year with lower repair and maintenance costs being offset by higher employee related expenses, utilities and chemicals.

ACCOUNTS	CURRENT PERIOD			YEAR-TO-DATE			2018 vs 2017	
	ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE	ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE	ACTUAL 12/31/2017	VARIANCE
WASTEWATER TREATMENT PLANT								
6010 SALARIES	8,906	9,200	(294)	61,252	62,000	(748)	55,678	5,575
6020 PAYROLL TAX	677	700	(23)	4,664	4,700	(36)	4,250	414
6030 EMPLOYEE BENEFITS	3,728	3,800	(72)	22,370	22,800	(430)	13,629	8,741
6040 UNIFORMS	-	-	-	521	1,000	(479)	357	165
6050 TRAINING EXPENSE	-	214	(214)	93	1,284	(1,191)	1,228	(1,135)
6060 RETIREMENT FUNDING	3,029	1,900	1,129	13,069	13,000	69	9,447	3,621
6070 UTILITIES	14,366	15,167	(801)	73,484	75,835	(2,351)	64,085	9,399
6080 GAS AND OIL	123	159	(36)	2,567	797	1,770	276	2,291
6090 EQUIPMENT REPAIR & M	1,727	4,820	(3,092)	24,413	24,099	314	10,331	14,082
6100 SUPPLIES	382	354	29	1,375	1,769	(393)	2,247	(872)
6105 CHEMICALS	-	6,214	(6,214)	27,052	37,287	(10,235)	28,137	(1,086)
6110 INSURANCE	4,220	4,569	(349)	25,319	27,415	(2,096)	30,490	(5,171)
6120 LAB FEES	3,562	3,671	(109)	19,711	18,353	1,358	18,471	1,240
6121 PROFESSIONAL SERVICE	1,770	17,426	(15,656)	5,390	18,926	(13,536)	7,714	(2,324)
6125 CONTRACTED SERVICES	-	1,250	(1,250)	7,928	7,500	428	7,230	698
6130 MISCELLANEOUS EXPENSE	170	224	(54)	1,494	1,120	374	1,511	(16)
6135 POSTAGE	-	7	(7)	-	34	(34)	87	(87)
6140 RENTAL AND LEASE	-	8	(8)	-	38	(38)	35	(35)
6160 TOOLS & SMALL EQUIPM	114	820	(706)	2,094	4,100	(2,006)	3,214	(1,120)
6180 BUILDING REPAIR & MA	-	397	(397)	24	2,384	(2,359)	1,479	(1,455)
6185 SLUDGE REMOVAL	-	-	-	13,257	13,000	257	9,393	3,864
6660 MISCELLANEOUS MATERI	-	68	(68)	320	340	(20)	311	9
6665 FREIGHT EXPENSE	-	27	(27)	-	165	(165)	189	(189)
	42,774	70,995	(28,221)	306,397	337,943	(31,546)	269,788	36,609

The Wastewater Treatment Plant is currently \$ 32k under budget with chemicals and professional services comprising 3/4 of the variance (audit costs have not yet been expensed and the Beacon system upgrade is underway but not completed. This, coupled with utility savings, lower insurance premiums and fewer repairs were able to offset slightly higher lab fees and vehicle costs. As compared to the previous year, total expenses have increased by almost \$37k or 13.5% with salary and benefits being higher due to full six months of benefits for all three operators (*i.e. Jason was hired Aug 2017 and benefits did not begin until October*). Salaries and benefits were \$18k higher, utilities were \$9k higher and repair costs were more than double that incurred at 12/31/17.

ACCOUNTS

MAINTENANCE

CURRENT PERIOD		
ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE

YEAR-TO-DATE		
ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE

2018 vs 2017	
ACTUAL 12/31/2017	VARIANCE

6010 SALARIES	18,938	16,500	2,438
6020 PAYROLL TAX	1,420	1,300	120
6030 EMPLOYEE BENEFITS	8,938	7,900	1,038
6040 UNIFORMS	144		144
6050 TRAINING EXPENSE	-	166	(166)
6060 RETIREMENT FUNDING	6,639	3,500	3,139
6070 UTILITIES	1,011	1,176	(165)
6080 GAS AND OIL	1,101	1,672	(571)
6090 EQUIPMENT REPAIR & M	259	756	(497)
6100 SUPPLIES	78	707	(629)
6105 CHEMICALS	3,598	3,486	111
6110 INSURANCE	1,612	2,161	(549)
6121 PROFESSIONAL SERVICE	729	84	645
6130 MISCELLANEOUS EXPENSE	132	212	(80)
6135 POSTAGE	-	37	(37)
6140 RENTAL AND LEASE	47	242	(195)
6160 TOOLS & SMALL EQUIPM	865	1,360	(495)
6180 BUILDING REPAIR & MA	230	810	(580)
6650 INVENTORY EXPENSE	1,860	2,500	(640)
6660 MISCELLANEOUS MATERI	3,213	588	2,625
6665 FREIGHT EXPENSE	-	220	(220)
6670 CAPITAL COST/LABOR &	(1,233)	(750)	(483)
	49,579	44,627	4,952

	125,121	111,900	13,221
	9,397	8,600	797
	52,074	47,600	4,474
	2,711	2,500	211
	489	998	(510)
	26,515	24,000	2,515
	5,615	5,880	(265)
	8,130	8,358	(228)
	4,295	3,782	513
	1,828	3,536	(1,707)
	16,944	20,917	(3,974)
	9,674	12,965	(3,291)
	882	421	460
	1,361	1,059	302
	-	221	(221)
	389	1,212	(823)
	8,819	6,798	2,022
	828	4,052	(3,224)
	22,096	15,000	7,096
	8,134	3,530	4,604
	-	1,098	(1,098)
	(6,375)	(3,750)	(2,625)
	298,925	280,675	18,249

	129,514	(4,394)
	9,779	(382)
	52,291	(217)
	2,005	707
	1,197	(709)
	24,841	1,674
	4,849	766
	9,157	(1,027)
	1,909	2,386
	2,989	(1,161)
	19,609	(2,666)
	18,812	(9,138)
	834	48
	1,283	78
	383	(383)
	203	186
	12,900	(4,081)
	5,668	(4,840)
	13,946	8,149
	1,595	6,539
	1,354	(1,354)
	(5,873)	(503)
	309,244	(10,319)

The Maintenance department is operating \$18k over budget for the year but \$10k less than recorded the previous year. Actual costs related to inventory and miscellaneous materials are double the amount budgeted for the first half of the year while chemicals, insurance, and building repairs were lower. Salary and benefit information is skewed because of an error in my formulas. As compared to 12/31/17, expenses are 3.5% lower with savings derived from lower repairs and tool purchases which were necessary after the 2017 break-in.

ACCOUNTS	CURRENT PERIOD			YEAR-TO-DATE			2018 vs 2017	
	ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE	ACTUAL 12/31/2018	BUDGET 12/31/2018	VARIANCE	ACTUAL 12/31/2017	VARIANCE
COMMISSION								
6010 SALARIES	750	750	-	4,500	4,500	-	4,500	-
6110 INSURANCE	316	796	(480)	2,973	5,007	(2,034)	5,594	(2,621)
6150 ATTORNEY FEES	500	500	-	7,058	3,000	4,058	3,000	4,058
6676 INTEREST EXP WWTP -	920	875	45	5,523	5,250	273	6,007	(484)
6678 INTEREST EXP WTP - R	3,960	8,333	(4,373)	24,260	50,000	(25,740)	37,320	(13,060)
6680 DEPRECIATION EXPENSE	64,167	64,167	0	385,000	385,000	0	384,203	798
6699 KIA SERVICING FEE EX	267	267	0	1,602	1,600	2	1,944	(342)
	70,881	75,687	(4,807)	430,915	454,357	(23,442)	442,567	(11,652)

Commission expenses are lower than budget due to timing of the draws on the construction loan being more back end loaded rather than occurring at the first of the fiscal year. Attorney fees were over budget due to the costs involved with refinancing the old RD loan into a KADD lease.

256,477	284,669	(28,192)	1,564,446	1,690,340	(125,894)	1,546,175	18,271
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**PRINCETON WATER & WASTEWATER COMMISSION
MEETING AGENDA**

**MAY 30, 2019
4:00 PM**

*Postponed No Quorum
Rescheduled 6-5-19*

1. CALL TO ORDER
2. ROLL CALL
3. RECOGNITION OF VISITORS
4. READING OF MINUTES
5. FINANCIAL STATEMENTS
6. APPROVAL OF BILLS
7. SYSTEM EXPANSION AND OLD BUSINESS
 - ❖ CONSTRUCTION PAY REQUEST #9
 - ❖ CHANGE ORDER SKYLINE TANK
 - ❖ PAVING SCHEDULE UPDATE
8. NEW BUSINESS AND SUPERINTENDENT'S REPORT
 - ❖ BUDGET FY2020
 - ❖ NEW RATE PROPOSAL
9. EXECUTIVE SESSION
10. ADJOURN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – May 9, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, May 9, 2019.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens and Jay Parrent along with Superintendent James Noel. Attorney Todd Wetzel was absent with prior notification. Visitors present were Cory Borum, Hethcoat & Davis Engineer; Rory and Randy Bush, Thornton, Musso, & Bellemin Water Treatment Consultants; and Mayor Kota Young.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the March meeting were reviewed with a motion made by Irl Stevens and seconded by Pat George to approve the minutes as written. All Ayes. The financial statements for March were presented and reviewed by Ms. Musgove along with comparisons of YTD data with previous YTD data. Through the 3rd quarter, Net Income was almost \$144,000 ahead of projections. A motion was made by Irl Stevens and seconded by Jay Parrent to approve the financial statements. All Ayes. The March bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on the work still to be completed on the water line project which includes all of the meter vaults and master meters; numerous tie-ins and approximately 300-400 ft of line on Sandlick Rd. The largest items still to be completed include the railroad bridge crossing and paving. Skyline tank project is also underway with sandblasting completed on the interior and the exterior being started. Documentation was presented for the 8th pay request in the amount of \$164,143.78. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the draw as submitted. In addition, Change Order # 2 was submitted for approval in the amount of \$172,427.45 for additional work and engineering required for the line crossing the bridge over the railroad. In addition to the increased amount of the project, JSJ Construction also requested a 137 day extension to allow for the subcontractor to complete the bridge construction and also for delays due to wet weather and multiple connections that were not identified prior to starting the project. A motion was made by Irl Stevens and seconded by Brent Ladd to approve the change order and extension of time for the construction. All Ayes.

Regarding the paving situation, Mayor Young advised that the RR crossing at the junction of Hwy 62W and Hwy 91 at Druthers Corner was to be shut down around the first of June for several days while the crossing is reworked and paved. The westbound traffic will have to travel through Maple and Baldwin in order to get to the 62W Industrial and Retail areas. Rogers Group representative Craig Wyatt has stated the Maple St paving should be postponed until AFTER the intersection is complete in order to keep extra traffic off the new pavement. Cory Borum stated the areas would be milled so that a "smoother" surface would be available. All parties are working together in order to cause the least amount of disruption to the City.

V. New Business and Superintendent's Report

- (a) Ms. Musgove presented the chemical bids received for the upcoming fiscal year. Several companies submitted very competitive bids with many changes taking place for the upcoming year. A motion was made by Jay Parrent and seconded by Pat George to accept the chemical bids as presented. All Ayes.
- (b) Randy Bush presented a proposal by TMB to begin a CLO2 trial at the WTP for 90 days. The addition of CLO2 should reduce our disinfectant by-products by 30% and eliminate the use of peroxide and ferris plus. It should also reduce the amount of flushing required during the hotter months of the year. A motion was made by Pat George and seconded by Jay Parrent to authorize the company to begin the trial. All Ayes.

VI. Adjourn

Jay Parrent made a motion seconded by Pat George to adjourn. All Ayes. Meeting was adjourned.

Princeton Water & WasteWater
Financial Results for Ten Months Ending April 30, 2019

Results for the Month of April

- Water sales again outpaced the projections and were almost \$ 4k higher for the month but was not enough to offset the lagging sewer sales which were under budget by almost \$14k.
- Other operating income categories fell almost \$2k short and combined to total slightly > \$23k. However, the system collected another \$11.1k in non-recurring revenue listed as Other Income from a second insurance reimbursement at the WWTP.
- Total Operating Revenues for the month of April were \$11.7 under budget.
- Continuing the trend, operating expenses for the month were under budget by almost \$10.5k with lower salaries and benefits, chemical and lab fees, and repair costs being able to offset higher utilities and higher inventory and miscellaneous material charges related to the ongoing sewer and water line improvements.
- Income from operations fell short of budget by almost \$1.3k with the lower expenses not being able to offset the sluggish sewer sales.
- With the insurance reimbursement and continued savings on interest expense, the budgeted net loss ended up being \$13.6k less than the projected loss of \$29.5k.
- Still, the Commission generated positive cash flow of \$30,817 after covering its scheduled principal and interest payments by a 2.37x DSC ratio.

Year to Date Results

- For the year, water revenues are \$52k over budget while sewer revenues are down by \$ 36k.
- Customer service fees, penalty income, farm income and other charges derived from new accounts and meter settings, etc., are performing slightly under but has added > \$283k to the Commission's revenue sources.
- Total Operating Revenues for the year are \$ 12k higher than the projections based on the strength of water sales.
- Utilities, insurance, and costs associated with the sewer and water line upgrades continue to be higher than budget and, as mentioned in the previous month, for the most part are dependent on external factors. Categories where management can exert influence and scrutiny, such as salaries and benefits, chemicals and lab fees, repairs and maintenance, supplies and professional services) continue to operate with positive variances and have been able to offset the \$44,000 in categories that were over budget.
- Total income from operations exceeded the budgeted amount by ~ \$96k while lower interest expense and non-recurring income from insurance reimbursements have positively affected the bottom line by > \$60,000.
- YTD Net Income now totals \$114.4k and exceeds the budgeted loss of - \$42.4k by almost \$157k
- For the year, the Commission has generated over \$582k in excess cash after debt service and the debt service coverage ratio for the year stands at 3.58x.

Princeton Water & Wastewater Commission
Condensed Income Statement
April 30, 2019

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Annual Budget
Operating Income						
Water Sales	118,391	114,300	1,272,129	1,220,200	51,929	1,483,000
Sewer Sales	97,666	111,600	1,126,202	1,162,600	(36,398)	1,395,000
Customer Service Fees	16,370	16,583	163,910	165,833	(1,923)	199,000
Penalty Income	4,017	5,417	49,202	54,167	(4,965)	65,000
Farm Income	-	-	34,500	34,500	-	34,500
Other Operating Income	2,970	3,250	35,930	32,500	3,430	39,000
Operating Revenues	239,413	251,150	2,681,873	2,669,800	12,073	3,215,500
Operating Expenses						
Salaries & Benefits	101,338	116,783	1,054,767	1,087,733	(32,966)	1,284,100
Utilities	34,241	32,375	300,210	292,094	8,116	388,500
Chemicals & Lab Fees	21,458	24,417	189,672	229,451	(39,779)	293,000
Insurance	9,965	9,911	102,028	100,177	1,851	120,000
Bldg & Equip Repair & Maintenance	5,660	10,000	60,031	90,397	(30,366)	120,000
Supplies, Postage & Credit Card Fees	2,410	2,917	23,127	27,798	(4,671)	35,000
Professional Services & Consulting	1,464	2,834	47,711	62,247	(14,536)	68,000
Sludge Removal	-	-	13,257	13,000	257	23,000
Tools, Inventory & Misc Material	20,048	5,917	90,796	56,349	34,447	71,000
Gas & Oil	402	1,917	16,733	17,250	(517)	23,000
Freight, Rental & Lease, & Misc	752	1,333	8,266	12,260	(3,994)	16,000
Capital Cost/ Labor & Machinery	(550)	(750)	(8,625)	(6,750)	(1,875)	(9,000)
Operating Expenses	197,187	207,654	1,897,972	1,982,005	(84,033)	2,432,600
Total Income (Loss) from Operations	42,226	43,496	783,901	687,795	96,106	782,900
Other Income (Expense)						
Interest Income	15	-	146	-	-	-
Grant Revenue	-	-	-	-	-	-
Other Income	11,139	625	24,028	6,250	17,778	7,500
Depreciation Expense	(64,167)	(64,167)	(641,667)	(641,667)	(0)	(770,000)
Interest and Loan Fee Expense	(5,148)	(9,475)	(51,976)	(94,750)	42,774	(113,700)
Other Income (Expense)	(58,161)	(73,017)	(669,469)	(730,167)	60,698	(876,200)
Net Income (Loss)	(15,935)	(29,521)	114,432	(42,372)	156,804	(93,300)
Cash Available for Debt Service less Grant	53,380	44,121	808,074	694,045	114,029	790,400
LESS: Scheduled Principal and Interest	(22,563)	(22,563)	(225,630)	(225,630)	-	(270,756)
Excess Cash	30,817	21,558	582,444	468,415	114,029	519,644
Debt Service Coverage Ratio	2.37	1.96	3.58	3.08		2.92
(Net Inc + Deprec + Amort + Int Exp) /						
(Principal Pmt+ Interest Exp)						

PRINCETON WATER & WASTEWATER ENERGY COSTS

	FY2016 Totals & Averages	FY2017 Totals & Averages	FY2018 Totals & Averages	FY2019 YTD & Averages	FY2019 Annualized	
Administration						
101 E. Market (office)						
Kilowatt Hrs Used	14,540	16,738	16,629	11,517	13,820	-4.9%
Cost (excluding school tax)	\$ 2,068.56	\$ 2,386.88	\$ 2,512.72	\$ 1,918.05	\$ 2,302	11.3%
<i>Cost Per kw</i>	<i>0.14227</i>	<i>0.14260</i>	<i>0.15110</i>	<i>0.16654</i>		
Average Increase Since FY2016			6.21%	17.06%		
WTP - Water Tanks						
Total Water Tanks Kw Used	57,260	58,705	55,894	49,235	59,082	3.2%
Total Water Tanks Cost	\$ 7,832	\$ 8,229	\$ 8,324	\$ 7,844	\$ 9,413	20.2%
Total Water Tanks Cost Per Kw	0.13678	0.14017	0.14893	0.15932		
Average Increase Since FY2016			8.88%	16.48%		
Maintenance						
Total Maintenance Kw Used	28,073	32,924	23,472	17,677	21,212	-24.4%
Total Maintenance Cost	\$ 4,009	\$ 4,695	\$ 3,759	\$ 3,068	\$ 3,681	-8.2%
Total Maintenance Cost Per Kw	0.14281	0.14259	0.16013	0.17354		
Average Increase Since FY2016			12.13%	21.52%		
WWTP - Lift Stations						
Total Lift Stations kw Used	190,211	142,530	123,378	106,142	127,370	-33.0%
Total Lift Stations Cost	\$ 28,047	\$ 22,876	\$ 19,320	\$ 16,845	\$ 20,214	-27.9%
Total Lift Stations Cost per kw	0.14745	0.16050	0.15660	0.15871		
Average Increase Since FY2016			6.20%	7.63%		
New Sewage Plant						
Kilowatt Hrs Used	1,056,400	1,131,000	1,082,200	886,000	1,063,200	0.6%
Cost (excluding school tax)	\$ 126,852	\$ 143,029	\$ 145,867	\$ 132,037	\$ 158,444	24.9%
<i>Cost Per kw</i>	<i>0.12008</i>	<i>0.12646</i>	<i>0.13479</i>	<i>0.14903</i>		
Average Increase Since FY2016			12.25%	24.11%		
Total Wastewater kw Used	1,246,611	1,273,530	1,205,578	992,142	1,190,570	-4.5%
Total Wastewater Cost	\$ 154,899	\$ 165,905	\$ 165,187	\$ 148,882	\$ 178,658	15.3%
Total Wastewater Cost per kw	0.12426	0.13027	0.13702	0.15006		
Average Increase Since FY2016			10.27%	20.77%		
Totals for PWWC						
Kilowatt Hrs Used	1,346,484	1,381,897	1,301,573	1,070,571	1,284,685	-4.6%
Cost (excluding school tax)	\$ 168,809	\$ 181,216	\$ 179,783	\$ 161,712	\$ 194,054	15.0%
<i>Cost Per kw</i>	<i>0.12537</i>	<i>0.13114</i>	<i>0.13813</i>	<i>0.15105</i>		
Average Increase Since FY2016			10.18%	20.48%		

Since the last sewer rate increase was effective on 7-1-16, the Cost per KW hour has increased 20.48% overall for all PEPB provided entities. Although measures have been taken to conserve energy and the KW hrs were reduced by 4.6%, the total dollars spent increased by 15%. The greatest increase was at the Sewer Plant where electricity charges increased almost 25% even though usage increased by less than 1%. Major decreases were realized at the maintenance shop due to the new, more energy efficient building and at the lift stations due to replacement of pumps and installation of VFDs.

ENERGY USAGE AT WATER TREATMENT PLANT

Reading Date	FY2013	FY2014	FY2016	FY2017	FY2018	Annualized	
Kilowatts Used	TOTALS	TOTALS	TOTALS	TOTALS	TOTALS	YTD 2019	
	1,631,000	1,623,000	1,520,500	1,461,000	1,578,000	1,631,400	0.02%
Charge for Kilowatts Used	\$ 66,876	\$ 68,093	\$ 66,341	\$ 61,875	\$ 66,012	89,859	
Increase for Environmental Charge	\$ 4,812	\$ 4,758	\$ 4,623	\$ 4,479	\$ 4,872	1,290	
TVA Fuel Cost Adjustment	\$ 40,104	\$ 37,512	\$ 30,065	\$ 32,001	\$ 31,321	8,337	
Demand	\$ 45,609	\$ 44,691	\$ 47,704	\$ 48,193	\$ 54,563	59,077	
Total Cost for Usage(excludes tax)	\$ 157,401	\$ 155,054	\$ 148,733	\$ 146,548	\$ 156,768	\$ 158,563	
Cost per KW	\$ 0.09651	\$ 0.09554	\$ 0.09782	\$ 0.10031	\$ 0.09935	\$ 0.09719	0.71%
Plant Operating Hours	5,180.80	5,207.80	4,854.75	4,715.60	4,584.95	4,485	-13.43%
Kilowatts Used per Operating Hour	314.82	311.65	313.20	309.82	344.17	363.74	15.54%
Cost per Operating Hour	\$ 30.38	\$ 29.77	\$ 30.64	\$ 31.08	\$ 34.19	\$ 35.35	16.36%
Water Treated (cubic feet)	84,204,011	83,684,626	78,105,481	77,549,599	78,472,326	76,791,817	-8.80%
Cu Ft Treated per Operating Hour	16,253	16,069	16,088	16,445	17,115	17,121	
Gallons Treated /Operating Hour	121,573	120,197	120,342	123,011	128,022	128,069	
Cubic Feet Treated per kilowatt used	51.63	51.56	51.37	53.08	49.73	47.07	-8.83%
Gallons Treated per Kilowatt used	386.17	385.68	384.23	397.04	371.97	352.09	-8.83%
Cost per 1,000 Gallons Treated	\$ 0.250	\$ 0.248	\$ 0.255	\$ 0.253	\$ 0.267	\$ 0.276	10.46%

The last water increase for PWWC was effective 9-1-14. Data indicates that TVA based rates have fluctuated very little since FY2013 with 2019 rates averaging less than 1% higher than six years earlier. Rate stability is a large key to the cost of treating water and steps have been taken by management to better utilize staff and lower plant operating hours. Operating hours have decreased by 13.43% with almost 9% decrease in water being treated. However, even though the plant is treating > 55 million gallons less than it did in FY2013, the kilowatt usage has remaining steady. By treating less water with the same amount of energy, the cost to treat has risen by > 10% without the increase being attributable to a rise in rates.

WATER RATES - PRINCETON WATER & WASTEWATER - CITY CUSTOMERS

Last Changed: September 1, 2014

Minimums
HNEA

360

860

1550

2580

5,430

8,550

Rate Code	Existing Rate Schedule for City Customers						Min/100 cuft	Proposed Rates for City Customers				Min/100 cuft
	Meter Size											
101	5/8"	First	150	cuft	\$ 8.60	Minimum	\$ 5.73	First	150	\$ 8.60	Minimum	\$ 5.73
		Next	950	cuft	\$ 3.07	per 100 cuft		Next	950	\$ 3.36	per 100 cuft	
		Next	8,900	cuft	\$ 2.67	per 100 cuft		Over	1,100	\$ 2.97	per 100 cuft	
		Over	10,000	cuft	\$ 2.29	per 100 cuft						
102	1.0"	First	750	cuft	\$ 27.00	Minimum	\$ 3.60	First	750	\$ 28.76	Minimum	\$ 3.83
		Next	350	cuft	\$ 3.07	per 100 cuft		Next	350	\$ 3.36	per 100 cuft	
		Next	8,900	cuft	\$ 2.67	per 100 cuft		Over	1,100	\$ 2.97	per 100 cuft	
		Over	10,000	cuft	\$ 2.29	per 100 cuft						
103	1.5"	First	2,000	cuft	\$ 61.80	Minimum	\$ 3.09	First	2,000	\$ 67.25	Minimum	\$ 3.36
		Next	8,000	cuft	\$ 2.67	per 100 cuft		Over	2,000	\$ 2.97	per 100 cuft	
		Over	10,000	cuft	\$ 2.29	per 100 cuft						
104	2.0"	First	3,800	cuft	\$ 109.94	Minimum	\$ 2.89	First	3,800	\$ 120.71	Minimum	\$ 3.18
		Next	6,200	cuft	\$ 2.67	per 100 cuft		Over	3,800	\$ 2.97	per 100 cuft	
		Over	10,000	cuft	\$ 2.29	per 100 cuft						
105	3.0"	First	7,400	cuft	\$ 206.20	Minimum	\$ 2.79	First	7,400	\$ 227.63	Minimum	\$ 3.08
		Next	2,600	cuft	\$ 2.67	per 100 cuft		Over	7,400	\$ 2.97	per 100 cuft	
		Over	10,000	cuft	\$ 2.29	per 100 cuft						
106	4.0"	First	19,450	cuft	\$ 491.86	Minimum	\$ 2.53	First	19,450	\$ 585.52	Minimum	\$ 3.01
		Over	19,450	cuft	\$ 2.29	per 100 cuft		Over	19,450	\$ 2.97	per 100 cuft	
107	Water Districts - No Minimum Bill				\$ 2.2871	per 100 cuft		Raise by \$0.30		90% of Lowest Tier		
110	Water Districts - No Minimum Bill				\$ 3.0576	per 1000 Gal		\$ 2.5871 / 100 cuft		\$ 2.6730 / 100 cuft		
								\$ 3.4587 / 1000 Gal		\$ 3.5735 / 1000 Gal		

Current data indicates the cost to treat water is approximately \$3.36 per 100 cuft or \$1.07 more than the highest users pay currently. Residential customers who use the minimum 150 cuft are currently paying \$5.73 per 100 cuft as compared to the minimum bill of the largest industries paying \$2.53 per 100 cuft. This proposal will collapse one tier and move the second tier to the full cost price while bumping up the lowest tier to \$2.97, a 30% increase. As future increases move closer to realizing full cost pricing, all tiers past the minimum levels will be collapsed and the smallest users should pay less. Average residential customer uses 6,500 gallons per month or 869 cuft. The current water bill is \$31.56 and the proposed bill would increase to \$32.76 a mere 3.8% increase since the minimum is already being charged at a much higher rate.

SEWER RATES - PRINCETON WATER AND WASTEWATER COMMISSION

Last Changed: July 1, 2016

Rate Code	Existing Rate Schedule for City Customers						Proposed Rates for City Customers				Min Inc %		
	Meter Size												
301	5/8 "	First	150	cuft	\$	10.41	Minimum	First	150	\$	10.86	Minimum	4.32%
		Next	950	cuft	\$	6.53	per 100 cuft	Over	150	\$	7.24	per 100 cuft	
		Next	8,900	cuft	\$	6.55	per 100 cuft						
		Over	10,000	cuft	\$	6.63	per 100 cuft						
302	1.0 "	First	750	cuft	\$	49.59	Minimum	First	750	\$	54.30	Minimum	9.50%
		Next	350	cuft	\$	6.53	per 100 cuft	Over	750	\$	7.24	per 100 cuft	
		Next	8,900	cuft	\$	6.55	per 100 cuft						
		Over	10,000	cuft	\$	6.63	per 100 cuft						
303	1.5 "	First	2,000	cuft	\$	131.42	Minimum	First	2,000	\$	144.80	Minimum	10.18%
		Next	8,000	cuft	\$	6.55	per 100 cuft	Over	2,000	\$	7.24	per 100 cuft	
		Over	10,000	cuft	\$	6.63	per 100 cuft						
304	2.0 "	First	3,800	cuft	\$	249.35	Minimum	First	3,800	\$	275.12	Minimum	10.33%
		Next	6,200	cuft	\$	6.55	per 100 cuft	Over	3,800	\$	7.24	per 100 cuft	
		Over	10,000	cuft	\$	6.63	per 100 cuft						
305	3.0 "	First	7,400	cuft	\$	485.22	Minimum	First	7,400	\$	535.76	Minimum	10.42%
		Next	2,600	cuft	\$	6.55	per 100 cuft	Over	7,400	\$	7.24	per 100 cuft	
		Over	10,000	cuft	\$	6.63	per 100 cuft						
306	4.0 "	First	19,450	cuft	\$	1,282.32	Minimum	First	19,450	\$	1,408.18	Minimum	9.82%
309		Over	19,450	cuft	\$	6.63	per 100 cuft	Over	19,450	\$	7.24	per 100 cuft	

Current data shows the cost to treat wastewater is \$7.69 per 100 cuft or \$1.06 more than the highest user pays. Collapsing all tiers and implementing an approximate 10% increase over the highest tier comes to \$7.24 per 100 cuft or 94% of full costing versus the current 85% level we are at currently. Future increases can be accomplished easier as changes occur since all minimums are based on same cuft pricing. Average residential customer uses approximately 6,500 gallons per month or 869 cuft. This usage currently would cost the consumer \$57.36 and will now cost \$62.92 an increase of 9.7%.



401 East Ninth Street
 P.O. Box 628
 Hopkinsville, KY 42241-0628
 Phone 270-887-4246
 Fax 270-887-2798
 www.hwea-ky.com

July 1, 2018

HWEA Water / Wastewater Rate Schedule

Hopkinsville Water Rate Schedule

Minimum bill 300 cubic feet or less = \$13.05
 All over 300 cubic feet = \$4.35 per 100 cubic feet

Meter Minimum Rate

5/8" =	\$13.05	per month	300 cubic feet
3/4" =	\$26.47	per month	610 cubic feet
1" =	\$37.30	per month	860 cubic feet
1 1/2" =	\$67.24	per month	1,550 cubic feet
2" =	\$111.92	per month	2,580 cubic feet
3" =	\$235.56	per month	5,430 cubic feet
4" =	\$370.90	per month	8,550 cubic feet
6" =	\$1,240.65	per month	28,600 cubic feet
8" =	\$8,111.92	per month	187,000 cubic feet

Hopkinsville Wastewater Rate Schedule

Minimum bill 300 cubic feet or less = \$14.16
 All over 300 cubic feet \$4.72 per 100 cubic feet

Pembroke Water Rate Schedule

Minimum bill 300 cubic feet or less = \$10.56
 All over 300 cubic feet = \$3.52 per 100 cubic feet

Pembroke Wastewater Rate Schedule

Minimum bill 300 cubic feet or less = \$19.33
 All over 300 cubic feet = \$5.68 per 100 cubic feet

Crofton Water Rate Schedule

Minimum bill 300 cubic feet or less = \$16.32
 All over 300 cubic feet = \$3.35 per 100 cubic feet

Crofton Wastewater Rate Schedule

Minimum bill 150 cubic feet or less = \$12.50
 All over 150 cubic feet = \$3.60 per 100 cubic feet



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July 1, 2018

HWEA Water / Wastewater Rate Schedule

Oak Grove Wastewater Rate Schedule

Minimum bill 1,000 gallons or less = \$21.28
 All over 1,000 gallons = \$6.21 per 1,000 gallons

HWEA Private Fire Protection Connection

Rates And Charges Non-Metered
 Billed Semi-Annually In Advance

2" = \$95.58 per year	8" = \$1,249.91 per year
3" = \$95.58 per year	10" = \$2,242.50 per year
4" = \$205.87 per year	12" = \$3,639.45 per year
6" = \$588.19 per year	

HWEA Service Fees

After Hours Meter Set	\$75
After Hours Reconnection Fee	\$75
Meter Test Fee	\$75
Credit Card Chargebacks	\$50
ACH Rejects	\$50
Returned Checks	\$50
Service Reconnection Fee	\$50
Meter Set / New Account Fee	\$35
Meter Tap Surcharge	\$20
Dual Fire Flow Test	\$250

HWEA Hours of Operation

7:30 am - 4:30 pm	Drive-Thru
8:00 am - 4:30 pm	Main Office Lobby

2018 Proposed Budget

		NO Changes			
		Actual YTD	10 Annualized	FY 2020 BUDGET	FY 2020 w/increases
4000	WATER SALES	1,272,129	1,526,555	1,540,000	1,643,000 Collapse last tier. Raise all tiers by \$0.30. Cost = \$3.36
4010	SEWER SALES	1,126,202	1,351,442	1,345,000	1,477,000 Collapse all tiers. Raise to \$7.24/100 cuft. Cost = \$7.69
4015	CUSTOMER SERVICE FEE	163,910	196,692	197,000	240,000 Raise CSF to \$6 for all accts
4020	PENALTY INCOME	49,202	59,043	60,000	60,000
4030	SALE OF STORES	9,604	11,525	12,000	12,000
4040	LABOR SALES	5,175	6,210	6,000	6,000
4046	BANK CUST. CONV. FEE	1,161	1,393	1,000	1,000
4050	EQUIPMENT RENTAL	3,450	4,140	4,000	4,000
4065	INT INCOME	146	175	-	-
4080	MISC INCOME SC & CONN.	16,540	19,848	20,000	20,000 Reconnect fees & Misc billing
4082	MISC INC-GENERAL	24,028	24,028	7,500	7,500
4085	FARM RENTAL INCOME	34,500	34,500	34,500	34,500
4087	RECOVERY OF BAD DEBTS	-	-	-	-
4090	DISCOUNTS TAKEN	-	-	-	-
4095	PMT PLAN MISC INVOICE	-	-	-	-
4098	GRANT REVENUE	-	-	-	- Grant Funds will pay for Project
TOTAL REVENUES		2,706,047	3,235,550	3,227,000	3,505,000
6010	SALARIES	638,096	765,716	808,500	808,500 11 wks VAC payout + 2.5% inc + BOARD + Xmas + OT
6020	PAYROLL TAX	47,536	57,043	61,000	61,000 7.65% on total salaries less Board commissions
6030	EMPLOYEE BENEFITS	228,147	273,776	297,000	297,000 6% increase + all @ Fam or Emp+Spouse
6040	UNIFORMS	4,641	5,569	5,000	5,000
6050	TRAINING EXPENSE	4,917	5,900	6,000	6,000
6060	RETIREMENT FUND	131,431	157,717	187,000	187,000 24.06% less Commission
6070	UTILITIES	300,210	400,280	420,000	420,000 5% increase over annualized amt
6080	GASOLINE & OIL	16,733	22,311	25,000	25,000
6090	EQUIPMENT REPAIR & MAINT	52,093	69,457	75,000	75,000
6100	SUPPLIES	13,705	18,274	20,000	20,000
6105	CHEMICALS	142,791	190,389	210,000	210,000 Add'l \$20k net for CLO2
6110	INSURANCE	102,028	122,434	125,000	125,000 liability/property = \$97k + wkrs comp = \$23k
6120	PROF.SERVICES(LAB FEES)	46,880	62,507	63,000	63,000
6121	PROF.SERVICES(OTHER)	21,389	25,667	30,000	30,000
6122	DATA PROCESSING	9,336	11,203	12,000	12,000 QS1
6125	CONTRACTED SERVICES	7,928	9,513	12,500	12,500 Envision Sewer Camera
6130	MISCELLANEOUS EXPENSE	7,606	9,127	10,000	10,000
6135	POSTAGE EXPENSE	9,421	11,305	12,000	12,000
6140	RENTAL & LEASE	571	685	5,000	5,000
6150	ATTORNEYS FEES	9,058	10,058	6,000	6,000
6160	TOOLS & EQUIPMENT	13,513	18,018	20,000	20,000

2018 Proposed Budget

		NO Changes			
		10	FY 2020	FY 2020	
		Actual YTD	Annualized	BUDGET	w/Increases
6180	BUILDING REPAIR & MAINT	7,939	9,527	15,000	15,000
6185	SLUDGE REMOVAL	13,257	26,514	90,000	90,000 WTP Lagoons @ 65k + WWTP \$25k
6200	SEWER REPAIRS	-	-	-	-
6210	WATER REPAIRS	-	-	-	-
6650	INVENTORY EXP	45,558	54,669	40,000	40,000
6660	MISC MATERIAL EXPENSE	31,725	38,070	15,000	15,000
6665	FREIGHT EXPENSE	74	89	1,500	1,500
6670	CAPITAL COST/LABOR/MACH.	(8,625)	(10,350)	(10,000)	(10,000)
6676	KIA INTEREST EXP.(WWTP)	9,204	11,045	10,000	10,000 ARRA + Fund A + Fund B
6678	RD INTEREST EXPENSE (WTP)	40,102	48,122	84,738	84,738 Fully drawn 2.739M (3mo @ Planters + 9 mo @ 2.625%)
6680	DEPRECIATION EXPENSE	641,667	770,000	832,000	920,000 After construction, deprec expense will increase ~ \$88k
6699	FEE EXPENSE	2,670	3,204	5,000	5,000
TOTAL EXPENSES		2,591,600	3,197,837	3,493,238	3,581,238
NET INCOME		114,447	37,713	(266,238)	(76,238)
CASH AVAILABLE		805,419	866,880	660,500	938,500
SCHEDULED DEBT SERVICE		278,172	278,172	278,085	278,085
COVERAGE RATIO		2.90	3.12	2.38	3.37
Cash After Debt Service		\$ 527,247	\$ 588,708	\$ 382,415	\$ 660,415

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - APRIL 2019**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
PRINCIPAL LIFE	4/1/2019	E-CHECK	\$ 314.64	
CERS-COUNTY RETIREMENT	4/1/2019	E-CHECK	\$ 14,386.29	
KENTUCKY DEPT OF REVENUE	4/1/2019	E-CHECK	\$ 2,502.23	
EFTPS	4/5/2019	E-CHECK	\$ 3,536.62	
KENTUCKY INSURANCE (BC/BS)	4/9/2019	E-CHECK	\$ 22,760.20	
CALDWELL CO.BD. OF ED.	4/11/2019	E-CHECK	\$ 2,110.48	
LYON COUNTY BD. OF ED.	4/11/2019	E-CHECK	\$ 76.90	
KENTUCKY STATE TREASURER	4/11/2019	E-CHECK	\$ 2,911.37	
EFTPS	4/12/2019	E-CHECK	\$ 3,422.25	
KY LOCAL GOVERNMENT TRUST	4/15/2019	E-CHECK	\$ 1,120.16	
EFTPS	4/19/2019	E-CHECK	\$ 3,508.79	
EFTPS	4/26/2019	E-CHECK	\$ 3,136.99	
EFTPS	4/29/2019	E-CHECK	\$ 109.10	
TOTAL ELECTRONIC CHECKS			\$ 59,896.02	
AT & T MOBILITY	4/2/2019	14601	\$ 35.61	
AIRGAS USA LLC	4/8/2019	14610	\$ 48.30	
AKRIDGE FARM SUPPLY	4/8/2019	14611	\$ 43.97	
BRANDEIS	4/8/2019	14613	\$ 172.00	Belt for Equipment
C.I. THORNBURG CO., INC.	4/8/2019	14614	\$ 4,403.00	
CALDWELL COUNTY TREASURER	4/8/2019	14615	\$ 2,157.39	
CHRIS RAMEY	4/8/2019	14616	\$ 51.62	Training Reimbursement
CITY OF PRINCETON	4/8/2019	14617	\$ 562.73	
COLE LUMBER CO. INC.	4/8/2019	14618	\$ 2,216.85	Mtrls WTP VFD Roof/Control Room
COLEMAN AUTO PARTS	4/8/2019	14619	\$ 616.55	Belts for screw pumps /saw
COMPUTER CONSULT.SRVS.	4/8/2019	14620	\$ 240.00	
DAVID SCOTT	4/8/2019	14621	\$ 18.89	Training Reimbursement
ELECTRIC PLANT BOARD (P'TON)	4/8/2019	14622	\$ 16,511.07	
FORTNER GAS CO.	4/8/2019	14623	\$ 68.00	Two 40# tank refills
G & C SUPPLY CO, INC.	4/8/2019	14624	\$ 425.60	
HACH CHEMICAL CO.	4/8/2019	14625	\$ 1,186.45	
HAYES, ROBERT L.	4/8/2019	14626	\$ 150.00	
I.T.M. INC.	4/8/2019	14627	\$ 30.00	Water Meter Test
LADD, BRENT	4/8/2019	14628	\$ 150.00	
LOWE'S HOME CENTERS, INC.	4/8/2019	14629	\$ 226.41	
MAX ARNOLD & SONS	4/8/2019	14630	\$ 295.51	
MCKEEL EQUIPMENT	4/8/2019	14631	\$ 395.58	Case Backhoe Parts
NEWTEC	4/8/2019	14632	\$ 2,325.00	
OCV CONTROL VALVES, LLC	4/8/2019	14633	\$ 556.89	WTP Repairs
PACE ANALYTICAL SERVICES, LLC	4/8/2019	14634	\$ 1,276.50	Lab Testing
PACE ANALYTICAL SERVICES, LLC	4/8/2019	14635	\$ 1,516.00	Lab Testing
PADUCAH SUN	4/8/2019	14636	\$ 68.00	
PARRENT, JAY	4/8/2019	14637	\$ 150.00	
PATRICIA GEORGE	4/8/2019	14638	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP.	4/8/2019	14639	\$ 13,264.78	
PIONEER MAINTENANCE	4/8/2019	14640	\$ 250.00	
PLANTERS BANK	4/8/2019	14641	\$ 6,157.32	USDA Loan Interest
PROJECT GRADUATION	4/8/2019	14642	\$ 250.00	Donation
ROGERS GROUP INC.	4/8/2019	14643	\$ 2,987.36	Rock for Project

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - APRIL 2019**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
SLEDGES ELECTRIC SERVICE	4/8/2019	14644	\$ 27,411.44	WTP New VFD
STALION TRUCKING CO. LLC	4/8/2019	14645	\$ 1,275.00	Hauling Rock
STEVENS, IRL	4/8/2019	14646	\$ 150.00	
THORNTON-MUSSO-BELLEMIN	4/8/2019	14647	\$ 1,530.00	
TRACY MUSGOVE	4/8/2019	14648	\$ 172.21	Training Reimbursement
TRICE HUGHES CHEVROLET INC.	4/8/2019	14649	\$ 951.66	2008 GMC Repairs
VERIZON WIRELESS	4/8/2019	14650	\$ 604.25	
WCA WASTE SYSTEMS INC	4/8/2019	14651	\$ 385.27	
WETZEL, TODD B. ATTORNEY @ LAW	4/8/2019	14652	\$ 500.00	
DR. STAN ROGERS	4/18/2019	14658	\$ 109.50	Meter Deposit Refund
ATMOS ENERGY	4/18/2019	14660	\$ 355.92	
AT & T	4/18/2019	14664	\$ 1,285.33	
AT & T - U-VERSE	4/22/2019	14670	\$ 186.20	
AT & T MOBILITY	4/22/2019	14671	\$ 35.61	
CARDMEMBER SERVICE	4/22/2019	14672	\$ 442.39	
JIM SMITH CONTRACTING, LLC	4/22/2019	14673	\$ 3,413.72	Sewer Project base mix
JOHN DEERE FINANCIAL	4/22/2019	14674	\$ 818.42	
KENTUCKY DEFERRED COMPENSATION	4/22/2019	14675	\$ 228.00	
MAX ARNOLD & SONS	4/22/2019	14676	\$ 2,839.37	Fill Maint Tanks (1,139 Gal)
MEDIACOM	4/22/2019	14677	\$ 113.99	
NEWTEC	4/22/2019	14678	\$ 2,220.00	
PACE ANALYTICAL SERVICES, LLC	4/22/2019	14679	\$ 1,558.25	Lab Testing
PACE ANALYTICAL SERVICES, LLC	4/22/2019	14680	\$ 2,229.00	Lab Testing
QS/1	4/22/2019	14681	\$ 933.60	
RED BUD SUPPLY	4/22/2019	14682	\$ 1,027.03	
ROGERS GROUP INC.	4/22/2019	14683	\$ 3,777.24	Rock for Project
STALION TRUCKING CO. LLC	4/22/2019	14684	\$ 675.00	Hauling Rock
THORNTON-MUSSO-BELLEMIN	4/22/2019	14685	\$ 3,213.60	
U.S. POSTAL SERVICE	4/22/2019	14686	\$ 1,000.00	
WAL MART	4/22/2019	14687	\$ 122.02	
WEST KENTUCKY RENTAL	4/22/2019	14688	\$ 494.00	Straw/straw mats for Swr Proj
TOTAL CHECKS ISSUED FOR APRIL 2019			\$ 178,911.42	

File

**PRINCETON WATER & WASTEWATER COMMISSION
SPECIAL CALLED MEETING AGENDA
TUESDAY, JULY 2, 2019
4:00 PM**

1. CALL TO ORDER
2. ROLL CALL
3. RECOGNITION OF VISITORS
4. READING OF MINUTES
5. FINANCIAL STATEMENTS
6. APPROVAL OF BILLS
7. SYSTEM EXPANSION AND OLD BUSINESS
 - ❖ CONSTRUCTION PAY REQUEST #10
 - ❖ BRIDGE UPDATE
8. NEW BUSINESS AND SUPERINTENDENT'S REPORT
 - ❖ MEETING AT CITY COUNCIL
 - ❖ WHOLESALE RATE PROPOSAL
9. EXECUTIVE SESSION
10. ADJOURN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 5, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 3:00 P.M. on Wednesday, June 5th in lieu of the regular meeting scheduled for Thursday, May 30th, which was cancelled due to not having a quorum of attendees.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. Irl Stevens was absent with prior notification. Mayor Young was the only visitor present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the May 9th meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The financial statements for April were presented and reviewed by Ms. Musgove. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the financial statements. All Ayes. The April bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on several items of clean-up work that has been ongoing in preparation for the paving along Maple and Varmintrace. The paving job looks good and was well received by the community. Sandlick Rd and Dawson Rd are still in line for paving and should be completed in a few weeks. The materials for the railroad bridge crossing are 3-5 weeks out and reportedly are waiting on the sub-contractor. No update still on a start date for the bridge. A lot of work has been happening on Baldwin Ave "killing" galvanized lines. Skyline tank project is coming along nicely and should be complete at the next meeting. Documentation was presented for the 9th pay request which included draws for the Skyline Tank also bringing the total amount to \$294,279.81. In addition, Change Order # 1 for the Skyline Tank Project was submitted for approval in the amount of \$10,100 for replacing the hatch and vent which were deemed to be worn beyond repair. A motion was made by Jay Parrent and seconded by Brent Ladd to approve both the change order and the pay request. All Ayes.

V. New Business and Superintendent's Report

(a) Ms. Musgove presented the budget for the upcoming fiscal year which includes rate increases for both water and sewer along with a \$1 increase to the monthly customer service fee. Without the rate increase, a loss of more than \$350,000 was projected. This loss included a projected \$88k increase to depreciation expense from where the project will begin to be placed in service. Increases to liability insurance, chemical costs to lower disinfectant by-products and other chemicals to meet regulations, utilities, mandated retirement funding, lagoon cleaning at the WTP and interest cost on the new debt related to the project made the rate increase necessary. Ms. Musgove pointed out that it has been five years since a water increase and three years since a sewer increase was passed and during that time these categories, which are out of the control of management, have all increased significantly despite efforts of management to control costs, limit overtime and utilize employees in dual roles while replacing full time office staff with part-time. The budget also included a 2.5% COLA pool raise for employees which Superintendent Noel will administer based on merit. The new budget projects total revenue at \$3,505,000 against expenses of \$3,581,238 for a net loss of \$76,238. The loss would have been almost eliminated had the increase to the water districts been able to have started at the beginning of the fiscal year versus the September billing. This budget projects to service debt at a 3.37x coverage rate and generate \$660k cash after debt service which will begin a much needed reserve replacement plan since the Commission's assets are approximately 60% depreciated and will be needing replacement and more costly repairs. A motion was made by Brent Ladd and seconded by Pat George to accept the budget as presented. All Ayes. *(A copy of the budget is being included in the minute book)*

(b) Ms. Musgove then went into detail how the rates have been redesigned to be fair and equitable to the citizens and users on the system and to fully compensate the PWWC for the cost it takes to produce and distribute water and treat wastewater. In addition, the redesign will greatly simplify the rate calculation and move from the declining block rate structure, which was popular in the 1980's and was used to attract industry and large users to the system, to a uniform full cost pricing rate structure. With the help of the UNC Environmental Finance Staff, it was decided to approach the water rate redesign in a two step phase since there were four tiers in the original design. With the cost of water being projected at \$3.36/100 cf, the goal would be to get everyone to pay that rate. Currently, the water districts pay only 68% of the cost to produce the water (\$2.29/100 cf) while residential users at the minimum level pay 2.5x that rate. This increase will collapse the last tier of the declining block rate structure which mainly affects wholesale and the largest commercial users and raise that rate to \$2.97 (a 30% increase). The minimum usage for residential users will be increased from 150 to 175 cf without raising the minimum rate (a 16.7% increase) while the second tier usage will be increased from 1100 cf to 2000cf and will be priced at the calculated full cost of \$3.36. While the largest users could see a 30% increase,

they will still be paying only 88% of the true cost it takes to treat, produce, and distribute the water. Nearly ¼ of all customers should see no increase in water rates.

According to Ms. Musgove, sewer rates were easier to address to since the difference in the first and last tier was only \$0.31 and the gap between what was being charged at the lowest tier and the cost to produce was only 16%. The full cost to treat wastewater was calculated at \$7.69/100cf and the decision was made to collapse all tiers and raise the price from \$6.63 to \$7.24/100cf for all levels. Each rate code will now have a minimum depending on the size of the meter and all usage over the minimum will be billed at \$7.24/100cf. This results in a 4.3% increase to the minimum user and 9.2% increase at the higher levels with the average user seeing an increase of 7.9%. After analyzing the results of this restructure, the next step would take the pricing to the full cost. **Chairman Hayes proceeded to read the new Rate Regulation 06-05-2019. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the first reading of the Regulation which serves to increase to both rates as presented and also adds \$1 to the monthly customer service fee. All Ayes. A second reading of the Regulation will take place on Friday, June 7th at 10:00 AM. (A copy of Regulation 06-05-2019 is inserted in the minute book)**

VI. Adjourn

There being no further issues or business to discuss, Brent Ladd made a motion seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 7, 2019**

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 10:00 A.M. on Friday, June 7, 2019 in the PWWC main office.

II. Roll Call and Recognition of Visitors

Superintendent Noel conducted a roll call. The following Commission members were present: Bob Hayes, Pat George, Brent Ladd, and Jay Parrent. Director of Finance Tracy Musgove, Commissioner Irl Stevens and Attorney Todd Wetzel were all absent with prior notification. There were no visitors.

Since the agenda of the meeting consisted of only one item, the approval of minutes from last meeting and the review of financial statements and bills were deferred until the upcoming regular meeting.

III. New Business – Second Reading of Regulation 06-05-2019

Chairman Hayes reviewed Rate Regulation 06-05-2019 and asked if there were any comments or discussion. There being none, he then asked for a motion to adopt the regulation as presented which would be considered the second reading as required by law. The motion to adopt Regulation 06-05-2019 was made by Brent Ladd and seconded by Pat George. All Ayes. The new rates will become effective with the August billing.

IV. Adjourn

There being no further business to discuss, Commissioner Parrent made a motion to adjourn which was then seconded by Brent Ladd. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

Princeton Water & WasteWater
Financial Results for Eleven Months Ending May 31, 2019

Results for the Month of May

- Once again, water sales continued to beat the projections and were almost \$ 2.2k higher for the month; however, sewer sales continued to disappoint and were under budget by almost \$5.6k.
- Other operating income rebounded and was \$2k higher when combined and helped offset some of the sewer deficit.
- With water sales and meter settings helping to offset the sewer declines, Total Operating Revenues for the month of May only fell short of budget by \$1.2k.
- Operating expenses for the month were over budget by almost \$40k in large part due to the ongoing water and sewer project affecting salaries and benefits due to the overtime incurred by maintenance staff installing Maple Ave sewer lines and water treatment personnel working over to make sure the tanks stayed full since the Skyline tank was offline due to the repairs and painting. Tools, inventory and miscellaneous material charges related to the ongoing sewer and water line improvements exceeded budget by \$11k . In addition, May was a five pay period month but was originally scheduled as a four pay period due to changes on the pay dates. Chemicals and lab fees were \$18k over budget due to the CLO2 trial and the ramping up of the algaecide feed at the WTP. Repair costs soared with the roof replacement at the WWTP although the insurance reimbursement aided revenue in the previous month.
- With expenses being 20% over budget for the month, income from operations fell almost \$42k short of budget and set up one of the few months where the Commission had to use cash reserves in order to meet its debt service requirement.
- The Commission recorded a net loss of > \$75k for the month which was almost 3x the budgeted net loss for the month and required the use of more than \$18k in stored cash reserves to meet its debt requirements.

Year to Date Results

- For the year, water revenues are \$54k (4.0%) over budget while sewer revenues are down by \$ 42k (3.3%).
- Customer service fees, penalty income, farm income and other charges derived from new accounts and meter settings, etc., continue to perform a bit lower than budgeted but have added > \$310k to the Commission's revenue sources and now comprise > 10% of total revenues.
- Total Operating Revenues for the year are 1% over budget based on the increase in water sales.
- Total Operating Expenses for the year are approximately 2% lower than budget. Although salaries and benefits, chemicals, repairs and maintenance were over budget for the month, they still remain under budget for the YTD data. Utilities and insurance combine to be ~\$7k over budget but the real driver of higher expenses has been costs associated with the sewer and water line upgrades (i.e. tools, inventory and miscellaneous materials and even some wages due to overtime) which are almost \$46k or 73% higher than budget. However, the decision to upgrade the Maple Ave sewer line with internal labor actually saved the Commission significantly over what outside contractors were going to charge. Additionally, the job was done to the high standards of our staff.
- With positive variances in both revenues and expenses, total income from operations continue to exceed the budgeted by > 7% while lower interest expense and non-recurring income from insurance reimbursements have positively affected the bottom line by almost \$54k.
- With the May loss of \$75k, YTD Net Income dropped significantly and now totals \$39k but still exceeds the budgeted loss of - \$69k by almost \$108k.
- For the year, the Commission has generated \$72k in cash more than anticipated in cash after debt service and the debt service coverage ratio for the year stands at 3.27x or 2.7x higher than what the bond covenants require.

Princeton Water & Wastewater Commission
Condensed Income Statement
May 31, 2019

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Annual Budget
Operating Income						
Water Sales	116,424	114,200	1,388,553	1,334,400	54,153	1,483,000
Sewer Sales	100,326	105,900	1,226,527	1,268,500	(41,973)	1,395,000
Customer Service Fees	16,314	16,583	180,224	182,417	(2,193)	199,000
Penalty Income	4,731	5,417	53,934	59,583	(5,650)	65,000
Farm Income	-	-	34,500	34,500	-	34,500
Other Operating Income	6,329	3,250	42,259	35,750	6,509	39,000
Operating Revenues	244,123	245,350	2,925,996	2,915,150	10,846	3,215,500
Operating Expenses						
Salaries & Benefits	119,474	98,183	1,174,242	1,185,917	(11,675)	1,284,100
Utilities	29,497	32,375	329,707	324,469	5,238	388,500
Chemicals & Lab Fees	42,589	24,417	232,260	253,867	(21,607)	293,000
Insurance	9,965	9,911	111,993	110,088	1,905	120,000
Bldg & Equip Repair & Maintenance	14,971	10,000	75,002	100,397	(25,395)	120,000
Supplies, Postage & Credit Card Fees	2,486	2,917	25,613	30,714	(5,101)	35,000
Professional Services & Consulting	3,163	2,834	50,874	65,081	(14,208)	68,000
Sludge Removal	-	10,000	13,257	23,000	(9,743)	23,000
Tools, Inventory & Misc Material	17,069	5,917	107,865	62,265	45,599	71,000
Gas & Oil	258	1,917	16,992	19,167	(2,175)	23,000
Freight, Rental & Lease, & Misc	2,207	1,333	10,473	13,593	(3,121)	16,000
Capital Cost/ Labor & Machinery	(2,003)	(750)	(10,628)	(7,500)	(3,128)	(9,000)
Operating Expenses	239,677	199,054	2,137,649	2,181,059	(43,410)	2,432,600
Total Income (Loss) from Operations	4,447	46,296	788,348	734,091	54,257	782,900
Other Income (Expense)						
Interest Income	15	-	161	-	-	-
Grant Revenue	-	-	-	-	-	-
Other Income	-	625	24,028	6,875	17,153	7,500
Depreciation Expense	(64,167)	(64,167)	(705,833)	(705,833)	(0)	(770,000)
Interest and Loan Fee Expense	(15,699)	(9,475)	(67,675)	(104,225)	36,550	(113,700)
Other Income (Expense)	(79,851)	(73,017)	(749,320)	(803,183)	53,863	(876,200)
Net Income (Loss)	(75,404)	(26,721)	39,028	(69,092)	108,120	(93,300)
Cash Available for Debt Service less Grant	4,462	46,921	812,536	740,966	71,570	790,400
LESS: Scheduled Principal and Interest	(22,563)	(22,563)	(248,193)	(248,193)	-	(270,756)
Excess Cash	(18,101)	24,358	564,343	492,773	71,570	519,644
Debt Service Coverage Ratio	0.20	2.08	3.27	2.99		2.92
(Net Inc + Deprec + Amort + Int Exp) /						
(Principal Pmt+ Interest Exp)						

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - MAY 2019**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
PRINCIPAL LIFE	5/1/2019	E-Check	\$ 275.68	
CERS-COUNTY RETIREMENT	5/1/2019	E-Check	\$ 19,126.78	
KENTUCKY DEPT OF REVENUE	5/1/2019	E-Check	\$ 3,175.37	
EFTPS	5/3/2019	E-Check	\$ 3,019.49	
KENTUCKY INSURANCE (BC/BS)	5/9/2019	E-Check	\$ 21,689.10	
EFTPS	5/10/2019	E-Check	\$ 3,236.58	
ADT SECURITY SERVICES	5/10/2019	E-Check	\$ 257.94	
EFTPS	5/13/2019	E-Check	\$ 966.39	
CALDWELL CO.BD. OF ED.	5/13/2019	E-Check	\$ 2,110.92	
LYON COUNTY BD. OF ED.	5/13/2019	E-Check	\$ 98.47	
KENTUCKY STATE TREASURER	5/13/2019	E-Check	\$ 2,888.91	
KY LOCAL GOVERNMENT TRUST	5/15/2019	E-Check	\$ 1,120.16	
EFTPS	5/17/2019	E-Check	\$ 3,051.67	
EFTPS	5/24/2019	E-Check	\$ 3,060.36	
EFTPS	5/31/2019	E-Check	\$ 3,425.33	
TOTAL ELECTRONIC CHECKS			\$ 67,503.15	
AIRGAS USA LLC	5/7/2019	14696	\$ 47.45	
AKRIDGE FARM SUPPLY	5/7/2019	14697	\$ 110.92	
BUMPER TO BUMPER	5/7/2019	14698	\$ 9.41	Sewer Machine repairs
CITY OF PRINCETON	5/7/2019	14699	\$ 707.62	
COLE LUMBER CO. INC.	5/7/2019	14700	\$ 654.80	Sewer Project Materials
COLEMAN AUTO PARTS	5/7/2019	14701	\$ 29.68	Dump Truck Repair
COMMONWEALTH OF KENTUCKY	5/7/2019	14702	\$ 5.00	Boots
COMPUTER CONSULT.SRVS.	5/7/2019	14703	\$ 205.00	
CORE & MAIN LP	5/7/2019	14704	\$ 2,329.88	
EVOQUA WATER TECHNOLOGIES, LLC	5/7/2019	14705	\$ 648.24	
GO GREEN LAWN CARE, LLC	5/7/2019	14706	\$ 1,375.00	
HAYES, ROBERT L.	5/7/2019	14707	\$ 150.00	
JIM SMITH CONTRACTING, LLC	5/7/2019	14708	\$ 500.94	Cold Mix
JOINER HARDWARE COMPANY	5/7/2019	14709	\$ 31.47	
LADD, BRENT	5/7/2019	14710	\$ 150.00	
LAKE PRINTERS, INC.	5/7/2019	14711	\$ 233.00	Door hangers
NEWTEC	5/7/2019	14712	\$ 3,127.50	
PACE ANALYTICAL SERVICES, LLC	5/7/2019	14713	\$ 1,513.00	
PARRENT, JAY	5/7/2019	14714	\$ 150.00	
PATRICIA GEORGE	5/7/2019	14715	\$ 150.00	
PENNYRILE RURAL ELECTRIC CORP.	5/7/2019	14716	\$ 12,359.66	
PIONEER MAINTENANCE	5/7/2019	14717	\$ 200.00	
PLANTERS BANK	5/7/2019	14718	\$ 6,680.64	Interest on RD Construction Loan
ROGERS GROUP INC.	5/7/2019	14719	\$ 6,051.88	Materials for Sewer Project
SPRINT PRINT	5/7/2019	14720	\$ 165.72	Ink Cartridge for copier
STALION TRUCKING CO. LLC	5/7/2019	14721	\$ 1,328.75	Hauling for sewer project
STEVENS, IRL	5/7/2019	14722	\$ 150.00	
THORNTON-MUSSO-BELLEMIN	5/7/2019	14723	\$ 19,643.40	CLO2 Trial
UNIVERSAL PRINTING SOLUTIONS	5/7/2019	14724	\$ 338.31	Laser Cartridges
VERIZON WIRELESS	5/7/2019	14725	\$ 513.98	
WCA WASTE SYSTEMS INC	5/7/2019	14726	\$ 366.00	
WETZEL, TODD B. ATTORNEY @ LAW	5/7/2019	14727	\$ 500.00	

**PRINCETON WATER & WASTEWATER COMMISSION
CHECKS ISSUED - MAY 2019**

VENDOR	DATE PAID	CHECK #	AMOUNT	COMMENTS
ELECTRIC PLANT BOARD (P'TON)	5/14/2019	14731	\$ 14,893.23	
SLEDGES ELECTRIC SERVICE	5/14/2019	14732	\$ 280.00	
AMERICAN DEVELOPMENT CORP.	5/21/2019	14733	\$ 1,249.05	
AT & T	5/21/2019	14734	\$ 926.80	
AT & T - U-VERSE	5/21/2019	14735	\$ 192.36	
AT & T MOBILITY	5/21/2019	14736	\$ 35.61	
ATMOS ENERGY	5/21/2019	14737	\$ 193.68	
CALDWELL COUNTY SOIL LAB	5/21/2019	14738	\$ 14.00	Land Farm Soil Tests
FIRST LINE FIRE EXTINGUISHER C	5/21/2019	14739	\$ 1,574.45	Annual inspection - WTP
G & C SUPPLY CO, INC.	5/21/2019	14740	\$ 4,225.08	
HACH CHEMICAL CO.	5/21/2019	14741	\$ 320.78	
JOHN DEERE FINANCIAL	5/21/2019	14742	\$ 859.02	
KENTUCKY DEFERRED COMPENSATION	5/21/2019	14743	\$ 228.00	
KNIGHTS TECHNOLOGIES	5/21/2019	14744	\$ 778.47	Office Telephone repair
LARRY'S GUTTERS	5/21/2019	14745	\$ 223.00	Gutter/down spout, flashing WTP
MAX ARNOLD & SONS	5/21/2019	14746	\$ 231.64	
MCKEEL EQUIPMENT	5/21/2019	14747	\$ 1,688.00	Rental of Excavator & Roller
MEDIACOM	5/21/2019	14748	\$ 113.99	
MONITORING & MANAGEMENT SERVIC	5/21/2019	14749	\$ 270.00	
MUSGOVE, TRACY	5/21/2019	14750	\$ 240.00	Error in Def Comp w/d vs deposits
NEWTEC	5/21/2019	14751	\$ 1,272.50	
OCV CONTROL VALVES, LLC	5/21/2019	14752	\$ 1,016.92	Parts for high service pump-WTP
PACE ANALYTICAL SERVICES, LLC	5/21/2019	14753	\$ 1,385.50	
QS/1	5/21/2019	14754	\$ 933.60	
QUILL CORPORATION	5/21/2019	14755	\$ 69.99	
ROGERS GROUP INC.	5/21/2019	14756	\$ 263.74	
THORNTON-MUSSO-BELLEMIN	5/21/2019	14757	\$ 13,551.75	
TREMCO/WEATHERPROOFING TECH	5/21/2019	14758	\$ 10,373.79	Repairs on WWTP Roof
U.S. POSTAL SERVICE	5/21/2019	14759	\$ 1,000.00	
UTILITY PRECAST PRODUCTS, LLC	5/21/2019	14760	\$ 705.00	
U.S. POSTAL SERVICE	5/23/2019	14761	\$ 235.00	Annual Permit Fee
CARDMEMBER SERVICE	5/23/2019	14762	\$ 3,266.57	
TOTAL CHECKS ISSUED FOR MAY 2019			\$ 190,541.92	

WARRANT

City of Princeton
Water Project

Request No. 10
Date: 06/17/19

We, the undersigned, hereby certify that the following accounts are due and payable in the amounts shown for work performed by the payee on the City of Princeton's Water Rehabilitation Project. The Secretary is hereby authorized to disburse funds as follows upon receipt of the corresponding draw from USDA, Rural Development Loan & Grant funds:

Name of Payee	Mailing Address	Amount	Source
JSJ Construction, LLC	P.O. Box 668 Springfield, TN 37172	\$192,589.64	RD Loan
Hethcoat & Davis, Inc.	1457 Willowbrooke Cir. Franklin, TN 37069	\$17,252.70	RD Loan
Preferred Sandblasting & Painting, LLC	PO Box 1611 Shelbyville, TN 37162	\$90,484.12	RD Loan
		TOTAL \$300,326.46	

REQUESTED BY:

ENGINEER'S CERTIFICATION

City of Princeton
James A. Noel 6/18/19
Representative Date Signed

Ray Br... 06/17/19
Project Engineer Date Signed

Andrew A. Grinn 6/18/19
Area Director Date Signed

**City of Princeton Water and Wastewater Commission
Historical Background of Residential vs Wholesale Water Rates**

Effective Dates	3/1/1983	11/1/2000	% Inc	10/1/2002	% Inc	11/1/2004	% Inc	11/1/2006	% Inc	1/1/2011	% Inc	9/1/2014	% Inc	Proposed	% Inc
First 150 (Minimum)	\$ 4.25	\$ 5.95	40%	\$ 6.95	16.8%	\$ 7.75	11.5%	\$ 7.98	3.0%	\$ 8.00	0.3%	\$ 8.60	7.5%	\$ 8.60	0.0%
Per 100/cuft charge	\$ 2.83	\$ 3.97		\$ 4.63		\$ 5.17		\$ 5.32		\$ 5.33		\$ 5.73		\$ 4.91	
Over 10,000 (> 10,000)	\$ 0.85	\$ 1.19	40%	\$ 1.49	25.2%	\$ 1.79	20.1%	\$ 1.84	2.8%	\$ 2.02	10.0%	\$ 2.29	13.0%	\$ 2.97	29.9%
Wholesale per 100 cuft	\$ 0.77	\$ 1.07	40%	\$ 1.34	25.2%	\$ 1.79	33.5%	\$ 1.84	2.8%	\$ 2.02	10.0%	\$ 2.29	13.0%	\$ 2.97	29.9%

In 1983, the PWWC was selling water to the Wholesale customer base at 90% of what we charged the largest industries (Grinnell, Federal Mogul, Arvin Industries, etc.) but 3.7x what the residential customer paid for the same water. Rates were left untouched until 2000 when the treatment plant capacity was expanded to allow for growth within the Caldwell and Lyon County water district's customer base. Simultaneously, Commission members allowed the City of Eddyville (the largest customer of PWWC) to exit its contract with no severance penalty AND industry had begun a significant decline as had population trends. Without the City of Eddyville, the PWWC lost a significant revenue stream and found itself with a much higher debt load at the same time the decision had been made to increase both plant and storage capacity. Rather than place the burden on those for whom the system improvements benefited, a 40% across the board increase was implemented. The smallest residential customers saw an increase of \$1.14/100 cft while the rate charged the wholesale customers only increased \$0.30. The largest users, who drove the need for additional plant capacity, were now paying only 27% of what the smaller residential customer was paying and the debt load was attributed to improvements for the wholesale customer. In 2002, rates were increased again but still with a greater burden placed on the smaller user and the gap between the tiers widened further. In May of 2004, Mayor Hughes appointed a new board and tasked them with reining in expenses and gaining control of escalating costs. Upon reviewing the data, the new board implemented a greater increase at the larger usage tier and eliminated the 10% discount that the wholesale users were getting. Recently, the Commission has been working with the University of North Carolina Environmental Finance Center to address the inequities in the system and to perform affordability and rate studies. Costs to treat and distribute clean water continue to rise due to many external factors that are out of control of the Commission. Steps have been taken to bid services, eliminate redundancy in the processes, streamline processes and implement technology to take the place of labor, and basically "think out of the box". Declining block schedules were popular in the 1980's when small cities were trying to attract industry. However, now, with industries declining and growth in population being stagnant, the residential user can no longer afford to pay to maintain a system where the largest users pay the least amount for the product. Full cost pricing is a newer pricing system that serves to fairly spread costs among all customers. Before this rate restructure, the wholesale customers pay only 68% of the full cost of production while smaller customers pay 70% MORE than actual cost. With this proposal, the Commission will begin the task of narrowing the gap between what the residential customer pays versus the wholesale customer. By increasing the consumption allowance at the lowest tier, that user will now pay \$4.91/100 cft and the wholesale customers will be asked to pay \$2.97 (still 12% below the full cost of production).

File

**PRINCETON WATER & WASTEWATER COMMISSION
SPECIAL CALLED MEETING AGENDA
TUESDAY, DECEMBER 10, 2019
3:00 PM**

1. CALL TO ORDER
2. ROLL CALL
3. RECOGNITION OF VISITORS
4. READING OF MINUTES
5. FINANCIAL STATEMENTS - OCT & NOV
6. APPROVAL OF BILLS – OCT & NOV
7. SYSTEM EXPANSION AND OLD BUSINESS
 - ❖ SKYLINE PROPERTY UPDATE
 - ❖ MAINTENANCE SHOP PAVING PLAN
 - ❖ UPDATE ON WHOLESALE RATE INCREASE
8. NEW BUSINESS AND SUPERINTENDENT'S REPORT
 - ❖ UPDATE ON PERSONNEL
9. ADJOURN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – November 5, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, November 5th at the PWWC office. This meeting was in lieu of the regular meeting scheduled for Thursday, October 31st.

II. Roll Call and Recognition of Visitors

Ms. Musgove conducted roll call with the following members in attendance: Chairman Bob Hayes, Irl Stevens, Brent Ladd, Pat George. Jay Parrent was absent with prior notification. Also present were Attorney Todd Wetzel and Superintendent James Noel. Chairman Hayes recognized the two visitors present as Mayor Kota Young and Joy King. Mr. Hayes turned the meeting over to Ms. King who was requesting help with a recent high bill due to a leak. She had previously spoken to Commissioner Pat George and had also met with Jason Oliver who had given her an adjustment per policy along with approximately 14 months to pay. She still was not satisfied and wanted an average bill. The Commission decided to adhere to the policy and explained she had been given substantially more time than normal in her payment plan. There would be no further adjustments.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the October 1st meeting were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. Director of Finance Musgove presented the financials for the month of September along with quarter year to date data. Revenues for the month exceeded budget but expenses were higher due to paying for bulk annual shipments for chemicals at the two plants. (An adjustment will be made in December to recognize chemical inventory and pre-pays). YTD net income was almost \$100,000 higher than budget with \$99,100 coming from grant revenues. A motion was made by Brent Ladd and seconded by Pat George to approve the financial statements as written. Motion passed with all Ayes. The invoices for the month of September were reviewed by members and a motion was made by Brent Ladd and seconded by Irl Stevens to pay the bills. All Ayes.

IV. System Expansion / Old Business

Mr. Noel stated JSJ had completed all final clean up on areas that needed attention and that he had authorized payment of the remaining balance that had been retained. Questions arose regarding the status of the clearwell addition and Ms. Musgove said the USDA representative had emailed that they were waiting on environmental. Mr. Noel said that an experiment with slowly throttling back the VFDs at the water plant may eliminate the need for the surge tank. Further data needs to be collected and programming will need to be done to eliminate the need for manual throttling.

Superintendent Noel updated the Commission regarding the purchase of the property adjacent to the Skyline Tank. The property owners decided to take the initial offer of \$15,000 and Mr. Wetzel is in process of completing title work and purchase documents. There are four separate parties (along with spouses) who need to sign before proceeds are disbursed.

Mr. Stevens asked if there had been any definitive results regarding the source of the smell in the water that had been noted in several complaints by various residents across the town but with a concentration of homes in the Greenspoint subdivision. Mr. Noel stated that Jackie Logsdon from DOW had accompanied him to numerous sites and had taken several samples for testing. However, the test results have not been received.

Mr. Noel stated the Maintenance paving project is currently on a wait list with Rogers Group. The prep work that was required to be done has been completed and should be inspected soon.

V. New Business and Superintendent's Report

Ms. Noel requested the board approve the Christmas bonus payout as budgeted in the amount of \$12,450 with discretion given to him on individual payouts dependant on merit. A motion was made by Brent Ladd and seconded by Pat George to pay the bonuses as requested. All Ayes.

Mr. Noel updated the Commission on the posting of the administrative position. Several dozen applications had been received with 15 applicants being tested. Two applicants still needed to be tested and from the test scores, five will be interviewed. *(Update: All five applicants interviewed were excellent candidates. The five finalists were Hailey Bowles Jones, Mandy McConnell, Amanda Ford, Sarah McClure and Nicole McGowan. The decision was made to offer the position to Nicole McGowan who accepted and plans to start November 25th.)*

Ms. Musgove updated the Commission regarding the meeting held with the two wholesale customers regarding a rate increase effective with January 1, 2020 usage. Since the first reading of the regulation was completed, a second reading will be required. Chairman Hayes proceeded with the second reading of Rate Regulation 07-02-2019. A motion was made by Brent Ladd and seconded by Pat George to approve the Regulation. All Ayes. *(A copy of Regulation 07-02-2019 is included in the minute book)*

VI. Adjourn

Due to the Thanksgiving Holiday, it was decided to hold the next meeting on Tuesday, December 10th at 3:00. There being no further issues or business to discuss, Brent Ladd made a motion seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

Princeton Water & WasteWater
Financial Results for the Combined Months of October & November 2019

Results for the Month of October & November

- Total Operating Revenues generated for October and November were \$14k under budget due mainly to a shortfall in sewer revenues. Treehouse's wastewater flow for the two months was 57.5% of what it had been last year which was already 21% lower than the fall of 2017. Water sales were only slightly under budget which was actually positive since the new rates had initially been budgeted to take effect in October for the wholesale customers.
- October and November's operating expenses were almost \$3k under budget even though the sludge removal was budgeted to occur earlier in the year. Utility savings of \$12k and savings related to salaries and benefits of almost \$12k were enough to offset the sludge removal and higher miscellaneous material and inventory costs.
- Grant funds of \$158,042 were received in concert with the final draw on the water line improvement project. These funds are recognized as other income since grant monies do not require repayment. With grant funds and interest income being in excess of \$161k, the other income and expense category ended up \$156k under budget.
- Due mostly to the grant funds, the Commission ended the month with a positive Net Income of \$121.5k instead of the budgeted loss of \$24.2k. Cash flow BEFORE grant funds equaled 3.06 and excess cash BEFORE grant funds was almost \$93k.

Year to Date Results

- YTD information indicates water revenues are behind budget by almost \$11k while sewer revenues lagged by only \$2.5k. Customer service fees and other types of income have slightly outpaced budget on a combined basis. Total operating revenues for the year are behind budget by \$12.6k due to the delay in increasing the wholesale rates.
- Total operating expenses are running almost \$24k lower than budget with four main categories having both positive and negative trends. The significant variances (both positive and negative) were noted in the following accounts:
 - ⇒ Salaries and Benefits were under budget by \$28k due to not having a full workforce for most of the first five months and budgeting for some raises that have not occurred yet.
 - ⇒ Utilities are almost \$23k lower with most of that coming from savings generated by implementing the energy audit plan at the WWTP.
 - ⇒ Chemicals and lab fees, on the other hand, were over budget by almost \$43k due to purchasing many chemicals at both plants in bulk for the year rather than as needed. An inventory adjustment will be made at the end of December to offset some of this expense and book the asset.
 - ⇒ Tools, Inventory and Miscellaneous Material expenses were more than \$22k higher than budget due to continuing to improve areas around the project area. Adjustments will also be made to this account to capitalize some of this work.
 - ⇒ Sludge Removal costs for the year are also \$9k under budget and helped offset the overage in chemicals and miscellaneous materials.
- Net Income for the year stands at \$206.7k as compared to the budgeted LOSS of \$39.3k, a swing of \$246k (grant funds). Without the grant funds we would be operating at a \$50.5k loss, slightly worse than budget. Even without the grant funds, PWWC still has a debt coverage ratio of 3.26x YTD with excess cash of ~ \$254k generated.

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 10/31/19

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,869,622.32
ACCOUNTS RECEIVABLE	259,151.01
OTHER RECEIVABLES	228,257.84
INVENTORIES	323,723.66
TOTAL CURRENT ASSETS	3,680,754.83
SPECIAL FUNDS - RESTRICTED	2,579,199.41
UTILITY PLANT	31,574,729.75
ACCUMULATED DEPRECIATION	19,443,521.62CR
DEFERRED PENSION OUTFLOWS	501,224.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	15,211,632.12
TOTAL ASSETS	18,892,386.95
CURRENT MATURITIES OF LONG TERM DEBT	157,556.17CR
ACCOUNTS PAYABLE - TRADE	46,210.36CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	106,775.66CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	56,039.28CR
INTEREST AND FEES PAYABLE	29,402.76CR
INSURANCE, TAXES AND OTHER MISC	8,512.05CR
TOTAL CURRENT LIABILITIES	404,496.28CR
LONG TERM DEBT LESS CMLTD	4,528,685.69CR
NET PENSION LIABILITY & DEFERRED INFLOWS	2,391,497.87CR
TOTAL NON-CURRENT LIABILITIES	6,920,183.56CR
TOTAL LIABILITIES	7,324,679.84CR
RETAINED EARNINGS	11,346,506.41CR
TOTAL RETAINED EARNINGS	11,346,506.41CR
TOTAL FUND EQUITY	11,346,506.41CR
BALANCE	221,200.70

UNAUDITED - FOR MANAGEMENT USE ONLY

BALANCE SHEET FOR MONTH ENDING 11/30/19

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,854,905.24
ACCOUNTS RECEIVABLE	306,647.74
OTHER RECEIVABLES	216,951.15
INVENTORIES	316,393.42
TOTAL CURRENT ASSETS	<u>3,694,897.55</u>
SPECIAL FUNDS - RESTRICTED	2,580,493.76
UTILITY PLANT	31,589,729.75
ACCUMULATED DEPRECIATION	19,520,839.62CR
DEFERRED PENSION OUTFLOWS	501,224.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	<u>15,150,608.47</u>
TOTAL ASSETS	<u>18,845,506.02</u>
CURRENT MATURITIES OF LONG TERM DEBT	157,556.17CR
ACCOUNTS PAYABLE - TRADE	4,167.62CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	106,942.03CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	54,936.67CR
INTEREST AND FEES PAYABLE	39,142.87CR
INSURANCE, TAXES AND OTHER MISC	9,391.19CR
TOTAL CURRENT LIABILITIES	<u>372,136.55CR</u>
LONG TERM DEBT LESS CMLTD	4,528,685.69CR
NET PENSION LIABILITY & DEFERRED INFLOWS	2,391,497.87CR
TOTAL NON-CURRENT LIABILITIES	<u>6,920,183.56CR</u>
TOTAL LIABILITIES	<u>7,292,320.11CR</u>
RETAINED EARNINGS	11,346,506.41CR
TOTAL RETAINED EARNINGS	<u>11,346,506.41CR</u>
TOTAL FUND EQUITY	<u>11,346,506.41CR</u>
BALANCE	206,679.50

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
October and November 2019

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Annual Budget
Operating Income						
Water Sales	271,284	272,000	682,942	693,800	(10,858)	1,624,000
Sewer Sales	242,942	257,000	624,478	627,000	(2,522)	1,477,000
Customer Service Fees	40,509	40,000	101,274	100,000	1,274	240,000
Penalty Income	9,406	10,000	24,860	25,000	(140)	60,000
Farm Income	-	-	-	-	-	34,500
Other Operating Income	8,026	7,167	17,543	17,917	(374)	43,000
Operating Revenues	572,168	586,167	1,451,098	1,463,717	(12,619)	3,478,500
Operating Expenses						
Salaries & Benefits	245,302	257,200	569,474	597,450	(27,976)	1,364,500
Utilities	58,364	70,000	117,780	140,730	(22,951)	420,000
Chemicals & Lab Fees	44,102	45,500	142,424	99,674	42,750	273,000
Insurance	23,206	21,444	55,625	54,945	680	130,000
Bldg & Equip Repair & Maintenance	13,770	15,000	35,815	30,883	4,932	90,000
Supplies, Postage & Credit Card Fees	5,242	5,333	12,181	12,255	(74)	32,000
Professional Services & Consulting	10,505	9,454	27,180	25,057	2,123	60,500
Sludge Removal	14,715	-	70,981	80,000	(9,019)	90,000
Tools, Inventory & Misc Material	17,706	12,500	51,439	29,523	21,916	75,000
Gas & Oil	2,000	4,167	4,687	8,333	(3,646)	25,000
Freight, Rental & Lease, & Misc	3,593	2,750	5,604	5,775	(171)	16,500
Capital Cost/ Labor & Machinery	-	(1,667)	(350)	(3,333)	2,983	(10,000)
Operating Expenses	438,506	441,681	1,092,841	1,081,293	11,548	2,566,500
Total Income (Loss) from Operations	133,662	144,485	358,257	382,424	(24,167)	912,000
Other Income (Expense)						
Interest Income	3,454	-	7,727	-	-	-
Grant Revenue	158,042	-	257,144	-	257,144	-
Other Income	500	1,250	500	3,125	(2,625)	7,500
Depreciation Expense	(154,636)	(153,333)	(378,772)	(383,333)	4,561	(920,000)
Interest and Loan Fee Expense	(19,480)	(16,623)	(38,176)	(41,557)	3,381	(99,738)
Other Income (Expense)	(12,120)	(168,706)	(151,578)	(421,766)	270,188	(1,012,238)
Net Income (Loss)	121,543	(24,221)	206,680	(39,342)	246,021	(100,238)
Cash Available for Debt Service less Grant	137,616	145,735	366,484	385,549	(19,065)	919,500
LESS: Scheduled Principal and Interest	(44,917)	(44,917)	(112,290)	(112,290)	-	(269,500)
Excess Cash	92,700	100,819	254,194	273,259	(19,065)	650,000
Debt Service Coverage Ratio	3.06	3.24	3.26	3.43		3.41
(Net Inc + Deprec + Amort + Int Exp) /						
(Principal Pmt+ Interest Exp)						

VENDOR NAME	CHECK DATE	CHECK NUMBER	INVOICE DESC	AMOUNT DISBURSED
PRINCIPAL LIFE	10/01/19	001019	LIFE & STD INSURANCE	258.56
CALDWELL CO. BD. OF ED.	10/03/19	001019	CALDWELL UTILITY TAX	2,895.14
CERS-COUNTY RETIREMENT	10/03/19	001019	CERS RETIREMENT	15,390.19
KENTUCKY STATE TREASURER	10/03/19	001019	Sales Tax	4,467.34
KENTUCKY DEPT OF REVENUE	10/03/19	001019	STATE WITHHOLDING TAX	2,481.03
EFTPS	10/04/19	001019	FICA/FED P/R	3,179.12
AIRGAS USA LLC	10/07/19	015074	SMALL TOOLS AND EQUIP	31.40
AKRIDGE FARM SUPPLY	10/07/19	015075	MISC SUPPLIES	41.33
ATHLETIC CENTER	10/07/19	015076	UNIFORM ALLOWANCE	612.76
BADGER METER	10/07/19	015077	BILLING SOFTWARE	209.89
CALDWELL COUNTY TREASURER	10/07/19	015078	QTRLY W/H TAX	2,239.77
CITY OF PRINCETON	10/07/19	015079	CITY PAYROLL TAX	572.64
CNA SURETY	10/07/19	015080	BOND	2,036.00
COLEMAN AUTO PARTS	10/07/19	015081	PARTS	39.06
COLEMAN SHOES, REPAIR & BOOTS	10/07/19	015082	BOOTS-UNIFORM ALLOWANCE	150.00
CORE & MAIN LP	10/07/19	015083	INVENTORY	216.12
CORE & MAIN LP	10/07/19	015083	INVENTORY	811.70
CORE & MAIN LP	10/07/19	015083	INVENTORY	1,133.00
CORE & MAIN LP	10/07/19	015083	CREDIT MEMO	85.25-
CORE & MAIN LP	10/07/19	015083	INVENTORY	1,623.19
ELECTRIC PLANT BOARD (P'TON)	10/07/19	015084	ELECTRIC BILL	12,588.13
GO GREEN LAWN CARE, LLC	10/07/19	015085	LAWN CARE	1,840.00
HAYES, ROBERT L.	10/07/19	015086	COMMISSION FEE	150.00
LADD, BRENT	10/07/19	015087	COMMISSION FEE	150.00
MAX ARNOLD & SONS	10/07/19	015088	FUEL-WWTP	101.24
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	675.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	12.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	48.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	12.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	48.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/07/19	015089	TESTING	101.00
NEWTEC	10/07/19	015090	CHEMICALS	2,220.00
PARRENT, JAY	10/07/19	015091	COMMISSION FEE	150.00
PATRICIA GEORGE	10/07/19	015092	COMMISSION FEE	150.00
PENNYRILE RURAL ELECTRIC CORP.	10/07/19	015093	ELECTRIC BILL	13,955.55
PIONEER MAINTENANCE	10/07/19	015094	CLEANING	200.00
POWELL'S METAL SALES, INC	10/07/19	015095	WTP-COVER FOR BYPASS PIT	2,980.00
PRINCETON TIMES LEADER	10/07/19	015096	SUBSCRIPTION RENEWAL	61.48
SCHAEFFER MFG CO	10/07/19	015097	GREASE	3,281.64
STEVENS, IRL	10/07/19	015098	COMMISSION FEE	150.00
THORNTON-MUSSO-BELLEMIN	10/07/19	015099	CHEMICALS	3,060.00
THORNTON-MUSSO-BELLEMIN	10/07/19	015099	CHEMICALS	472.00
THORNTON-MUSSO-BELLEMIN	10/07/19	015099	CHEMICALS	16,657.40
VERIZON WIRELESS	10/07/19	015100	PHONES	590.51
WCA WASTE SYSTEMS INC	10/07/19	015101	TRASH PICK UP	385.27
WETZEL, TODD B. ATTORNEY @ LAW	10/07/19	015102	ATTORNEY FEE	500.00
KENTUCKY INSURANCE (BC/BS)	10/08/19	002019	BC/BS INSURANCE	20,190.06
EFTPS	10/11/19	001019	FICA/FED P/R	3,338.86
KY LOCAL GOVERNMENT TRUST	10/15/19	002019	DENTAL/VISION	1,071.26
EFTPS	10/18/19	001019	FICA/FED P/R	3,297.10
AIRGAS USA LLC	10/18/19	015108	CYLINDER RENTAL	48.95
AT & T	10/18/19	015109	phone/internet	988.79
ATMOS ENERGY	10/18/19	015110	GAS BILL	167.16
BAPTIST HEALTH	10/18/19	015111	MADDOX PHYSICAL	288.60
COLE LUMBER CO. INC.	10/18/19	015112	MATERIAL-QUIKRETE	251.60
HACH CHEMICAL CO.	10/18/19	015113	CHEMICALS	250.71
HACH CHEMICAL CO.	10/18/19	015113	CHEMICALS	113.10
JOHN DEERE FINANCIAL	10/18/19	015114	MISC SUPPLIES	505.18
LOWE'S HOME CENTERS, INC.	10/18/19	015115	SHOVEL	10.50
MAX ARNOLD & SONS	10/18/19	015116	FUEL	1,917.20
MEUTH CONCRETE SERVICES	10/18/19	015117	MISC MATERIALS	586.00
MEUTH CONCRETE SERVICES	10/18/19	015117	MISC MATERIALS	510.50

VENDOR NAME	CHECK DATE	CHECK NUMBER	INVOICE DESC	AMOUNT DISBURSED
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	80.00
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/18/19	015118	TESTING	101.00
SMITH TECHNOLOGIES	10/18/19	015119	DATA PROCESSING	961.60
QUILL CORPORATION	10/18/19	015120	OFFICE CHAIRS	199.98
QUILL CORPORATION	10/18/19	015120	OFFICE SUPPLIES	116.50
S4 WATER SALES AND SERVICE LLC	10/18/19	015121	CHEMICALS	971.36
U.S. POSTAL SERVICE	10/18/19	015122	POSTAGE-BILLS	1,000.00
WILLIAM BROWN	10/18/19	015123	UNIFORM ALLOWANCE	87.96
ZEBRA GRAPHICS	10/18/19	015124	BILLS	760.00
FIRST SOUTHERN NATIONAL BANK	10/21/19	015128	BANK CHARGES	31.27
VISA	10/21/19	015129	PLANTERS VISA	3,897.92
AT & T - U-VERSE	10/24/19	015130	INTERNET	191.20
AT & T MOBILITY	10/24/19	015131	MOBILE DATA	37.76
BRANDON HARDRICK	10/24/19	015132	REIMB FOR FUEL-DUMP TRUCK	25.25
CARDMEMBER SERVICE	10/24/19	015133	MISC EXPENSES	148.17
CORE & MAIN LP	10/24/19	015134	INVENTORY	641.41
CORE & MAIN LP	10/24/19	015134	INVENTORY	259.80
CORE & MAIN LP	10/24/19	015134	INVENTORY	99.15
CORE & MAIN LP	10/24/19	015134	INVENTORY	74.40
KENTUCKY DEFERRED COMPENSATION	10/24/19	015135	DEFERRED COMP	156.00
MAZIE FENN	10/24/19	015136	REIMB BANK DRAFT CHARGE	51.44
MEDIACOM	10/24/19	015137	INTERNET & PHONE	115.72
NEWTEC	10/24/19	015138	CHEMICALS	1,162.50
ONSITE ENVIROMENTAL	10/24/19	015139	FOG	5,488.50
SCHAEFFER MFG CO	10/24/19	015140	HTC OIL-WWTP	1,755.60
STRAEFFER PUMP & SUPPLY, INC	10/24/19	015141	MOUNTING PLATE SRA4-WTP	1,728.00
USA BLUE BOOK	10/24/19	015142	REAGENT SOLUTION-WTP	111.31
WAL MART	10/24/19	015143	MISC SUPPLIES	570.73
EFTPS	10/25/19	001019	FICA/FED P/R	3,212.92
EFTPS	10/28/19	001019	FICA/FED P/R	1,165.80
EFTPS	10/29/19	001019	FICA/FED P/R	207.52
EFTPS	10/31/19	001019	FICA/FED P/R	3,337.15
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	583.50
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	140.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	12.00
MICROBAC LABORATORIES, INC.	10/31/19	015148	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	52.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	100.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	48.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015149	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015150	TESTING	48.00
MICROBAC LABORATORIES, INC.	10/31/19	015150	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015150	TESTING	24.00
MICROBAC LABORATORIES, INC.	10/31/19	015150	TESTING	101.00
MICROBAC LABORATORIES, INC.	10/31/19	015150	TESTING	75.00
MICROBAC LABORATORIES, INC.	10/31/19	015150	TESTING	12.00

* GRAND TOTAL

165,137.20

VENDOR NAME	CHECK DATE	CHECK NUMBER	INVOICE DESC	AMOUNT DISBURSED
PRINCIPAL LIFE	11/01/19	001119	LIFE INSURANCE & STD	269.68
CERS-COUNTY RETIREMENT	11/04/19	001119	CERS RETIREMENT	21,983.58
KENTUCKY DEPT OF REVENUE	11/04/19	001119	STATE PR TAX	3,375.28
BADGER METER	11/06/19	015153	BILLING SOFTWARE	209.53
BRENNTAG MID-SOUTH, INC	11/06/19	015154	CHEMICALS	2,109.00
CITY OF PRINCETON	11/06/19	015155	CITY TAX	745.78
COLE LUMBER CO. INC.	11/06/19	015156	MISC MATERIALS	216.64
COLEMAN SHOES, REPAIR & BOOTS	11/06/19	015157	UNIFORM & SAFETY	222.00
ELECTRIC PLANT BOARD (P'TON)	11/06/19	015158	ELECTRIC BILL	13,028.85
G & C SUPPLY CO, INC.	11/06/19	015159	TRACER WIRE	390.00
HAYES, ROBERT L.	11/06/19	015160	COMMISSION FEE	150.00
JIM SMITH CONTRACTING, LLC	11/06/19	015161	RIVER SAND	367.68
KENTUCKY RURAL WATER ASSOC.	11/06/19	015162	KRWA MEMBERSHIP DUES	1,850.00
LADD, BRENT	11/06/19	015163	COMMISSION FEE	150.00
MCKEEL EQUIPMENT	11/06/19	015164	EQUIPMENT RENTAL-ROLLER	466.80
NEWTEC	11/06/19	015165	CHEMICALS	2,220.00
PARRENT, JAY	11/06/19	015166	COMMISSION FEE	150.00
PATRICIA GEORGE	11/06/19	015167	COMMISSION FEE	150.00
PENNYRILE RURAL ELECTRIC CORP.	11/06/19	015168	ELECTRIC BILL	11,971.16
PIONEER MAINTENANCE	11/06/19	015169	CLEANING	200.00
RICK SETTLES CC JOYCE	11/06/19	015170	BACKFLOW TEST	900.00
ROGERS GROUP INC.	11/06/19	015171	COMMERCIAL BASE	334.09
ROGERS GROUP INC.	11/06/19	015171	CREDIT MEMO	81.70-
RONALD JOHNSON & ASSOCIATES	11/06/19	015172	WTP SURVEY	4,774.19
STEVENS, IRL	11/06/19	015173	COMMISSION FEE	150.00
THORNTON-MUSSO-BELLEMIN	11/06/19	015174	CHEMICALS	3,607.50
WCA WASTE SYSTEMS INC	11/06/19	015175	TRASH SERVICE	413.94
WETZEL, TODD B. ATTORNEY @ LAW	11/06/19	015176	ATTORNEY FEE	500.00
MICHAEL PROWELL	11/06/19	015177	NEW COMPUTERS	355.00
EFTPS	11/08/19	001119	FICA/FED P/R	3,372.57
EFTPS	11/12/19	001119	FICA/FED P/R BONUS	2,877.06
KENTUCKY INSURANCE (BC/BS)	11/13/19	001119	BC/BS INSURANCE	24,685.18
EFTPS	11/15/19	001119	FICA/FED P/R	3,393.24
KY LOCAL GOVERNMENT TRUST	11/15/19	001119	DENTAL/VISION	1,071.26
ATMOS ENERGY	11/15/19	015179	GAS BILL	205.09
HACH CHEMICAL CO.	11/15/19	015180	COLORIMETER & CHEMICALS	1,952.94
HACH CHEMICAL CO.	11/15/19	015180	CHEMICALS	23.95
HACH CHEMICAL CO.	11/15/19	015180	POCKET PRO PH TESTER	89.59
LOWE'S HOME CENTERS, INC.	11/15/19	015181	MISC MATERIALS	36.54
MONITORING & MANAGEMENT SERVIC	11/15/19	015182	CONSULTATION WWTP	1,530.00
CALDWELL CO.BD. OF ED.	11/18/19	001119	CALDWELL UTILITY TAX	2,658.98
KENTUCKY STATE TREASURER	11/18/19	001119	SALES TAX	3,794.14
LYON COUNTY BD. OF ED.	11/18/19	001119	LYON CO UTILITY TAX	97.69
AIRGAS USA LLC	11/20/19	015185	CYLINDER RENTAL	49.84
AT & T	11/20/19	015186	PHONE/INTERNET	1,011.22
AT & T - U-VERSE	11/20/19	015187	INTERNET	115.60
AT & T MOBILITY	11/20/19	015188	CELL PHONES-NEW SERVICE	2,465.29
C.I. THORNBURG CO., INC.	11/20/19	015189	CHEMICALS	985.25
C.I. THORNBURG CO., INC.	11/20/19	015189	CHEMICALS	929.73-
CARDMEMBER SERVICE	11/20/19	015190	MISC SUPPLIES	187.19
ELECTRIC PLANT BOARD (P'TON)	11/20/19	015191	NEW INTERNET SERVICE	60.65
GO GREEN LAWN CARE, LLC	11/20/19	015192	MOWING	970.00
H & A RESOURCE MANAGEMENT	11/20/19	015193	SLUDGE	14,714.50
JIM SMITH CONTRACTING, LLC	11/20/19	015194	HOT MIX	101.64
JOHN DEERE FINANCIAL	11/20/19	015195	FALDERS	397.72
JOINER HARDWARE COMPANY	11/20/19	015196	SUPPLIES	403.20
LABTRON X	11/20/19	015197	CALIBRATION	985.00
MAX ARNOLD & SONS	11/20/19	015198	FUEL	1,912.13
MEDIACOM	11/20/19	015199	PHONE	115.72
MEUTH CONCRETE SERVICES	11/20/19	015200	FLOW FILL	374.00

VENDOR NAME	CHECK DATE	CHECK NUMBER	INVOICE DESC	AMOUNT DISBURSED
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	140.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	75.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	48.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	350.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	55.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	1,405.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	75.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	25.00
MICROBAC LABORATORIES, INC.	11/20/19	015201	TESTING	12.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	55.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	83.50
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	52.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	113.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	101.00
MICROBAC LABORATORIES, INC.	11/20/19	015202	TESTING	75.00
NEWTEC	11/20/19	015203	CHEMICALS	2,220.00
ONSITE ENVIROMENTAL	11/20/19	015204	FOG	987.35
QUILL CORPORATION	11/20/19	015205	SUPPLIES-CALCULATOR/TONER	467.94
SMITH TECHNOLOGIES	11/20/19	015206	QS1 SOFTWARE	961.60
USA BLUE BOOK	11/20/19	015207	SUPPLIES	263.47
VISA	11/20/19	015208	MISC CHARGES-PLANTERS	2,009.11
EFTPS	11/22/19	001119	FICA/FED P/R	3,371.45
AT & T MOBILITY	11/25/19	015213	MOBILE DATA	39.07
HARPER TREE SERVICE	11/25/19	015214	TREE SERVICE	300.00
KENTUCKY DEFERRED COMPENSATION	11/25/19	015215	DEFERRED COMP	180.00
PRECISION PRODUCTS, LLC	11/25/19	015216	GPS SOFTWARE	1,440.00
TREASURES REMEMBERED	11/25/19	015217	ALDRIDGE & ASHER FUNERALS	160.00
WAL MART	11/25/19	015218	SUPPLIES & SMALL TOOLS	1,195.00
EFTPS	11/29/19	001119	FICA/FED P/R	3,454.99
ANTHONY CREEKMUR	12/02/19	015219	SKYLINE PROPERTY	3,750.00
DAVID CREEKMUR	12/02/19	015220	SKYLINE PROPERTY	3,750.00
DEBRA PETERS	12/02/19	015221	SKYLINE PROPERTY	3,750.00
TERRY CREEKMUR	12/02/19	015222	SKYLINE PROPERTY	3,750.00
* GRAND TOTAL				176,307.93

**PRINCETON WATER & WASTEWATER COMMISSION
REGULAR MEETING AGENDA
THURSDAY, JANUARY 30, 2020
4:00 PM**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. RECOGNITION OF VISITORS – RICKY OAKLEY,
HETHCOAT & DAVIS**
- 4. READING OF MINUTES**
- 5. FINANCIAL STATEMENTS**
- 6. APPROVAL OF BILLS**
- 7. SYSTEM EXPANSION AND OLD BUSINESS**
 - ❖ **SKYLINE TANK CLOSEOUT**
 - ❖ **USDA CLEARWELL PROJECT APPROVAL**
- 8. NEW BUSINESS AND SUPERINTENDENT'S REPORT**
 - ❖ **FY2019 AUDIT ACCEPTANCE**
 - ❖ **PROTEST OF RATE INCREASE BY WATER
DISTRICTS**
 - ❖ **PSC HEARING & PROCESS**
 - ❖ **YOUTH INC METER SETTING**
 - ❖ **AMENDED FY2020 BUDGET**
- 9. ADJOURN**

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – December 10, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 3:00 P.M. on Tuesday, December 10th at the PWWC office. This meeting was in lieu of the regular November meeting scheduled for Thanksgiving Day.

II. Roll Call and Recognition of Visitors

Ms. Musgove joined in the meeting telephonically and conducted the roll call with the following members in attendance: Chairman Bob Hayes, Irl Stevens, Brent Ladd, Pat George, and Jay Parrent. Also present were Attorney Todd Wetzel and Superintendent James Noel. Chairman Hayes recognized the two visitors present as Mayor Young and County Judge Executive Curling.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the November 5th meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. Director of Finance Musgove presented the financials for the months of October and November. Revenues for the two months combined were shy of budget due mainly to lower sewer volumes being experienced with TreeHouse. Expenses were almost \$3k under budget and grant funds of \$158,042 were received in concert with the final draw on the water line improvement project. Due mostly to the grant funds received, the Commission ended the month with a positive Net Income of \$121.5k instead of the budgeted loss of \$24.2k. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The check registers for the months of October and November were reviewed and a motion was made by Irl Stevens and seconded by Brent Ladd to approve the bills. All Ayes.

IV. System Expansion / Old Business

Superintendent Noel reported that the purchase of the property adjacent to the Skyline Tank had occurred and all paperwork was completed. He then spoke regarding an increase in the estimate to pave the access road to the Maintenance Shop area. Rogers Group had fired the previous estimator and the new estimate increased by 250 tons or \$6,469.50. Since the total was still much less than the quote received a couple years ago and was still under the threshold requiring advertisement to bid, the decision was made to proceed even at the higher rate.

Mr. Stevens followed up on the Greenspoint complaints regarding the smell in the water. Mr. Noel stated we were still waiting for test results but that should nothing be found definitively but the water smell still persists, that we would probably revert back to the previous chemical treatment process. *(Update: On January 11th the decision was made by Superintendent Noel to revert back to the previous treatment process. TMB will take back all unused inventory and reimburse PWWC for the remaining value).*

Ms. Musgove updated the Commission regarding her conversations with Dixie Cayce and what she had learned from Chairperson Pat Fralick regarding Caldwell's decision about the wholesale rate increase. Mr. Cayce stated that Lyon County would not protest the decision; however, Mrs. Fralick stated in a text to Ms. Musgove that "her board found the rate increase to be excessive". Therefore, it is believed that Caldwell will file a formal protest and that notification would be forthcoming after they have their board meeting scheduled for later this afternoon. Mayor Young and Judge Executive Curling said they are both planning to attend the water district's meeting. Ms. Musgove asked at what point in time we should actively approach outside counsel specializing in Public Service Commission hearing's to represent PWWC should a protest occur. She had been in touch with one firm who had decided they could not assist due to conflicts of interest with all parties. She then mentioned Sturgill, Turner, Barker & Maloney who most recently represented Central City and Pikeville in their wholesale rate cases. Mr. Wetzel said that particular firm was a very reputable firm and he thought we should go ahead and pursue outside counsel immediately. A motion was made by Brent Ladd and seconded by Jay Parrent for Ms. Musgove to engage the outside law firm immediately. All Ayes. *(Update: A formal engagement letter with the law firm Sturgill, Turner, Barker & Maloney was signed by Chairman Hayes on December 11th. Both Lyon County and Caldwell County filed protests with the PSC with the Wilson Law Firm of Eddyville representing both parties. Increases to the wholesale rates have been put on hold until at least May 31, 2020 pending a hearing.)*

V. New Business and Superintendent's Report

Mr. Noel updated the Commission on the hiring of Nicole McGowan for the administrative position opening and that Billy Asher was also rehired and will probably be taking the place of Adam Ortt in Maintenance since Adam has notified PWWC of his plans to retire at the end of this fiscal year.

VI. Adjourn

Due to the upcoming Christmas holiday, it was decided to cancel the December meeting and have the next regularly scheduled meeting at the end of January. There being no further issues or business to discuss, Brent Ladd made a motion seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

PRINCETON WATER
BALANCE SHEET FOR MONTH ENDING 12/31/19

CASH & CASH EQUIVALENTS - UNRESTRICTED	2,934,578.11
ACCOUNTS RECEIVABLE	215,860.98
OTHER RECEIVABLES	206,993.72
INVENTORIES	322,712.71
TOTAL CURRENT ASSETS	<u>3,680,145.52</u>
SPECIAL FUNDS - RESTRICTED	2,553,920.76
UTILITY PLANT	31,596,346.49
ACCUMULATED DEPRECIATION	19,598,157.62CR
DEFERRED PENSION OUTFLOWS	506,402.58
TOTAL NON-CURRENT ASSETS & CAPITAL ASSETS	<u>15,058,512.21</u>
TOTAL ASSETS	<u>18,738,657.73</u>
CURRENT MATURITIES OF LONG TERM DEBT	157,556.17CR
ACCOUNTS PAYABLE - TRADE	4,167.62CR
CUSTOMER DEPOSITS & ACCRUED INTEREST PAYABLE	106,542.03CR
PAYROLL, VACATION, RETIREMENT, & W/H TAXES	59,662.33CR
INTEREST AND FEES PAYABLE	19,971.56CR
INSURANCE, TAXES AND OTHER MISC	8,550.40CR
TOTAL CURRENT LIABILITIES	<u>356,450.11CR</u>
LONG TERM DEBT LESS CMLTD	4,454,005.06CR
NET PENSION LIABILITY & DEFERRED INFLOWS	2,391,497.87CR
TOTAL NON-CURRENT LIABILITIES	<u>6,845,502.93CR</u>
TOTAL LIABILITIES	<u>7,201,953.04CR</u>
RETAINED EARNINGS	11,325,111.41CR
TOTAL RETAINED EARNINGS	<u>11,325,111.41CR</u>
TOTAL FUND EQUITY	<u>11,325,111.41CR</u>
BALANCE	211,593.28

UNAUDITED - FOR MANAGEMENT USE ONLY

Princeton Water & Wastewater Commission
Condensed Income Statement
December 31, 2019

	Current Actual	Current Budget	YTD Actual	YTD Budget	Variance	Previous YTD Actual	Variance
Operating Income							
Water Sales	119,103	131,000	802,045	824,800	(22,755)	800,177	1,868
Sewer Sales	103,376	119,200	727,854	746,200	(18,346)	698,184	29,670
Customer Service Fees	20,302	20,000	121,576	120,000	1,576	98,566	23,010
Penalty Income	5,586	5,000	30,446	30,000	446	31,791	(1,346)
Farm Income	34,500	34,500	34,500	34,500	-	34,500	-
Other Operating Income	4,413	3,583	21,956	21,500	456	24,797	(2,841)
Operating Revenues	287,280	313,283	1,738,377	1,777,000	(38,623)	1,688,015	50,362
Operating Expenses							
Salaries & Benefits	133,440	104,050	702,916	701,500	1,416	646,280	56,636
Utilities	29,923	35,000	147,703	175,730	(28,027)	159,904	(12,202)
Chemicals & Lab Fees	2,325	22,750	144,749	122,424	22,325	125,962	18,787
Insurance	10,585	10,722	66,210	65,667	543	60,866	5,343
Bldg & Equip Repair & Maintenance	19,120	7,500	54,935	38,383	16,552	43,919	11,016
Supplies, Postage & Credit Card Fees	1,455	2,667	13,636	14,921	(1,286)	12,605	1,030
Professional Services & Consulting	12,137	19,655	39,318	44,712	(5,394)	31,845	7,473
Sludge Removal	-	-	70,981	80,000	(9,019)	13,257	57,724
Tools, Inventory & Misc Material	(6,187)	6,250	38,635	35,773	2,862	42,144	(3,509)
Gas & Oil	7,983	2,083	12,671	10,417	2,254	12,689	(19)
Freight, Rental & Lease, & Misc	823	1,375	6,427	7,150	(723)	4,963	1,464
Capital Cost/ Labor & Machinery	-	(833)	(350)	(4,167)	3,817	(6,375)	6,025
Operating Expenses	211,604	211,219	1,297,830	1,292,511	5,319	1,148,062	149,769
Total Income (Loss) from Operations	75,675	102,065	440,547	484,489	(43,942)	539,954	(99,406)
Other Income (Expense)							
Interest Income	4,630	-	17,043	-	-	93	16,950
Grant Revenue	-	-	257,144	-	257,144	-	257,144
Other Income	-	625	500	3,750	(3,250)	1,188	(688)
Depreciation Expense	(77,318)	(76,667)	(456,090)	(460,000)	3,910	(385,000)	(71,090)
Interest and Loan Fee Expense	(9,740)	(8,311)	(47,916)	(49,869)	1,953	(31,385)	(16,532)
Other Income (Expense)	(82,428)	(84,353)	(229,319)	(506,119)	276,800	(415,103)	185,784
Net Income (Loss)	(6,753)	17,712	211,228	(21,630)	232,858	124,851	86,377
Cash Available for Debt Service less Grant	80,305	102,690	458,091	488,239	(30,148)	541,235	(83,144)
LESS: MAX Scheduled Principal and Int	(22,458)	(22,458)	(134,748)	(134,748)	-	(134,748)	-
Excess Cash	57,847	80,231	323,343	353,491	(30,148)	406,487	(83,144)
Debt Service Coverage Ratio	3.58	4.57	3.40	3.62		4.02	
(Net Inc + Deprec + Amort + Int Exp) /							
(Principal Pmt+ Interest Exp)							

Princeton Water & WasteWater
Financial Results for Six Months Ending December 31, 2019 and Comparisons to Previous Year

Results for the Month of December

- Operating Revenues generated in the month of December were under budget by almost \$26k with both water and sewer revenues substantially under budget. December's water sales continued to trend below budget due mainly to the rate increase not being passed through to the wholesale customers. Had the new rates been in place for the wholesale customers, water revenues would have been \$12.5k higher and would have met the overall budget. Additionally, the way the holidays fell, the December billing period was only 28 days; whereas, the billing cycle one year ago was a full 30 days. For revenues derived from everyone except wholesale, the two lost days would have been approximately \$5.5k in additional revenue. On the sewer side, those two extra days would have added \$7.4k in additional revenues, narrowing the gap for the month to an \$8.4k shortfall. Furthermore, Treehouse operated at only 39% of the level it had operated at one year ago and at the higher sewer rates in place this year, had they maintained the same operational level, PWWC would have generated increased billings of \$4,537 just on the one account. Other fee based operating income categories slightly exceeded the budget.
- Expenses for the month of December were almost at the budgeted level even considering an additional week of payroll being booked in December due to the way the holidays fell. The pay periods typically end on Tuesdays with checks normally posting on Thursdays. In this case, Tuesday was December 31st; however, the posting would have been in the next month and the next fiscal year and would have caused a reporting issue. January had originally been budgeted for the 5 week pay period and this should work through the system and not have an effect on the final year end budget. This additional payroll increased total salaries and benefits by almost \$21.5k. Another major difference for the month was in chemicals and lab fees that showed a positive \$20k variance due to the quarterly adjustment to the chemical inventory account. Similarly, there were swings in gas and oil expense and tools, inventory and miscellaneous materials expense. This occurred due to the decrease in miscellaneous materials expense by the same amount the gas and oil for the maintenance department was increased.
- Operating income for the month totaled ~ \$ 75,675 vs the budget amount of \$102,065, (26% lower). Had that extra week of payroll not have been posted, budget would have been met.
- Other Income continued to be positively impacted by the interest expense being earned on the total deposits of the PWWC.
- The Commission posted a Net Loss of \$6.8k for the month versus a planned profit of \$ 17.7k (almost a \$25k negative swing but only \$3.5k different from the payroll amount). Even so, a strong coverage ratio of 3.58x was recorded with almost \$58k in excess cash generated.

Year to Date Results

- Halfway through the fiscal year, operating revenues are \$38.6k under budget with water revenues short by almost \$23k and sewer lagging budget by \$18k. The original budget had projected for the wholesale rates to initially be in effect in October. Based upon the wholesale usage during the last quarter, had the new rates been in effect, the water revenues would have benefited by \$24,465 and would have surpassed the budget. Since the Public Service Commission has postponed the rate increase until at least May 31st, the second half water revenues will be impacted by > \$65,000. The total reductions in revenues for the year due to the postponed implementation of the wholesale rate increase are projected to be \$89,582 and are being addressed in the proposed budget amendment. Customer service fees and penalty income were slightly higher than budget and were able to offset some of the negative service revenue variance.
- On the expense side, YTD operating expenses of \$1,304.4k are \$11.9k (< 1%) over budget due in large part to the aforementioned pay period being posted in the first half of the year vs January. The only expense accounts that are significantly over budget for the year are chemicals and lab fees; repairs and maintenance; and tools, inventory and miscellaneous materials.
 - The combined expenses of tools, inventory and miscellaneous materials are currently \$9.5k over budget with the majority of the difference related to small tool purchases in maintenance. Upon further

investigation, one charge of \$6,616.74 for a new water related tool was expensed through maintenance. This will be reversed from tool expenses and capitalized as a water related asset in the January statements. Miscellaneous materials are over budget by almost \$2k with the bulk of this being attributed to the RD project early in the year.

- Chemicals and lab fees at the WWTP are under budget by \$6.9k while WTP chemicals and lab fees are currently \$37k over budget (73% higher than budgeted) due to a mis-calculation by WTP personnel on the planned usage of one of the new chemicals. While this happens to be the chemical that was recently curtailed in the treatment process, the amount shown as needed for the budget was approximately 70% less than what was actually being used. This difference is also being addressed in the proposed budget amendment.
- Repairs and Maintenance expenditures were driven up due to unforeseen capital needs at the WTP with the VFD motors and pumps.

On a positive note:

- Utilities are \$28k under budget with \$25k of this coming from wastewater personnel implementing changes made after the energy audit at the WWTP.
 - Sludge removal at the WTP lagoons was \$9k lower than expected.
-
- Without the wholesale rate increase driving water sales higher, Total Income from Operations is currently \$51k behind budget. However, the second half of the year will be impacted more since only 3 months of wholesale increases were budgeted for the first half of the year and chemical costs are known to be below budget as mentioned earlier. Furthermore, additional expenses from the rate case are estimated at \$100,000 and even though can be recouped over the next three years, the bottom line will take a hit in this fiscal year. This is also being addressed in the proposed budget amendment.
 - A bright spot to the budget has been the increase in revenues from interest income. The \$17k in interest earnings represents only 3 ½ months of investments; therefore this number for the second half of the year should be almost double. Interest income and grant revenues were not initially budgeted and are also being addressed in the proposed budget amendment.
 - Net Income stands at \$204,600 for the year and is \$226.2k ahead of budget due mainly to the receipt of \$257k in grant funds which helped pay for the water line improvements. Without the interest income and grant revenues, the Commission would be facing a loss of almost \$70k which is the first time in recent history that a loss has been generated after the first half of the year.
 - For the year, the Commission has generated over \$316,000 in excess cash and has a coverage ratio of 3.35x, both indicative of continued financial strength. However, we should strive to reach a goal of matching the amount being depreciated since it is cash reserves that are used to fund system replacement costs, which continue to escalate.

Comparison of Six Months FY2019 versus FY2018

- Operating revenues for the first six months of fiscal year 2019 were \$50k higher than the previous year with the sewer rate increase leading to an additional \$30,000 and customer service fees adding \$23,000.
- Operating expenses for FY2019 are 13.6% higher than the previous year with salaries and benefits along with sludge removal costs accounting for 73% of the variance. Salaries and benefits have been impacted by the additional hiring of an office employee and an increase by one employee to the maintenance staff. The office employee was to be offset by the retiring of the Finance Director planned for December 2019. However, the PSC protest by the water districts have postponed her retirement and will add to further increases in salaries and benefits during the second half of the year. The sludge removal cost variance was from the bi-annual cleaning of the WTP lagoons.
- Chemicals and lab fees were budgeted to decrease this year but are actually 15% higher than the six month timeframe of the previous fiscal year.
- There have also been smaller increases in professional service fees (\$7.5k); tools, inventory and miscellaneous materials (\$3.1k); insurance rates (\$5.3k); repairs and maintenance costs (\$11k) and a decrease in reductions from capitalized labor.
- Utilities are the only expense category with a positive swing from the previous year due to the savings discussed previously generated from wastewater.
- For the first half of the 2019 fiscal year, Income from Operations stands at \$434k vs \$540k a year ago (\$106k lower). However, due to \$257k in grant revenues received, Net Income is almost \$80k higher than the previous year.
- The YTD debt service coverage (measured WITHOUT grant revenues) slipped from 4.02x to 3.35x and excess cash generated WITHOUT grant funds was \$90k lower than last year and stands at \$ 316.7k vs \$406.5k after six months of operations.

VENDOR NAME	CHECK DATE	CHECK NUMBER	INVOICE DESC	AMOUNT DISBURSED
PRINCIPAL LIFE	12/01/19	001219	LIFE & STD INSURANCE	331.44
ANTHONY CREEKMUR	12/02/19	015219	SKYLINE PROPERTY	3,750.00
DAVID CREEKMUR	12/02/19	015220	SKYLINE PROPERTY	3,750.00
DEBRA PETERS	12/02/19	015221	SKYLINE PROPERTY	3,750.00
TERRY CREEKMUR	12/02/19	015222	SKYLINE PROPERTY	3,750.00
CERS-COUNTY RETIREMENT	12/05/19	001219	CERS RETIREMENT	20,223.24
EFTPS	12/06/19	001219	FICA/FED P/R	3,862.25
KENTUCKY DEPT OF REVENUE	12/06/19	001219	ACCT# 105058 P/R TAX	3,147.17
AKRIDGE FARM SUPPLY	12/06/19	015223	SUPPLIES	6.99
BADGER METER	12/06/19	015224	BEACON SOFTWARE	210.79
BUMPER TO BUMPER	12/06/19	015225	BATTERY FOR BACKHOE	374.18
CITY OF PRINCETON	12/06/19	015226	PAYROLL TAX	724.55
COLE LUMBER CO. INC.	12/06/19	015227	SUPPLIES	72.60
COLEMAN AUTO PARTS	12/06/19	015228	PARTS FOR 2015 CHEVY	182.79
COLEMAN SHOES, REPAIR & BOOTS	12/06/19	015229	UNIFORM-MAINTENANCE	140.00
ELECTRIC PLANT BOARD (P'TON)	12/06/19	015230	INTERNET SERVICE	139.95
ELECTRIC PLANT BOARD (P'TON)	12/06/19	015230	ELECTRIC BILL	14,297.41
FIRST LINE FIRE EXTINGUISHER C	12/06/19	015231	ANNUAL INSPECTION	290.15
JOINER HARDWARE COMPANY	12/06/19	015232	SUPPLIES	51.98
KLM SALES & SERVICE	12/06/19	015233	TACO JOHN LIFT STATION	340.00
LABTRON X	12/06/19	015234	CALIBRATION	1,030.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	417.50
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	48.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	75.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	471.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	304.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	12.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	75.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/06/19	015235	TESTING	101.00
MONITORING & MANAGEMENT SERVIC	12/06/19	015236	PRETREATMENT CONSULTATION	450.00
PENNYRILE RURAL ELECTRIC CORP.	12/06/19	015237	ELECTRIC BILL	12,263.61
PIONEER MAINTENANCE	12/06/19	015238	CLEANING	250.00
RANDON MYERS INC.	12/06/19	015239	WTP REPLACEMENT PARTS	10,564.00
ROGERS GROUP INC.	12/06/19	015240	COMMERCIAL BASE	81.70
SMITH TECHNOLOGIES	12/06/19	015241	DATA PROCESSING	961.60
US BANK	12/06/19	015242	USDA LEASE PAYMENT #3	57,991.25
WCA WASTE SYSTEMS INC	12/06/19	015243	TRASH SERVICE	423.94
WETZEL, TODD B. ATTORNEY @ LAW	12/06/19	015244	SKYLINE DRIVE DEED/TITLE	550.00
BLACK EQUIPMENT	12/09/19	015245	REPAIR ON JCB	1,392.46
HACH CHEMICAL CO.	12/09/19	015246	CHEMICALS	414.93
HAYES, ROBERT L.	12/09/19	015247	COMMISSION FEE	150.00
LADD, BRENT	12/09/19	015248	COMMISSION FEE	150.00
PARRENT, JAY	12/09/19	015249	COMMISSION FEE	150.00
PATRICIA GEORGE	12/09/19	015250	COMMISSION FEE	150.00
STEVENS, IRL	12/09/19	015251	COMMISSION FEE	150.00
WETZEL, TODD B. ATTORNEY @ LAW	12/09/19	015252	ATTORNEY FEE	500.00
H & A RESOURCE MANAGEMENT	12/10/19	015253	WTP LAGOON SLUDGE SAMPLE	535.00
CALDWELL CO. BD. OF ED.	12/11/19	001219	CALDWELL UTILITY TAX	2,695.73
LYON COUNTY BD. OF ED.	12/11/19	001219	LYON CO UTILITY TAX	95.88
KENTUCKY INSURANCE (BC/BS)	12/12/19	001219	BC/BS INSURANCE	23,188.14
EFTPS	12/13/19	001219	FICA/FED P/R	3,802.12
KY LOCAL GOVERNMENT TRUST	12/15/19	001219	DENTAL/VISION	1,150.59
KENTUCKY STATE TREASURER	12/17/19	001219	SALES TAX	3,913.53
AIRGAS USA LLC	12/19/19	015260	CYLINDER RENTAL	48.95
ALEXANDER THOMPSON ARNOLD PLLC	12/19/19	015261	FINAL BILL-2019 AUDIT	5,500.00
AT & T	12/19/19	015262	PHONE/INTERNET	2,060.15
ATMOS ENERGY	12/19/19	015263	GAS BILL	384.73
CARDMEMBER SERVICE	12/19/19	015264	BAL ON FSNB CLOSED ACCTS	1.99
CAYCE MILL SUPPLY CO.	12/19/19	015265	PARTS FOR WTP	76.32
CDP ENGINEERS, INC.	12/19/19	015266	ADD CLOUD STORAGE	1,100.00
JOHN DEERE FINANCIAL	12/19/19	015267	MISC PARTS	911.95
KENTUCKY DEFERRED COMPENSATION	12/19/19	015268	DEFERRED COMP	180.00
LABTRON X	12/19/19	015269	CALIBRATION-WTP	210.00
MAX ARNOLD & SONS	12/19/19	015270	FUEL	27.67
MC GEE PEST CONTROL INC	12/19/19	015271	ANNUAL RENEWAL	2,650.00
MCKEEL EQUIPMENT	12/19/19	015272	REPAIR-CASE	1,055.52
MEDIACOM	12/19/19	015273	INTERNET & PHONE	115.72
MICHAEL PROWELL	12/19/19	015274	PEPB HOOKUP & WTP WORK	485.00

VENDOR NAME	CHECK DATE	CHECK NUMBER	INVOICE DESC	AMOUNT DISBURSED
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	12.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	52.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	48.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	75.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	25.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	101.00
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	83.50
MICROBAC LABORATORIES, INC.	12/19/19	015275	TESTING	75.00
NEWTEC	12/19/19	015276	CHEMICALS	932.50
PIPECHECK, LLC	12/19/19	015277	CAMERA SEWER	1,500.00
RAWDON MYERS INC.	12/19/19	015278	REPAIR	750.00
S4 WATER SALES AND SERVICE LLC	12/19/19	015279	CHEMICALS	971.36
S4 WATER SALES AND SERVICE LLC	12/19/19	015279	CHEMICALS	441.03
THORNTON-MUSSO-BELLEMIN	12/19/19	015280	CHEMICALS	3,607.50
U.S. POSTAL SERVICE	12/19/19	015281	POSTAGE FOR BILLS	1,000.00
VISA	12/19/19	015282	PLANTERS BANK	1,772.18
EFTPS	12/20/19	001219	FICA/FED P/R	3,965.24
AT & T MOBILITY	12/20/19	015283	CELL PHONES	529.84
NEWTEC	12/20/19	015284	CHEMICALS	1,272.50
EFTPS	12/27/19	001219	FICA/FED P/R	3,758.75
EFTPS	12/31/19	001219	FICA/FED P/R	3,851.01
GRAND TOTAL				224,443.88

WARRANT

City of Princeton
Water Project

Request No. 14
Date: 12/19/19

We, the undersigned, hereby certify that the following accounts are due and payable in the amounts shown for work performed by the payee on the City of Princeton's Water Rehabilitation Project. The Secretary is hereby authorized to disburse funds as follows upon receipt of the corresponding draw from USDA, Rural Development Loan & Grant funds:

<u>Name of Payee</u>	<u>Mailing Address</u>	<u>Amount</u>	<u>Source</u>
Hethcoat & Davis, Inc.	1457 Willowbrooke Cir. Franklin, TN 37069	\$8,584.34	RD Grant
Preferred Sandblasting & Painting, LLC	PO Box 1611 Shelbyville, TN 37162	\$54,774.18	RD Grant
		TOTAL \$63,358.52	

REQUESTED BY:

ENGINEER'S CERTIFICATION

City of Princeton

Representative Date Signed

 _____ 01/16/20
Project Engineer Date Signed

Area Director or Date Signed
Area Specialist

APPENDIX A

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00444 DATED JAN 10 2020**

**Princeton shall file its response to the Commission's request
for information attached hereto no later than 01/24/2020**

**Intervenors and Commission Staff shall serve the first request for information
upon Princeton no later than..... 02/07/2020**

**Princeton shall file with the Commission and serve upon all parties
of record its responses to the first set of request for information
no later than..... 02/21/2020**

**Intervenor testimony, if any, shall be filed with the Commission
and served upon all parties of record in verified prepared form
no later than..... 03/06/2020**

**Parties and Commission Staff shall serve requests for information
upon Intervenors no later than 03/20/2020**

**Intervenors shall file with the Commission and serve upon all other parties
of record and Commission Staff their responses to requests for information
no later than..... 04/03/2020**

**Public Hearing at the Commission's offices at 211 Sower Boulevard, Frankfort,
Kentucky, for the purpose of cross-examination of witnesses To Be Announced**

INCOME CATEGORIES	2020	CHANGES	2020	
	BUDGET		AMENDED	
4000 WATER SALES	1,624,000	(89,600)	1,534,400	WHOLESALE RATE POSTPONED
4010 SEWER SALES	1,477,000	(18,000)	1,459,000	DECREASE BY FIRST HALF RESULTS
4015 CUSTOMER SERVICE FEE	240,000	-	240,000	
4020 PENALTY INCOME	60,000	-	60,000	
4030 SALE OF STORES	12,000	-	12,000	
4040 LABOR SALES	6,000	-	6,000	
4046 BANK CUSTOMER CONV.FEE	1,000	-	1,000	
4050 EQUIP RENTAL	4,000	-	4,000	
4065 INT INCOME	-	41,400	41,400	ADD PROJECTION FOR YEAR
4080 MISC.INC. S.C.& CONN.	20,000	-	20,000	
4082 MISC.INC-GENERAL	7,500	-	7,500	
4085 FARM RENTAL INCOME	34,500	-	34,500	
4087 RECOVERY OF BAD DEBTS	-	-	-	
4090 DISCOUNTS TAKEN	-	-	-	
4095 PMT PLAN MISC INVOIC	-	-	-	
4098 GRANT REVENUE	-	320,500	320,500	ACTUAL AMOUNT OF GRANT RECEIPTS
TOTAL INCOME	\$ 3,486,000	254,300	3,740,300	

EXPENSE CATEGORIES

6010 SALARIES	808,500	40,910	849,400	NICOLE + BILLY W/O TRACY RETIREMENT
6020 PAYROLL TAX	61,000	3,130	64,100	7.65% X WAGES = ADD'L FICA
6030 EMPLOYEE BENEFITS	297,000	13,848	310,900	NICOLE + BILLY W/O TRACY RETIREMENT
6040 UNIFORMS	5,000	-	5,000	
6050 TRAINING EXPENSE	6,000	-	6,000	
6060 RETIREMENT FUND	187,000	9,843	196,800	24.06% X WAGES = ADD'L CERS
6070 UTILITIES	420,000	(43,750)	376,300	SAVINGS FROM WASTEWATER
6080 GASOLINE & OIL	25,000	-	25,000	
6090 EQUIPMENT REPAIR & MAINT	75,000	-	75,000	
6100 SUPPLIES	20,000	-	20,000	
6105 CHEMICALS	210,000	30,000	240,000	WTP CHEMICAL TRIAL DURING 1ST HALF
6110 INSURANCE	130,000	-	130,000	
6120 PROF.SERVICES(LAB FEES)	63,000	(21,000)	42,000	CURRENT SAVINGS
6121 PROF.SERVICES(OTHER)	30,000	8,000	38,000	PSC ADD'L ENGINEERING FEES
6122 DATA PROCESSING	12,000	-	12,000	
6125 CONTRACTED SERVICES	12,500	-	12,500	
6130 MISCELLANEOUS EXPENSE	10,000	-	10,000	
6135 POSTAGE EXPENSE	12,000	-	12,000	
6140 RENTAL & LEASE	5,000	-	5,000	
6150 ATTORNEYS FEES	6,000	60,000	66,000	PSC ADD'L ATTORNEY FEES
6160 TOOLS & EQUIPMENT	20,000	-	20,000	
6180 BUILDING REPAIR & MAINT	15,000	-	15,000	
6185 SLUDGE REMOVAL	90,000	-	90,000	
6650 INVENTORY EXP	40,000	-	40,000	
6660 MISC MATERIAL EXPENSE	15,000	-	15,000	
6665 FREIGHT EXPENSE	1,500	-	1,500	
6670 CAPITAL COST/LABOR/MACH.	(10,000)	3,800	(6,200)	ADJ FOR 1ST HALF
6676 KIA INTEREST EXP.(WWTP)	10,000	-	10,000	
6678 RD INTEREST EXPENSE (WTP)	84,738	-	84,700	
6680 DEPRECIATION EXPENSE	920,000	(50,000)	870,000	LOWER DEPREC FOR PROJECT
6699 FEE EXPENSE	5,000	-	5,000	
TOTAL EXPENSES	3,586,238	54,781	3,641,000	

NET INCOME	(100,238)	99,300
NET INCOME WITHOUT GRANT REVENUES	(100,238)	(221,200)
Cash Available for Debt Service W/O Grant	914,500	743,500
Scheduled Principal and Int Pmts	269,500	269,500
Debt Service Coverage	3.39	2.76

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit WD 1-18b

Minutes of Nov. 5, 2019

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – November 5, 2019

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, November 5th at the PWWC office. This meeting was in lieu of the regular meeting scheduled for Thursday, October 31st.

II. Roll Call and Recognition of Visitors

Ms. Musgove conducted roll call with the following members in attendance: Chairman Bob Hayes, Irl Stevens, Brent Ladd, Pat George. Jay Parrent was absent with prior notification. Also present were Attorney Todd Wetzel and Superintendent James Noel. Chairman Hayes recognized the two visitors present as Mayor Kota Young and Joy King. Mr. Hayes turned the meeting over to Ms. King who was requesting help with a recent high bill due to a leak. She had previously spoken to Commissioner Pat George and had also met with Jason Oliver who had given her an adjustment per policy along with approximately 14 months to pay. She still was not satisfied and wanted an average bill. The Commission decided to adhere to the policy and explained she had been given substantially more time than normal in her payment plan. There would be no further adjustments.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the October 1st meeting were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. Director of Finance Musgove presented the financials for the month of September along with quarter year to date data. Revenues for the month exceeded budget but expenses were higher due to paying for bulk annual shipments for chemicals at the two plants. (An adjustment will be made in December to recognize chemical inventory and pre-pays). YTD net income was almost \$100,000 higher than budget with \$99,100 coming from grant revenues. A motion was made by Brent Ladd and seconded by Pat George to approve the financial statements as written. Motion passed with all Ayes. The invoices for the month of September were reviewed by members and a motion was made by Brent Ladd and seconded by Irl Stevens to pay the bills. All Ayes.

IV. System Expansion / Old Business

Mr. Noel stated JSJ had completed all final clean up on areas that needed attention and that he had authorized payment of the remaining balance that had been retained. Questions arose regarding the status of the clearwell addition and Ms. Musgove said the USDA representative had emailed that they were waiting on environmental. Mr. Noel said that an experiment with slowly throttling back the VFDs at the water plant may eliminate the need for the surge tank. Further data needs to be collected and programming will need to be done to eliminate the need for manual throttling.

Superintendent Noel updated the Commission regarding the purchase of the property adjacent to the Skyline Tank. The property owners decided to take the initial offer of \$15,000 and Mr. Wetzel is in process of completing title work and purchase documents. There are four separate parties (along with spouses) who need to sign before proceeds are disbursed.

Mr. Stevens asked if there had been any definitive results regarding the source of the smell in the water that had been noted in several complaints by various residents across the town but with a concentration of homes in the Greenspoint subdivision. Mr. Noel stated that Jackie Logsdon from DOW had accompanied him to numerous sites and had taken several samples for testing. However, the test results have not been received.

Mr. Noel stated the Maintenance paving project is currently on a wait list with Rogers Group. The prep work that was required to be done has been completed and should be inspected soon.

V. New Business and Superintendent's Report

Ms. Noel requested the board approve the Christmas bonus payout as budgeted in the amount of \$12,450 with discretion given to him on individual payouts dependant on merit. A motion was made by Brent Ladd and seconded by Pat George to pay the bonuses as requested. All Ayes.

Mr. Noel updated the Commission on the posting of the administrative position. Several dozen applications had been received with 15 applicants being tested. Two applicants still needed to be tested and from the test scores, five will be interviewed. *(Update: All five applicants interviewed were excellent candidates. The five finalists were Hailey Bowles Jones, Mandy McConnell, Amanda Ford, Sarah McClure and Nicole McGowan. The decision was made to offer the position to Nicole McGowan who accepted and plans to start November 25th.)*

Ms. Musgove updated the Commission regarding the meeting held with the two wholesale customers regarding a rate increase effective with January 1, 2020 usage. Since the first reading of the regulation was completed, a second reading will be required. Chairman Hayes proceeded with the second reading of Rate Regulation 07-02-2019. A motion was made by Brent Ladd and seconded by Pat George to approve the Regulation. All Ayes. (A copy of Regulation 07-02-2019 is included in the minute book)

VI. Adjourn

Due to the Thanksgiving Holiday, it was decided to hold the next meeting on Tuesday, December 10th at 3:00. There being no further issues or business to discuss, Brent Ladd made a motion seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:

SECRETARY

CHAIRMAN

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

19. Refer to Princeton's response to Commission Staff's First Information Request 29, specifically the email dated 10/5/19 from Tracy Musgove to various recipients. Starting with paragraph two of the email Ms. Musgove's email states: "Last October, I enlisted the help of professionals with the Environmental Finance Center at UNC Chapel Hill. Assessments of our system's financial stability and the affordability to our customer base were completed **along with a rate study. Several rate scenarios were modeled...**[emphasis added]"

- (a) Provide a complete copy of the rate study referenced in this email along with all supporting documents.
- (b) Refer to Princeton's response to Commission Staff's First Information Request 25 where Princeton states that such a study was not performed. Provide a detailed explanation of these inconsistent statements.
- (c) Provide copies of all "rate scenarios" that were modeled along with all supporting documents.

Response:

(a & c) The rate modeling/rate scenarios are attached as eleven separate Excel files beginning with the prefix 'WD 1-19.' For the files dated January 29, 2019, Scenario 1 adjusts the Base and Volumetric, Scenario 2 adjusts the Base and Allowance, and Scenario 3 adjusts Volumetric (New blocks and charge for allowance). PWWC does not have unprotected versions of these files.

(b) The term "rate study" was used incorrectly and should have been rate modeling/rate scenarios.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

20. Refer to Princeton's response to Commission Staff's First Information Request

31. Using a table format summarize the projected net effect on Princeton's water and sewer revenues of the retail water and sewer adjustments made in 2019, coupled with the implementation of the wholesale adjustment requested by Princeton in this case (assuming hypothetically that the entire wholesale increase were approved by the Commission).

(a) Provide total sewer revenues for the same period as the test year, FY 2019.

Response: See Excel file titled WD 1-20 Old vs New Water and Sewer, and Exhibits attached Exhibit WD 1-20 New vs Old Water and WD 1-20(a) New vs Old Sewer

Rate Code	Rate Code Description	Revenues with Old Rates	Revenues with New Rates
101	Water 5/8" Inside	567,620	574,505
102	Water 1" Inside	40,217	45,244
103	Water 1.5" Inside	28,697	32,853
104	Water 2.0" Inside	86,372	102,775
105	Water 3.0" Inside	46,979	55,572
106	Water 4.0" Inside	78,388	95,725
107/110	Wholesale No Minimum	504,018	654,511
401	Water 5/8" Outside	145,080	145,080
402	Water 1" Outside	9,833	9,833
404	Water 2.0" Outside	22,738	22,738
405	Water 3.0" Outside	4,330	4,330
	TOTAL WATER	\$ 1,534,272	\$ 1,743,166
	% INCREASE		13.6%

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

(a) The following is a comparison of Old versus New Rates on Sewer Revenues

Rate Code	Rate Code Description	Revenues with Old Rates	Revenues with New Rates
301	Sewer 5/8" Inside	896,989	971,655
302	Sewer 1" Inside	66,275	72,789
303	Sewer 1.5" Inside	62,667	69,026
304	Sewer 2.0" Inside	138,261	151,906
305	Sewer 3.0" Inside	92,324	101,487
306	Sewer 4.0" Inside	49,421	45,270
309	Totalizer - Gallon Meter	61,075	66,770
310	PGCC Maint Shop	124.92	130.32
	TOTAL SEWER	\$ 1,367,137.12	\$ 1,479,033.61
	SEWER % INCREASE		8.18%

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit WD 1-20
New vs Old Water

Summary for Charge Code 101 - WA 5/8

		Current	Proposed
<u>Totals:</u>	13,363,246	\$574,505.11	\$567,619.81

*New Rate
Current System*

Rate Code: 101 - WATER 5/8 INSIDE

Old Rate

Current Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$8.60 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	175	0.00000000	10077	10077	\$86817.00	\$8.62
2	1825	0.03360000	24202	24202	\$456020.68	\$18.84
3	99999999	0.02970000	267	267	\$31667.43	\$118.60

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$8.60 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	150	0.00000000	8573	8573	\$73848.20	\$8.61
2	950	0.03067300	24846	24846	\$427028.63	\$17.19
3	8900	0.02674000	1119	1119	\$64316.44	\$57.48
4	99999999	0.02287100	8	8	\$2426.54	\$303.32

Summary for Charge Code 102 - WA 1

Totals:

1,197,863

Current
\$45,244.28

Proposed
\$40,216.66

TRK

Rate Code: 102 - WATER 1 INSIDE

Status: Active

Old

Current Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$27.92 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Proposed Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$27.00 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	750	0.00000000	382	382	\$10665.44	\$27.92
2	1250	0.03360000	118	118	\$4741.43	\$40.18
3	99999999	0.02970000	144	144	\$29837.41	\$207.20

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	750	0.00000000	382	382	\$10314.00	\$27.00
2	350	0.03067300	75	75	\$2300.72	\$30.68
3	8900	0.02674000	174	174	\$16761.15	\$96.33
4	99999999	0.02287100	13	13	\$10840.79	\$833.91

Summary for Charge Code 103 - WA 1.5

Totals:

898,732

Current
\$32,852.79

Proposed
\$28,697.48

Rate Code: 103 - WATER 1.5 INSIDE

Status: Active

Current Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$69.92 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Proposed Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$61.80 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	2000	0.00000000	103	103	\$7201.76	\$69.92
2	99999999	0.02970000	125	125	\$25651.03	\$205.21

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	2000	0.00000000	103	103	\$6365.40	\$61.80
2	8000	0.02674000	102	102	\$12333.96	\$120.92
3	99999999	0.02287100	23	23	\$9998.12	\$434.70

Summary for Charge Code 104 - WA 2

Totals:

2,942,629

Current
\$102,775.42

Proposed
\$86,371.97

Rate Code: 104 - WATER 2 INSIDE

Status: Active

Current Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$123.38 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	3800	0.00000000	147	147	\$18136.86	\$123.38
2	99999999	0.02970000	152	152	\$84638.56	\$556.83

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$109.94 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	3800	0.00000000	147	147	\$16161.18	\$109.94
2	6200	0.02674000	67	67	\$12378.56	\$184.75
3	99999999	0.02287100	85	85	\$57832.23	\$680.38

Summary for Charge Code 105 - WA 3

Totals:

1,674,585

**Current
\$55,571.80**

**Proposed
\$46,979.33**

Rate Code: 105 - WATER 3 INSIDE

Status: Active

Current Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$230.30 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Proposed Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$206.20 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	7400	0.00000000	40	40	\$9212.00	\$230.30
2	99999999	0.02970000	80	80	\$46359.80	\$579.50

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	7400	0.00000000	40	40	\$8248.00	\$206.20
2	2600	0.02674000	17	17	\$4121.36	\$242.43
3	99999999	0.02287100	63	63	\$34609.97	\$549.36

Summary for Charge Code 106 - WA 4

Totals:

3,094,552

Current
\$95,725.01

Proposed
\$78,387.89

Rate Code: 106 - WATER 4 INSIDE

Status: Active

Current Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$307.52 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Proposed Rate
 Calculation Method: Standard Consumption: (None)
 Base Charge: \$491.86 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Multiple Families
 Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	10000	0.00000000	12	12	\$3690.24	\$307.52
2	99999999	0.02970000	36	36	\$92034.77	\$2556.52

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	19450	0.00000000	13	13	\$6394.18	\$491.86
2	99999999	0.02287100	35	35	\$71993.71	\$2056.96

Summary for Charge Code 401 - WA 5/8

		Current	Proposed
Totals:	2,072,431	\$145,079.91	\$145,079.91

Rate Code: 401 - WATER 5/8 OUTSIDE

Status: Active

Current Rate				Proposed Rate			
Calculation Method:	Standard	Consumption:	(None)	Calculation Method:	Standard	Consumption:	(None)
Base Charge:	\$15.05	Flat Fee:	\$0.00	Base Charge:	\$15.05	Flat Fee:	\$0.00
Minimum:	\$0.00	Adjustment:	\$0.00000000	Minimum:	\$0.00	Adjustment:	\$0.00000000
Maximum:	\$0.00			Maximum:	\$0.00		

Multiple Families				Multiple Families			
Consumption:	Y	Minimum:	N	Consumption:	Y	Minimum:	N
Base Charge:	Y	Maximum:	N	Base Charge:	Y	Maximum:	N
Multiple Bills:	N			Multiple Bills:	N		

Rate Consumption Table							Rate Consumption Table						
Step	Units	Rate	#Fam	Count	Total	Average	Step	Units	Rate	#Fam	Count	Total	Average
1	150	0.00000000	929	929	\$13981.45	\$15.05	1	150	0.00000000	929	929	\$13981.45	\$15.05
2	950	0.05367700	3130	3130	\$99429.54	\$31.77	2	950	0.05367700	3130	3130	\$99429.54	\$31.77
3	8900	0.04679500	264	264	\$28735.24	\$108.85	3	8900	0.04679500	264	264	\$28735.24	\$108.85
4	99999999	0.04002500	5	5	\$2933.68	\$586.74	4	99999999	0.04002500	5	5	\$2933.68	\$586.74

Summary for Charge Code 402 - WA 1	<u>Totals:</u>	131,107	Current \$9,832.64	Proposed \$9,832.64
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Rate Code: 402 - WATER 1 OUTSIDE

Status: Active

Current Rate				Proposed Rate			
Calculation Method:	Standard	Consumption:	(None)	Calculation Method:	Standard	Consumption:	(None)
Base Charge:	\$47.26	Flat Fee:	\$0.00	Base Charge:	\$47.26	Flat Fee:	\$0.00
Minimum:	\$0.00	Adjustment:	\$0.00000000	Minimum:	\$0.00	Adjustment:	\$0.00000000
Maximum:	\$0.00			Maximum:	\$0.00		

Multiple Families				Multiple Families			
Consumption:	Y	Minimum:	N	Consumption:	Y	Minimum:	N
Base Charge:	Y	Maximum:	N	Base Charge:	Y	Maximum:	N
Multiple Bills:	N			Multiple Bills:	N		

Rate Consumption Table							Rate Consumption Table						
Step	Units	Rate	#Fam	Count	Total	Average	Step	Units	Rate	#Fam	Count	Total	Average
1	750	0.00000000	108	108	\$5104.08	\$47.26	1	750	0.00000000	108	108	\$5104.08	\$47.26
2	350	0.05367700	13	13	\$722.79	\$55.60	2	350	0.05367700	13	13	\$722.79	\$55.60
3	89000	0.04679500	23	23	\$4005.77	\$174.16	3	89000	0.04679500	23	23	\$4005.77	\$174.16
4	99999999	0.04002500			\$0.00	\$0.00	4	99999999	0.04002500			\$0.00	\$0.00

Summary for Charge Code 404 - WA 2

Totals:	428,588	Current \$22,737.86	Proposed \$22,737.86
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Rate Code: 404 - WATER 2 OUTSIDE

Status: Active

Current Rate				Proposed Rate			
Calculation Method:	Standard	Consumption:	(None)	Calculation Method:	Standard	Consumption:	(None)
Base Charge:	\$192.39	Flat Fee:	\$0.00	Base Charge:	\$192.39	Flat Fee:	\$0.00
Minimum:	\$0.00	Adjustment:	\$0.00000000	Minimum:	\$0.00	Adjustment:	\$0.00000000
Maximum:	\$0.00			Maximum:	\$0.00		

Multiple Families				Multiple Families			
Consumption:	Y	Minimum:	N	Consumption:	Y	Minimum:	N
Base Charge:	Y	Maximum:	N	Base Charge:	Y	Maximum:	N
Multiple Bills:	N			Multiple Bills:	N		

Rate Consumption Table						
Step	Units	Rate	#Fam	Count	Total	Average
1	3800	0.00000000	28	28	\$5386.92	\$192.39
2	6200	0.04679500			\$0.00	\$0.00
3	99999999	0.04002500	10	10	\$17350.94	\$1735.09

Rate Consumption Table						
Step	Units	Rate	#Fam	Count	Total	Average
1	3800	0.00000000	28	28	\$5386.92	\$192.39
2	6200	0.04679500			\$0.00	\$0.00
3	99999999	0.04002500	10	10	\$17350.94	\$1735.09

Summary for Charge Code 405 - WA 3

Totals:	20,356	Current \$4,330.20	Proposed \$4,330.20
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Rate Code: 405 - WATER 3 OUTSIDE

Status: Active

Current Rate				Proposed Rate			
Calculation Method:	Standard	Consumption:	(None)	Calculation Method:	Standard	Consumption:	(None)
Base Charge:	\$360.85	Flat Fee:	\$0.00	Base Charge:	\$360.85	Flat Fee:	\$0.00
Minimum:	\$0.00	Adjustment:	\$0.00000000	Minimum:	\$0.00	Adjustment:	\$0.00000000
Maximum:	\$0.00			Maximum:	\$0.00		

Multiple Families				Multiple Families			
Consumption:	Y	Minimum:	N	Consumption:	Y	Minimum:	N
Base Charge:	Y	Maximum:	N	Base Charge:	Y	Maximum:	N
Multiple Bills:	N			Multiple Bills:	N		

Rate Consumption Table							Rate Consumption Table						
Step	Units	Rate	#Fam	Count	Total	Average	Step	Units	Rate	#Fam	Count	Total	Average
1	7400	0.00000000	12	12	\$4330.20	\$360.85	1	7400	0.00000000	12	12	\$4330.20	\$360.85
2	2600	0.04679500			\$0.00	\$0.00	2	2600	0.04679500			\$0.00	\$0.00
3	99999999	0.04002500			\$0.00	\$0.00	3	99999999	0.04002500			\$0.00	\$0.00

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Responses to Caldwell/Lyon's Information Requests

WD 1-20(a)

New vs Old Sewer

New

Current

OLD

Proposed

Summary for Charge Code 301 - SW 5/8

Totals:

12,765,106

\$971,654.54

\$896,988.80

Rate Code: 301 - SEWER 5/8 INSIDE

NEW

OLD

Status: Active

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$10.86 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$10.41 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	150	0.00000000	7994	7994	\$86771.40	\$10.85
2	99999999	0.07240000	25260	25260	\$884883.14	\$35.03

Step	Units	Rate	#Fam	Count	Total	Average
1	150	0.00000000	7994	7994	\$83175.90	\$10.40
2	950	0.06529900	24256	24256	\$691476.05	\$28.51
3	8900	0.06551900	998	998	\$118501.28	\$118.74
4	99999999	0.06632300	6	6	\$3835.57	\$639.26

Summary for Charge Code 302 - SW 1

Totals:

862,341

New
Current
\$72,789.23

OLD
Proposed
\$66,275.49

NEW

Rate Code: 302 - SEWER 1 INSIDE

OLD

Status: Active

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$54.30 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$49.59 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	750	0.00000000	326	326	\$17701.80	\$54.30
2	99999999	0.07240000	192	192	\$55087.43	\$286.91

Step	Units	Rate	#Fam	Count	Total	Average
1	750	0.00000000	326	326	\$16166.34	\$49.59
2	350	0.06529900	62	62	\$3527.06	\$56.89
3	8900	0.06551900	118	118	\$23682.62	\$200.70
4	99999999	0.06632300	12	12	\$22899.47	\$1908.29

OLD

Summary for Charge Code 303 - SW 1.5

NEW

Current
\$69,025.85

885,673

Totals:

Proposed
\$62,667.38

Rate Code: 303 - SEWER 1.5 INSIDE

Status: Active

NEW

OLD

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$144.80 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$131.42 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	2000	0.00000000	67	67	\$9701.60	\$144.80
2	99999999	0.07240000	125	125	\$59324.25	\$474.59

Step	Units	Rate	#Fam	Count	Total	Average
1	2000	0.00000000	67	67	\$8805.14	\$131.42
2	8000	0.06551900	102	102	\$28180.55	\$276.28
3	99999999	0.06632300	23	23	\$25681.69	\$1116.60

NEW

OLD

Summary for Charge Code 304 - SW 2

	NEW	OLD
Totals:	1,948,805	1,948,805
	Current	Proposed
	\$151,906.12	\$138,260.81

NEW

Rate Code: 304 - SEWER 2 INSIDE

OLD

Status: Active

Current Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$275.12 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	3800	0.00000000	68	68	\$18708.16	\$275.12
2	99999999	0.07240000	112	112	\$133197.96	\$1189.27

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$249.35 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	3800	0.00000000	68	68	\$16955.80	\$249.35
2	6200	0.06551900	51	51	\$21594.70	\$423.43
3	99999999	0.06632300	61	61	\$99710.31	\$1634.60

Summary for Charge Code 305 - SW 3	Totals:	1,282,915	\$101,487.42	Proposed \$92,323.69
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Rate Code: 305 - SEWER 3 INSIDE

Status: Active

NEW

OLD

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$535.76 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$485.22 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	7400	0.00000000	35	35	\$18751.60	\$535.76
2	99999999	0.07240000	61	61	\$82735.82	\$1356.32

Step	Units	Rate	#Fam	Count	Total	Average
1	7400	0.00000000	35	35	\$16982.70	\$485.22
2	2600	0.06551900	17	17	\$9757.97	\$574.00
3	99999999	0.06632300	44	44	\$65583.02	\$1490.52

Summary for Charge Code 306 - SW 4

	NEW	Rate Code Study OLD
	Current \$45,270.35	Proposed \$49,421.12
<u>Totals:</u>	513,772	

Rate Code: 306 - SEWER 4 INSIDE

Status: Active

NEW

OLD

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$724.00 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$1282.32 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average	Step	Units	Rate	#Fam	Count	Total	Average
1	10000	0.00000000	12	12	\$8688.00	\$724.00	1	19450	0.00000000	13	13	\$16670.16	\$1282.32
2	99999999	0.07240000	12	12	\$36582.35	\$3048.53	2	99999999	0.06632300	11	11	\$32750.96	\$2977.36

NEW

Proposed
OLD

Summary for Charge Code 309 - SW BT

6,898,316

Current
\$66,769.78

Totals:

Proposed
\$61,074.91

Rate Code: 309 - BREMNER TOTALIZER

NEW

OLD

Status: Active

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$724.00 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$1282.32 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Multiple Families

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Consumption: Y Minimum: N
 Base Charge: Y Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average
1	74800	0.00000000			\$0.00	\$0.00
2	99999999	0.00967914	12	12	\$66769.78	\$5564.15

Step	Units	Rate	#Fam	Count	Total	Average
1	145486	0.00000000			\$0.00	\$0.00
2	99999999	0.00886700	12	12	\$61074.91	\$5089.58

Summary for Charge Code 310 - PC MAINT

<i>NEW</i>	Rate Code Study	<i>OLD</i>
Current		Proposed
\$130.32		\$124.92

11,787

Totals:

Rate Code: 310 - PRINCETON GOLF/COUNTRY

NEW

OLD

Status: Active

Current Rate

Proposed Rate

Calculation Method: Standard Consumption: (None)
 Base Charge: \$10.86 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Calculation Method: Standard Consumption: (None)
 Base Charge: \$10.41 Flat Fee: \$0.00
 Minimum: \$0.00 Adjustment: \$0.00000000
 Maximum: \$0.00

Multiple Families

Consumption: Y Minimum: N
 Base Charge: N Maximum: N
 Multiple Bills: N

Multiple Families

Consumption: Y Minimum: N
 Base Charge: N Maximum: N
 Multiple Bills: N

Rate Consumption Table

Rate Consumption Table

Step	Units	Rate	#Fam	Count	Total	Average	Step	Units	Rate	#Fam	Count	Total	Average
1	99999999	0.00000000	12	12	\$130.32	\$10.86	1	99999999	0.00000000	12	12	\$124.92	\$10.41

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21. Refer to Princeton's response to Commission Staff's First Information Request
- 32.
- (a) Provide all documentation which supports Princeton's 50%-50% allocation for Items (a), (b) and (c).
 - (b) Provide all documentation which supports Princeton's 45%-55% "randomly allocated" decision for Item (d).
 - (c) In its response Princeton does not address the allocation decision of Item (e), Chemical and Gas Inventory Adjustment. State how Princeton has chosen to allocate this Item and provide an explanation of its rationale for same and all documentation with supports it.

Response: (a) Refer to General Ledger attached in first request and PSC 2-21 Unit Cost Worksheet. See also Response to PSC 2-10.

(b) See Response to PSC 2-11.

(c) The chemical and gas inventory adjustment was the amount of chemicals and gas (mainly diesel) on hand at the water department as of 06/30/19. Refer to Excel file WD 1-21(c) Chemical Adjustments

Witness: Tracy B. Musgove

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22. Refer to Princeton's response to Commission Staff's First Information Request
- 33.
- (a) State whether the UNC Water and Wastewater Residential Rates Affordability Assessment Tool is being used by Princeton in this case as a substitute for a Cost of Service Study to determine the cost of providing water service for ratemaking purposes.
 - i. If it is not being used as such state its intended purpose.
 - (b) Confirm that the financial inputs which were utilized in the Assessment Tool were from Princeton's FY 2017 financial statement, and not from the test year, FY 2019.

Response:

- (a) See Response to PSC 2-6.
- (b) Financial inputs utilized in the Assessment Tool were initially from the Audits of 2013, 2014, 2015, 2016 and 2017. At the time assistance was requested the 2018 audit was not yet finalized but was sent at a later date to update the worksheet. The assistance was being given prior to FY2019 getting underway; therefore, this test year was not utilized by the UNC associates.

Witness: Tracy B. Musgove

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23. Refer to Princeton's proposed wholesale rate tariff which was contained in its initial filing with the Commission.

- (a) State the basis for increasing the wholesale meter charge by 50%, from \$4.00/meter to \$6.00/meter and provide all documentation which Princeton relies upon to support this increase.
- (b) Confirm that Lyon and Caldwell Districts both own and are responsible for the costs of maintaining all of the master meters utilized between their systems and Princeton's system.
 - i. If Princeton agrees that this is the case state the justification for the requested 50% wholesale meter charge increase.

Response: (a & b) See Response to PSC 2-19. Lyon County Water District does not own the master meters; however, Caldwell County Water District does.

Witness: Tracy B. Musgove

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24. Refer to Princeton’s response to Commission Staff’s First Information Request
16. In the table provided Princeton provides the proposed total revenue and corresponding revenue increase expected from the requested wholesale rate increase based upon FY 2019 consumption as to both Caldwell and Lyon Districts.
- (a) Provide a similar calculation of proposed total revenue and corresponding revenue increase/decrease expected from the “inside city customers” retail rate decrease enacted in August 2019 based upon FY 2019 consumption.
 - (b) Provide a similar calculation relative to “outside city customers” based upon Princeton’s projection of when those customers’ retail rates will be adjusted.
 - (c) Provide a similar calculation for both classifications of retail customers based upon Princeton’s projection of when subsequent phasing-out of declining block rates will likely occur.

Response:

- (a) Overall retail rates for inside city customers were increased—not decreased—in August 2019 with larger users in rate codes 104 – 106 experiencing increases from 18.3% to 22.1%. See Response to Item 20 above and its corresponding Excel file.
- (b) Princeton does not have specific timeline as to future rate increases. As Ms. Musgove stated in her testimony, “Data will be analyzed to see the results before phase two is implemented and all tiers are removed.” PWWC will analyze future data to determine the appropriate course of action.
- (c) Princeton does not have specific timeline as to future rate increases. As Ms. Musgove stated in her testimony, “Data will be analyzed to see the results before phase

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two is implemented and all tiers are removed.” PWWC will analyze future data to determine the appropriate course of action.

Witness: Tracy B. Muscove

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25. Identify each person who prepared or assisted in the preparation of Princeton's Application materials and identify that section or sections of the Application materials for which the person is responsible.

Response: PWWC did not file an Application in this matter. Nothing in KRS Chapter 278 or PSC regulations required PWWC to file an application. If the question refers to the proposed amended tariff and related materials that were filed with the Commission on November 27, 2019, Tracy B. Musgove prepared those materials.

Witness: Legal; Tracy B. Musgove

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26. For each person listed in the response to Request 26, provide the person's curriculum vitae.

Response: Ms. Musgove does not maintain a current CV. A summary of her educational and occupational background is contained in her testimony.

Witness: Tracy B. Musgove

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Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

27. Provide a list and furnish copies of all reports, studies, analyses, review, and similar documents used to prepare Princeton's Application materials.

Response: As noted above, PWWC did not file an Application in this matter. Nothing in KRS Chapter 278 or PSC regulations required PWWC to file an application. Please see Response to Item 3 above.

Witness: Legal; Tracy B. Musgove

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28. Provide a list of all state or federal governmental agencies to which Princeton must annually report its finances and operations. Furnish copies of all such reports for FY 2017, FY 2018 and FY 2019.

Response: Audits are sent to the Kentucky Department of Local Government, the Kentucky Infrastructure Authority, Kentucky Association of Counties Finance Corporation and the USDA. A financial disclosure report is submitted annually to the Department of Local Government. Refer to Responses to PSC 1-2 and 1-15 for copies of requested documents.

Witness: Tracy B. Musgove

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29. Provide a copy of the minutes of each meeting of the City of Princeton's Water and Wastewater Commission for 2017, 2018, 2019, to current date.

Response: PWWC objects to this request as being overly broad and not proportional to the needs of the case. Notwithstanding this objection, see minutes attached to this request as Exhibit WD 1-29 Minutes.

Witness: Legal; Tracy B. Musgove

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Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

Exhibit WD

1-29 Minutes

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – January 25, 2018**

I. Call to Order

Chairman Bob Hayes called the regular meeting of the PWWC to order at 4:00 P.M. on Thursday, January 25, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. All Commission members were present which included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens, and Jay Parrent along with Attorney Todd Wetzel and Superintendent James Noel.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the November meeting were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The November and December financial statements were reviewed along with a six month comparison report of fiscal year 2018 vs 2017. Ms. Musgove requested an amendment to the budget to lower sludge removal expenses by \$40,000 since it appears this original item will now be a capital expenditure versus a repair and maintenance item. By lowering the expenses, the total net loss projected at \$118,500 will be lowered to \$78,500. A motion to adopt the new budget amendment was made by Jay Parrent and seconded by Brent Ladd. All Ayes. A motion was then made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The November and December lists of bills paid were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve both months of bills. All Ayes.

IV. System Expansion / Old Business

Moving forward with the USDA project has stalled because of the delays from Caldwell County Water District in approving the new contract. Revisions were forwarded from their attorney which management feels are not in the best interest of PWWC, namely watering down the exclusivity language, lowering the minimum, inserting a clause about not paying for "substandard water" without defining "substandard", and changes to meter calibration timeframes, etc.. *(Update: a meeting was held 2/7/18 between both parties to discuss the aforementioned areas. Mr. Wetzel expressed concern regarding the use of the word primary in place of exclusive and the fact that primary could mean as little as 51%. Ms. Musgove told CCWD representatives that at this point in time we had discussed with USDA the option of going with a 30 year term on the new project and living with the old contract as is. CCWD met again 2/13/18 and sent a revised red-lined version 2/15 which was reviewed by Attorney Wetzel, Ms. Musgove, Mr. Noel and Mr. Hayes with our final revisions sent back to their attorney on 2/19. Nothing new since that time).*

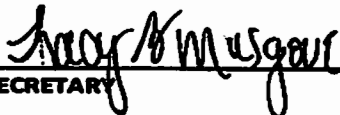
V. New Business and Superintendent's Report

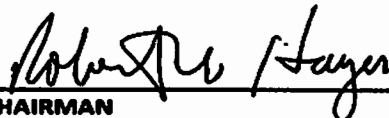
- (a) Mr. Noel presented his monthly Superintendent's report to all members. He reported on the numerous individuals who had completed various certifications and the fact that Griffin Donaldson can take on-line courses to shorten the length of time he must work at the WTP before taking his Class IV certification. Other items discussed were issues relating to screw pump problems at the WWTP with alternatives being pursued by Wascon on the repairs and the desire to have a Customer Appreciation Day coinciding with National Water Week during the first week of May.
- (b) Ms. Musgove went over changes recommended by the Superintendent regarding establishing a different work week where no time would be "projected" ahead. Currently, timesheets are completed Wednesday morning with work times projected from the end of day Wednesday through end of day Friday, in essence paying for time that had not yet been worked. Adjustments are made the following week should anyone not work the hours they originally submitted. By the end of February, the workweek will be changed to reflect Wednesday – Tuesday actual pay with timesheets being submitted Wednesday morning and paychecks deposited on Thursdays.
- (c) Ms. Musgove then presented the information gathered from the request for audit proposals. Only three proposals were received from the twelve requests sent. The low bid came from the Murray office of Alexander Thompson Arnold (ATA) and was for a five year period beginning with a \$10,000 fee for FY2017 and increasing by \$250 per year through FY2021. Ms. Musgove recommended hiring ATA as the auditor for the 2017 – 2021 fiscal periods since their bid was \$2,500 less than the Thurman & Campbell bid. A motion was made by Brent Ladd and seconded by Pat George to hire ATA. All Ayes.

VI. Adjourn

Due to the KRWA Management Conference scheduled for February 21-22, the February meeting will be moved to Thursday, March 1st. There being no further business to discuss, Brent Ladd made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – March 1, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, March 1, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Jay Parrent along with Superintendent James Noel. Attorney Todd Wetzel joined the meeting at approximately 4:15 pm and Commissioner Stevens was absent with prior notification.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the January meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The January financial statements were reviewed with a motion made by Jay Parrent and seconded by Brent Ladd to approve the financial statements as presented. All Ayes. The January bills were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve. All Ayes.

IV. System Expansion / Old Business

The USDA project is still in limbo due to the stalled contract negotiations with Caldwell County Water. Final revisions by Attorney Wetzel were sent to them on February 19th with only a reply from Attorney Wilson stating their next meeting was March 13th and we should expect something shortly afterwards. Ms. Musgove is to contact Barbara Gillum at USDA to get the go ahead to proceed without a new county contract. Once the approval to proceed is given, Mr. Wetzel is to notify Ms. Wilson that should CCWD not accept the new contract, in its current form, the old contract will be considered to be in force and the new one will be withdrawn. Provisions of the old contract dealing with meter calibration and monthly minimums will immediately be addressed. *Update: Ms. Gillum agreed with plan to proceed without new contract. CCWD was notified prior to their meeting on March 13th but rejected the new contract once again. Notification of a new minimum and request for meter calibration reports have been made.*

V. New Business and Superintendent's Report

(a) Mr. Noel presented his monthly Superintendent's report to all members which included the following:

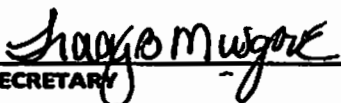
- ❖ An issue arose at the WTP where the cut off switch on the high surface pumps malfunctioned and nearly ran the clearwell dry. Over 200,000 gallons of water was lost before Mr. Scott came in and found the issue and had to cut power to the pumps in order to stop it. A leak in the roof had caused a problem with the electrical system which is being addressed by Sledge Electric.
- ❖ The bearing for the WWTP screw pump was delivered but was not of the caliber the Wascon technician felt it should have been; therefore, a new bearing was ordered. It is still thought that the final cost to repair will still be less than the amount quoted initially.
- ❖ Private sewer lines continue to be a problem and the Board was made aware of one problem area where the line runs under the customer's house. While sympathetic to the issue, the Commission cannot install new sewer line for a small amount of customers who are unwilling to pay for the upgrade.
- ❖ Clamps used in the sewer rehab completed 5-7 years ago appear to be pulling loose and then shifting to the point where customer laterals are affected. A third area has been identified and all have had the same clamps used by the contractor in the rehab. Mr. Noel stated the "as built" plans would be reviewed to see how many of these potentially defective joints may be in the system.

(b) Ms. Musgove went over a situation regarding a recent adjustment which requires a change to the adjustment policy. The current policy states there shall be no adjustments made to a customer's bill when the property is vacant. However, in this situation, the water lost was not making its way into the sewer system; therefore, management felt the customer should receive an adjustment for the sewer portion in the same way they are done for normal residence. After a general discussion the Commission members agreed and requested a proposed policy change be submitted at the next meeting.

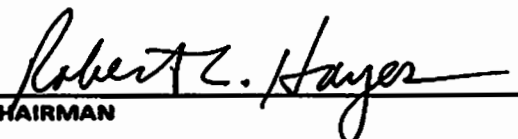
VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

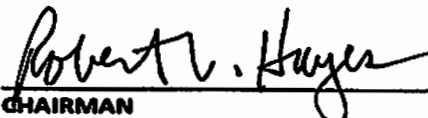
**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – March 29, 2018**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, March 29, 2018 in the board room of the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. Chairman Hayes also recognized Greg Phillips from Compass Municipal Advisors, who presented three refinancing scenarios for the 2000 USDA loan with \$1,113k outstanding. The scenario with the highest potential net savings (\$347,216) involved a City backed general obligation; however, with current city issues and plans to contract new fire and police headquarters, getting the City on board seemed unlikely. Therefore, it was decided to forego City involvement and pursue a KADD pool program with net savings of approximately \$301,257. A motion was made by Jay Parrent and seconded by Brent Ladd to move forward with the KADD refunding as presented. All Ayes.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the special called March 1st meeting were reviewed with a motion made by Pat George and seconded by Jay Parrent to approve the minutes as written. All Ayes. The February financial statements were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the financial statements as presented. All Ayes. The February bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.
- IV. **System Expansion / Old Business**
All of the required documents have been sent to the USDA office in Mayfield who agreed to proceed with the loan without having a contract extension with Caldwell County Water District who rejected the last revision of the new contract once again. Notification of a new minimum and request for meter calibration reports should be made via a certified letter from the Superintendent.
- V. **New Business and Superintendent's Report**
(a) Mr. Noel presented his monthly Superintendent's report to all members which included the following:
 - ❖ As a follow-up to a previous discussion regarding failures of clamps used in the most recent sewer rehab projects, Adam Ortt has determined from the as-built plans that there were 36 clamps used in the rehab (i.e. 33 additional potentially defective joints). Maintenance staff can make repairs and/or replacements in most cases. However, on the Hopkinsville Street location contractors used by Envision were called in to expedite the process.
 - ❖ The new parts for the WWTP screw pump have been delivered but weather has delayed the installation. It was also noted that there have been some issues with the filter press which is already past its useful life; however, contractors have stated there should still be a few more years left before a complete replacement may be necessary. This would be a large capital expenditure and probably would need to be rolled into another financing package.
 - ❖ Mr. Noel also mentioned that David Scott will attain 40 years of service at his June anniversary and felt that some sort of a small celebration/acknowledgement was in order. Members agreed and something will be planned.
(b) Ms. Musgove presented the proposed adjustment policy discussed at the last meeting. The new policy allows for sewer adjustments when the property is vacant and it is determined that the water lost did not make its way into the sewer system. A motion was made by Brent Ladd and seconded by Jay Parrent to adopt the policy as presented. All Ayes.
- VI. **Executive Session and Adjourn**
A motion was made by Jay Parrent and seconded by Brent Ladd to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing potential litigation and the refinancing options put forth by Compass Municipal Advisors. All those present voted affirmatively, whereupon the Commission entered into closed session. Upon conclusion of the discussion in closed session, a motion was made by Irl Stevens and seconded by Brent Ladd to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session. (Refer to above discussion of Compass presentation for Board decision)

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – April 24, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, April 24, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Irl Stevens with Commissioner Parrent and Superintendent James Noel being absent with prior notice. Attorney Todd Wetzel joined the meeting at 4:30 p.m. Chairman Hayes also recognized Ricky Oakley from the Nashville engineering firm of Hethcoat and Davis.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the March 29th meeting were reviewed with a motion made by Irl Stevens and seconded by Pat George to approve the minutes as written. All Ayes. The March financial statements were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The March bills were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve. All Ayes.

IV. System Expansion / Old Business

Ricky Oakley was pleased to report that the approval had been given by the USDA to proceed with bidding the project. A new timeline was presented with May 22nd slated for the date that the bids would be opened. It is hoped there will be a good mix of contractors since the project is being offered as two separate projects (water line improvements and tank rehab). The tank rehab is tentatively being planned for the fall since the tank will be down and out of commission for approximately 90 days.

V. New Business and Superintendent's Report

(a) Due to the Superintendent's illness, Ms. Musgove tried to address the items listed under Mr. Noel's planned report which included the following:

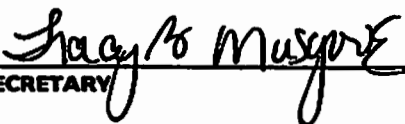
- ❖ TMB is conducting chemical trials at both treatment facilities as a precursor to the upcoming chemical bids. The chemical bids were received with at least three new companies joining into the bid process. Many of the same companies seemed to have retained their position; however, TMB is testing a couple of chemicals, which appear to be more costly but is supposed to treat up to 25% more water. Those trials, mentioned above, will determine whether a change is made.
- ❖ The new parts for the WWTP screw pump have been installed but it now appears that the oxidation ditches need new stainless steel paddles. Ms. Musgove did not know the exact price point of the aeration paddles; therefore, Brent Ladd made a motion to advertise for bids in case the price exceeds the \$20,000 level. Motion was seconded by Irl Stevens. All Ayes.
- ❖ Ms. Musgove stated the time has arrived to upgrade the Badger meter billing software to the new Beacon system. Cost of the conversion is expected to be approximately \$15,000 - \$20,000 with monthly fees replacing annual maintenance contracts.

(b) Mr. Wetzel explained the documents needed in order to move forward with the refinancing of the existing USDA loan through the KADD program. Mr. Wetzel presented a resolution to approve the refinancing with the PWWC indemnifying the City for all payments due under the loan and approving the hiring and fee scale of Compass Municipal Advisors to the Board. Brent Ladd made a motion to approve Resolution 04-24-2018 which was seconded by Pat George. All Ayes.

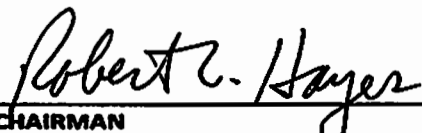
VI. Adjourn

There being no further business to discuss, Brent Ladd made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY

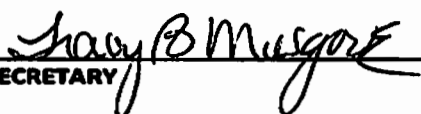


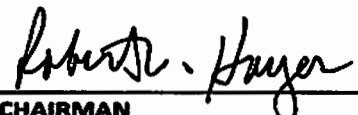
CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – May 29, 2018**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday, May 29, 2018 in the board room of the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Jay Parrent, and Irl Stevens along with Attorney Todd Wetzel and Superintendent James Noel. Commissioner Pat George was absent with prior notification. Chairman Hayes also recognized Ricky Oakley from the Nashville engineering firm of Hethcoat and Davis.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the April 24th meeting were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve the minutes as written. All Ayes. The April financial statements were presented by Ms. Musgove with a motion made by Irl Stevens and seconded by Jay Parrent to approve the financial statements as presented. All Ayes. The April bills were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve. All Ayes.
- IV. **System Expansion / Old Business**
- a) Ricky Oakley presented the bid compilation for the USDA project from the May 22nd bid opening. There were six bids for the water line portion of the project with five bids on the tank rehabilitation. JSJ Construction, LLC was the low bidder on the water line project and came in at \$1,892,101 (2% higher than projected). Preferred Sandblasting & Painting, LLC was the low bidder on the Skyline Tank Rehab and came in at \$327,855 (32% higher due to the current condition of the outside steel now requiring complete sandblasting and more coats of paint than what was projected 6 years earlier). While the project is \$120k more than projected, it remains within the \$373k cushion established by the continued reduction of the KIA issue being refunded. This, coupled with a \$210k contingency, should hopefully allow funding of the clearwell and surge tank improvements at the WTP. Mr. Oakley stated that both contractors were known to Hethcoat & Davis and he had no reservations in recommending both to the Commission. Conversation regarding timelines and length of the project ensued with a motion made by Brent Ladd and seconded by Jay Parrent to accept the recommendation of the engineers and to award the water line improvement project to JSJ Construction, LLC and to award the Skyline Tank Rehab project to Preferred Sandblasting & Painting, LLC both subject to USDA approval. All Ayes.
 - b) Ms. Musgove updated the Commissioner's on the refinancing of the USDA loan that originally funded the Actiflo improvements at the water treatment plant. The bond sale is currently set for June 13th with closing to take place on June 27th. Currently rates are trending slightly lower.
- V. **New Business and Superintendent's Report**
- (a) Superintendent Noel presented his report to the Commission which included the following:
 - TMB is conducting chemical trials at both treatment facilities for a replacement to the DelPac currently being used. They are also testing their phosphate to see if we can have less corrosion and better results than the current ADC product. While TMB's chemicals are more expensive, should the feed rate be lower a switch could be in order.
 - The east side WWTP screw pump has been fixed and new paddles for the oxidation ditches have been ordered at a cost of approximately \$13,000.
 - Mr. Noel also stated it was his opinion that the Commission should look into the feasibility of upgrading the wastewater plant. After discussing all of the current technology, the board agreed that our current engineers be hired to identify what is needed to bring the plant up to date with current technology and the cost estimate to do so.
 - (b) Ms. Musgove briefly reviewed the 2019 budget and the burden that the CERS retirement system is placing on the PWWC along with higher chemical and lab fees, electricity charges and the need to upgrade the billing software. With fixed costs rising, she stated it was time to look at an increase in both the customer service fee and rate increases. Water rates have not increased in four years but she stated a complete overhaul is in order to get closer to a unit cost method similar to the sewer rates. After presenting data on what it costs to produce a gallon of water versus the wholesale price, the Commission agreed that the current declining balance system is outdated and a newer more simpler structure should be implemented.
- VI. **Adjourn**
There being no further business to discuss, Brent Ladd made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 21, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, June 21, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Jay Parrent, and Irl Stevens along with Attorney Todd Wetzel and Superintendent James Noel. There were no visitors.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the May meeting were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The May financial statements were presented by Ms. Musgove with a motion made by Irl Stevens and seconded by Pat George to approve the financial statements as presented. All Ayes. The May bills were reviewed with a motion made by Jay Parrent and seconded by Brent Ladd to approve. All Ayes.

IV. System Expansion / Old Business

- a) The USDA accepted the engineer's recommendation regarding the awarding of the bids to the two previously mentioned contractors. The first reading of the bond ordinance is set for July 2nd at the City Council meeting with second reading slated for July 16th. Advertisement for the bids will be handled by bond counsel and will be opened at the July 16th meeting after the second reading takes place. *(Both readings have occurred and the USDA was the sole bidder on the bonds at a fixed rate of 2.375%.)*
- b) Ms. Musgove updated the Commissioner's on the refinancing of the Series 2000 USDA bonds. The current issue sold for 3.55%, and generated a present value savings of 8.3%, significantly above the 5% benchmark used to gauge whether or not to refinance.

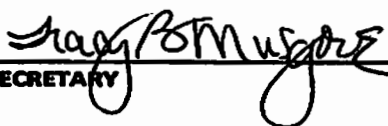
V. New Business and Superintendent's Report

- (a) Superintendent Noel presented the revised Sewer Use Regulation to the Commission which included several changes that impact the Industrial sector especially regarding the surcharge formulas. A motion was made by Jay Parrent and seconded by Brent Ladd to adopt the revised regulation as presented. All Ayes.
- (b) Ms. Musgove presented the 2019 budget with total revenues of \$3,286,000; expenses of \$3,376,300; and a net loss of \$90,300. Even with the projected loss, the debt coverage ratio is still excellent and is projected to be 2.85x with > \$500,000 in cash available after debt service. The revenues include raising the customer service fees to \$6.50 monthly regardless of whether the customer has one or two services. Additionally, a rate overhaul, as mentioned in last month's meeting, is anticipated for the second half of the year and would be able to offset much of the anticipated loss indicated from the budget. Expenses include the 21.48% CERS retirement match; the bi-annual cleaning of the lagoons at the water treatment plant; increased chemical and electrical costs along with a 2.5% cost of living raise for most employees. With no further discussion, a motion was made by Brent Ladd and seconded by Irl Stevens to adopt the budget as presented. All Ayes.

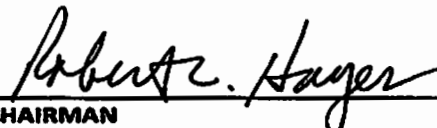
VI. Adjourn

There being no further business to discuss, Irl Stevens made a motion which was then seconded by Brent Ladd to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

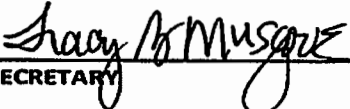
**PRINCETON WATER & WASTEWATER COMMISSION
FISCAL YEAR 2019 BUDGET
ADOPTED JUNE 21, 2018**

INCOME CATEGORIES		2019 BUDGET	
4000	WATER SALES	\$	1,483,000
4010	SEWER SALES	\$	1,395,000
4015	CUSTOMER SERVICE FEE	\$	262,000
4020	PENALTY INCOME	\$	65,000
4030	SALE OF STORES	\$	8,000
4040	LABOR SALES	\$	4,000
4046	BANK CUSTOMER CONV.FEE	\$	1,000
4050	EQUIP RENTAL	\$	4,000
4065	INT INCOME	\$	-
4080	MISC.INC. S.C.& CONN.	\$	22,000
4082	MISC.INC-GENERAL	\$	7,500
4085	FARM RENTAL INCOME	\$	34,500
4098	GRANT REVENUE	\$	-
	TOTAL INCOME	\$	3,286,000
EXPENSE CATEGORIES			
6010	SALARIES	\$	775,500
6020	PAYROLL TAX	\$	58,600
6030	EMPLOYEE BENEFITS	\$	276,000
6040	UNIFORMS	\$	5,000
6050	TRAINING EXPENSE	\$	10,000
6060	RETIREMENT FUND	\$	159,000
6070	UTILITIES	\$	388,500
6080	GASOLINE & OIL	\$	23,000
6090	EQUIPMENT REPAIR & MAINT	\$	100,000
6100	SUPPLIES	\$	22,000
6105	CHEMICALS	\$	225,000
6110	INSURANCE	\$	120,000
6120	LAB FEES	\$	68,000
6121	PROF.SERVICES(OTHER)	\$	35,000
6122	DATA PROCESSING	\$	12,000
6125	CONTRACTED SERVICES	\$	15,000
6130	MISCELLANEOUS EXPENSE	\$	10,000
6135	POSTAGE EXPENSE	\$	13,000
6140	RENTAL & LEASE	\$	3,000
6150	ATTORNEYS FEES	\$	6,000
6160	TOOLS & EQUIPMENT	\$	33,000
6180	BUILDING REPAIR & MAINT	\$	20,000
6185	SLUDGE REMOVAL	\$	83,000
6650	INVENTORY EXP	\$	30,000
6660	MISC MATERIAL EXPENSE	\$	8,000
6665	FREIGHT EXPENSE	\$	3,000
6670	CAPITAL COST/LABOR/MACH.	\$	(9,000)
6676	KIA INTEREST EXP.(WWTP)	\$	10,500
6678	RD INTEREST EXPENSE (WTP)	\$	100,000
6680	DEPRECIATION EXPENSE	\$	770,000
6699	FEE EXPENSE	\$	3,200
	TOTAL EXPENSES	\$	3,376,300
	NET INCOME	\$	(90,300)
	Cash Available for Debt Service (NI + Deprec + Int)	\$	790,200
	Scheduled Principal and Interest Payments	\$	278,085
	Debt Service Coverage		2.84

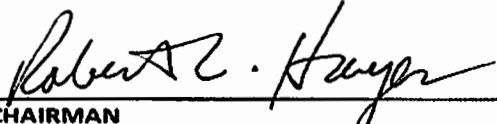
**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – July 26, 2018**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, July 26, 2018 in the board room of the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Jay Parrent, and Irl Stevens along with Superintendent James Noel. Attorney Todd Wetzel was absent with prior notification. There were no visitors.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the June meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve the minutes as written. All Ayes. The June financial statements, adjusted for most of the end of year accruals, along with prior year comparisons were presented by Ms. Musgove. A question was posed by Mr. Stevens as to how the Commission could continue with having losses like the net loss of approximately \$14,000 as presented. Ms. Musgove and Mr. Hayes took a moment to review the effect depreciation has on the income statement with it being a non-cash item. Although depreciation expense decreases net income, the ability to add it back to the amount considered as cash available for debt service enables the Commission to post strong debt service coverage ratios. For the year, more than \$561,000 in excess cash was generated which allows the Commission to pay for items that do not hit the income statement but are capitalized in the balance sheet (i.e. clearwell, pumps, clarifiers, etc.). A motion was then made by Brent Ladd and seconded by Pat George to approve the financial statements as presented. All Ayes. The June bills were reviewed with a motion made by Brent Ladd and seconded by Irl Stevens to approve. All Ayes.
- IV. **System Expansion / Old Business**
a) Pre-construction meetings were conducted by the engineer's on Tuesday, July 27th with the respective contractors who have been awarded the projects. City council unanimously consented to approve both readings of the bond ordinance and accepted the USDA's sole bid to purchase the bonds at 2.625%. The pre-closing is scheduled to occur Wednesday, August 8th at 11:00 CST at City Hall. Interim financing with Planters Bank will be completed at that time.
- V. **New Business and Superintendent's Report**
(a) Superintendent Noel stated that several of our projects have been ranked relatively high at the state level for funding. This, coupled with a possibility of extending additional services to TreeHouse, necessitates the review of the KRS procurement statutes regarding engineer's and other professional service providers. There have been cases where engineering firms have completed all the work but were not procured properly according to KRS and have then been excluded from being able to work on the project. A motion was made by Brent Ladd and seconded by Irl Stevens to move forward to advertise for an actual Request for Statement of Qualifications from engineering firms with regard to the improvements needed at the WWTP. All Ayes. Ms. Musgove and Mr. Noel will collaborate on establishing minimum qualifications and ranking criteria before advertising for such.
(b) Ms. Musgove informed the Board that the budget as presented at the last meeting also included merit increases of \$0.75/hour and \$2.50/hour for both the Director of Finance position and the Superintendent, respectively. However, only the COLA raise for all employees was specifically mentioned in the motion to adopt the budget. Board consensus was that both raises were well deserved and a motion to establish new salaries consistent with the amount recommended in the budget, retroactive to July 1st, for both positions was made by Brent Ladd and seconded by Jay Parrent. All Ayes.
- VI. **Adjourn**
After agreeing that the next meeting date would be the regular date of August 30th and having no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – September 27, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, September 27, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Jay Parrent, and Irl Stevens along with Superintendent James Noel and Attorney Todd Wetzel. CPAs Matt Hale and Megan Johnson from the accounting firm of Alexander, Thompson Arnold, PLLC were present and recognized by Chairman Hayes.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the July meeting were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve the minutes as written. All Ayes. Since there wasn't an August meeting date, both the July and August financial statements were presented and reviewed by Ms. Musgove with the results of the first two months showing net income outpacing budget by almost \$50k. A motion was made by Brent Ladd and seconded by Pat George to approve the financial statements. All Ayes. The July and August bills were reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve. All Ayes.

IV. System Expansion / Old Business

a) Pre-closing on the USDA loan occurred Wednesday, August 8th at 11:00 CST at City Hall. Interim financing with Planters Bank was also completed at that time. Mr. Noel reported on the work completed to date and also presented paperwork for the first construction draw in the amount of \$108,684.75 and does not include any materials purchased and stored on site. A motion was made by Irl Stevens and seconded by Brent Ladd to approve the draw as requested. All Ayes.

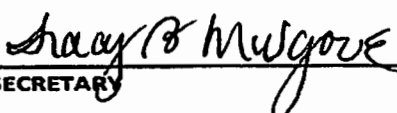
V. New Business and Superintendent's Report

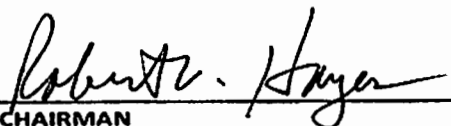
- (a) Auditors from ATA presented the findings of the 2017 audit and spoke highly of the controls that were in place for such a small entity. It was suggested that we begin listing chemical and fuel amounts in inventory; however, this will be started with the 2019 audit since the time has passed to verify the amounts for the 6/30/18 fiscal year end. There being little discussion, a motion was made by Brent Ladd and seconded by Pat George to accept the audit as presented. All Ayes
- (b) Mr. Noel updated the board on the two major water main leaks (Bradford Lane and beside Coleman's Shoes). The Bradford Lane property necessitated a Boil Water Order whereas the downtown main was able to be repaired under pressure. Significant flooding occurred in the basements of both the Genealogy Building and the Capital Theatre with an estimated 440,000 gallons lost.
- (c) Mr. Noel also discussed the findings of the DOW pretreatment audit and wet weather audit. While not required at this time, the auditor did make some suggestions that were highly recommended to move forward and implement. It was also suggested that Special Metals be elevated to a Significant Industrial User since they have the "potential" to impact the WWTP should there be a spill, etc.
- (d) Ms. Musgove presented the new health insurance rates for the 2019 calendar year which indicated monthly increases of \$8 and \$10 for couples and family plans, respectively; and she requested that the Commission continue to pay 100% of the family plan. Jay Parrent made the motion and Pat George seconded to accept the new rates and continue paying 100% for the Livingwell CDHP plans. All Ayes.
- (e) A consolidated and updated policies and regulation handbook was presented to each board member. Minor changes were made with the largest changes being the elimination of the policies that have become antiquated. A motion was made by Brent Ladd and seconded by Jay Parrent to adopt the new policies and handbook as presented with an immediate effective date. All Ayes.
- (f) Mr. Noel also updated the Board on personnel changes with the termination of Phillip Manning and subsequent hiring of Billy Asher.

VI. Adjourn

The next meeting date was set for Thursday, October 25th. With no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – October 25, 2018**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, October 25, 2018 in the board room of the PWWC main office.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Irl Stevens along with Superintendent James Noel and Attorney Todd Wetzel. Commissioner Parrent was absent with prior notification. No visitors were present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the September meeting were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The first quarter financial statements were presented and reviewed by Ms. Musgove with the YTD results showing net income lagging budget by almost \$5k. A motion was made by Brent Ladd and seconded by Irl Stevens to approve the financial statements. All Ayes. The September bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on the work completed to date on the water line project. Line 5 at the UK Experiment Station passed the pressure test and the BacT samples were good. This line should be tied in next week. Line has been laid behind the street department in the abandoned railroad bed and will be pressure tested soon. Once complete, they will cross bridge on Varmintrace and tie back into existing line and see if tank turnover improves at Industrial Park.

The Skyline Tank rehab has been placed on hold until the springtime due to concerns about the temperature and its affect on the curing process of the exterior paint coating. Documentation was also presented for the second construction draw in the amount of \$175,886.75 (includes \$11,457.90 in H&D engineering fees). A motion was made by Brent Ladd and seconded by Pat George to approve the draw as requested. All Ayes.

V. New Business and Superintendent's Report

- (a) Mr. Noel presented the Board with a proposed payout for Christmas bonuses by department. \$12,250 was budgeted for the Christmas payout and Mr. Noel scheduled a total of \$12,150. A motion was made by Brent Ladd and seconded by Pat George to approve the Christmas bonuses as presented. All Ayes.
- (b) Ms. Musgove presented information gathered from the Pennyrille Area Development District regarding water and sewer rates among the entities of the PADD district. Princeton's rates are below average as is the wholesale rate charged to Lyon and Caldwell County.

VI. Adjourn

The next meeting date was set for Thursday, November 29th. With no further business to discuss, Brent Ladd made a motion which was then seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY

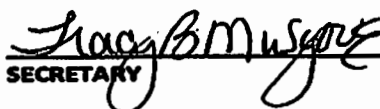

CHAIRMAN

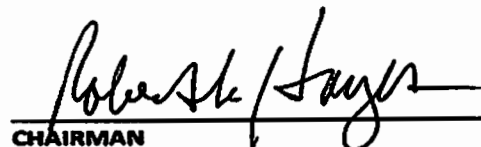
**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – November 29, 2018**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, November 29, 2018 in the board room of the PWWC main office.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. Commissioner Stevens was absent with prior notification. Mayor Elect Young was recognized as a visitor.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the October meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The October financial statements were presented and reviewed by Ms. Musgove with the YTD results showing a rebound in net income. A motion was made by Brent Ladd and seconded by Jay Parrent to approve the financial statements. All Ayes. The October bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported on the work completed to date on the water line project. Documentation was presented for the 3rd construction draw in the amount of \$178,728.93 (includes \$11,721.30 in H&D engineering fees). A motion was made by Jay Parrent and seconded by Brent Ladd to approve the draw as requested. All Ayes.

Ms. Musgove reported that the next draw would include monies to payoff the KIA loan associated with the Industrial Park Tank which was included as a part of the project original funding. Additionally, previously paid engineer's fees and other expenses will be recouped at that time.
- V. **New Business and Superintendent's Report**
(a) Mr. Noel presented the Board with an amendment to the employee handbook regarding reimbursement for certification training and expenses should an employee leave within two years of receiving a certification. A motion was made by Brent Ladd and seconded by Pat George to approve the amendment with employee's signing a document at time of training outlining cost of training and knowledge of payback requirement. All Ayes. An amendment was proposed to the leak adjustment policy stating the department will make one trip to verify the leak has been fixed and subsequent trips will be at an additional charge. A motion was made by Brent Ladd and seconded by Pat George to approve change as presented. All Ayes. Issues regarding the Pumpkin Center lift station, the need for internal GIS and GPS training and the discovery of another broken sewer lateral on Main Street from the work performed in Basins 5 & 6 were also discussed.
(b) Mr. Noel reminded everyone of the request by DOW to develop and adopt a Sewer Overflow Response Plan (SORP). After reviewing several online SORPs and making necessary modifications, Mr. Noel has developed a plan appropriate for PWWC which was included in the Board package. In addition, an amendment to the Sewer Use Regulation regarding the repair and maintenance of private sewer lines is requested. A motion was made by Brent Ladd and seconded by Jay Parrent to adopt the SORP and to amend the Sewer Use Regulation as presented. All Ayes.
(c) Ms. Musgove informed the members of her efforts in working jointly with the UNC Environmental Finance Center on a Rate Study and other information required by the PSC to establish a new rate system. This entity provides assistance to small utilities free of charge and she requests that a formal motion be made to allow the sharing of information with this entity. A motion was made by Jay Parrent and seconded by Brent Ladd to allow Ms. Musgove to share audits, financial, and billing data in order to fully utilize the services of this center. All Ayes.
- VI. **Adjourn**
It was decided that the December meeting would be cancelled due to the holidays; therefore, the next meeting date will be Thursday, January 31st. With no further business to discuss, Brent Ladd made a motion which was then seconded by Jay Parrent to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – January 31, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, January 31, 2019.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens and Jay Parrent along with Superintendent James Noel (via teleconference due to family illness) and Attorney Todd Wetzel. Mayor Young and City Clerk Julie Key were recognized as visitors in addition to Kevin Martin who was representing Dawn Taylor regarding a high bill at 107 Lake Street.

Prior to the meeting getting underway, City Clerk Julie Key administered the Oath of Office to all Commissioners and then excused herself from the meeting. At that point in time Mr. Martin addressed the Commission regarding high usage on the January bill just received. Two of the three rental units are vacant as is the office/warehouse area. A meter profile was pulled indicating water ran consistently for approximately 28 days and then abruptly stopped prior to the meter being read. The meter has been checked and all components have come back in order; however, Mr. Martin contends there are no issues with the plumbing at the location and the renter states there were no issues in his apartment. After a long discussion it was suggested by Commissioner Parrent to send the meter off for additional verification of accuracy and address the issue once the results are obtained. *Update: Meter was sent off for testing and was found to be compliant. Customer was offered adjustment per normal leak adjustment policy and obtained a credit for approximately \$760 leaving a total bill of ~ \$1,067 which has been paid in full.*

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the November meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The financial statements were presented and reviewed by Ms. Musgove with the six month results showing a rebound in YTD operating revenues with YTD Net Income ahead of budget by ~\$129k. A motion was made by Brent Ladd and seconded by Jay Parrent to approve the financial statements. All Ayes. The November and December bills were reviewed with a motion made by Pat George and seconded by Brent Ladd to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on the work completed to date on the water line project. Documentation was presented for the 4th and 5th construction draws in the amounts of \$776,641.05 and \$208,490.07 (including \$618,144.93 in reimbursements to PWWC). A motion was made by Brent Ladd and seconded by Jay Parrent to approve the draws as requested. All Ayes. A discussion was then held regarding the affects the government shutdown has had on the funding of the RD project. After conferring with Regional Director Gillum, it was determined that as long as there were no change orders, reimbursement from the USDA would occur without issue and PWWC could move forward to fund the requests outside of the construction draw process. At Ms. Gillum's suggestion, the next construction progress meeting has been scheduled for February 14th, the day before the next government deadline.

Ms. Musgove updated the members on the findings by the UNC Environmental Finance Center regarding the financial assessment of the system and the vulnerability issues of our local population.

V. New Business and Superintendent's Report

- (a) Ms. Musgove noted that the Commissioners had all received a copy of "Your Duty Under the Law" and "Managing Public Records" and asked for everyone to sign the proof of receipt. Everyone complied.
- (b) Ms. Musgove requested to amend the budget to lower operating revenues by \$63,000 (the previously planned customer service fee increase) and to lower sludge removal expenses by \$60,000 since it appears the contractor will not be able to get to the WTP lagoons until late spring. Rather than deal with this at that time, it will be moved to fiscal year 2020. By lowering both the revenues and the expenses by roughly the same amount, the total net loss only increases by the \$3,000 difference. A motion to adopt the amended budget was made by Brent Ladd and seconded by Jay Parrent. All Ayes.

VI. Executive Session and Adjourn

A motion was made by Pat George and seconded by Brent Ladd to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing a potential litigation matter. All those present voted affirmatively, whereupon the Commission entered into closed session. Upon conclusion of the discussion in closed session, a motion was made by Brent Ladd and seconded by Pat George to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session. There being no further business to discuss, Brent Ladd made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST

SECRETARY

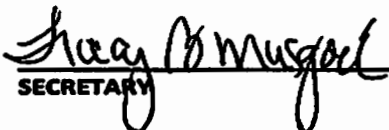

CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – March 28, 2019**

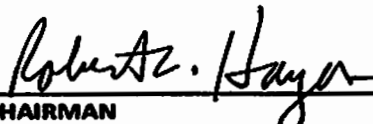
- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, March 28, 2019.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. There were no visitors.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the January meeting were reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The financial statements for both January and February were presented and reviewed by Ms. Musgove with both months exceeding the budgeted net income. At the end of February, the Commission stood almost \$130,000 ahead of projections. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the financial statements for both months. All Ayes. The January and February bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported on the work completed to date on the water line project. Documentation was presented for the 6th and 7th construction draws in the amounts of \$72,604.79 and \$140,097.59. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the construction draws as submitted. In addition, Change Order # 1 (included in the 7th draw) was submitted for approval in the amount of \$15,237.83 which was the difference in fire hydrants obtained by JSJ versus the specs provided by PWWC. A motion was made by Brent Ladd and seconded by Pat George to approve the change order. All Ayes. In order to offset some of the cost of the change order, Hethcoat and Davis agreed to amend their engineering agreement to lower the total engineering fees by \$5,808.89. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the Amendment to the Owner-Engineer Agreement. All Ayes.
- V. **New Business and Superintendent's Report**
(a) Ms. Musgove presented the 2018 Audit and briefly discussed the effect that GASB 75 (Reporting for Postemployment Benefits Other Than Pensions) had on the liabilities and net position (i.e. equity) of the system. A motion was made by Jay Parrent and seconded by Pat George to accept the audit. All Ayes.
(b) Mr. Noel discussed the upgrades to the sewer system along a stretch of the new water line project which is being completed internally via the maintenance staff at a significant cost savings per each connection. *(JSJ had submitted a change order estimate of \$14k for two tie-ins and it was completed internally for \$2k in materials + internal labor).*
- VI. **Executive Session and Adjourn**
A motion was made by Irl Stevens and seconded by Brent Ladd to enter into closed session pursuant to KRS 61.810(1)(f) for the purpose of discussing a potential litigation matter and the Superintendent's salary. All those present voted affirmatively, whereupon the Commission entered into closed session. Upon conclusion of the discussion in closed session, a motion was made by Pat George and seconded by Irl Stevens to return to open session. Said motion was unanimously approved, whereupon the Commission returned to open session.

Chairman Hayes entertained a motion made by Brent Ladd and seconded by Irl Stevens to approve the merit increase for the Superintendent as outlined by Director of Finance Musgove and to set his new salary at the level recommended. The motion was unanimously approved. At Ms. Musgove's request, the next regular scheduled board meeting will be postponed until May 9th. With no further business to discuss, Pat George made a motion which was then seconded by Irl Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



SECRETARY



CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – May 9, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday, May 9, 2019.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, Irl Stevens and Jay Parrent along with Superintendent James Noel. Attorney Todd Wetzel was absent with prior notification. Visitors present were Cory Borum, Hethcoat & Davis Engineer; Rory and Randy Bush, Thornton, Musso, & Bellemin Water Treatment Consultants; and Mayor Kota Young.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the March meeting were reviewed with a motion made by Irl Stevens and seconded by Pat George to approve the minutes as written. All Ayes. The financial statements for March were presented and reviewed by Ms. Musgove along with comparisons of YTD data with previous YTD data. Through the 3rd quarter, Net Income was almost \$144,000 ahead of projections. A motion was made by Irl Stevens and seconded by Jay Parrent to approve the financial statements. All Ayes. The March bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on the work still to be completed on the water line project which includes all of the meter vaults and master meters; numerous tie-ins and approximately 300-400 ft of line on Sandlick Rd. The largest items still to be completed include the railroad bridge crossing and paving. Skyline tank project is also underway with sandblasting completed on the interior and the exterior being started. Documentation was presented for the 8th pay request in the amount of \$164,143.78. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the draw as submitted. In addition, Change Order # 2 was submitted for approval in the amount of \$172,427.45 for additional work and engineering required for the line crossing the bridge over the railroad. In addition to the increased amount of the project, JSJ Construction also requested a 137 day extension to allow for the subcontractor to complete the bridge construction and also for delays due to wet weather and multiple connections that were not identified prior to starting the project. A motion was made by Irl Stevens and seconded by Brent Ladd to approve the change order and extension of time for the construction. All Ayes.

Regarding the paving situation, Mayor Young advised that the RR crossing at the junction of Hwy 62W and Hwy 91 at Druthers Corner was to be shut down around the first of June for several days while the crossing is reworked and paved. The westbound traffic will have to travel through Maple and Baldwin in order to get to the 62W Industrial and Retail areas. Rogers Group representative Craig Wyatt has stated the Maple St paving should be postponed until AFTER the intersection is complete in order to keep extra traffic off the new pavement. Cory Borum stated the areas would be milled so that a "smoother" surface would be available. All parties are working together in order to cause the least amount of disruption to the City.

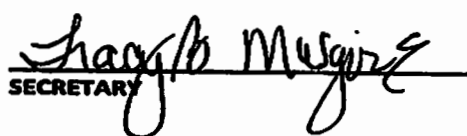
V. New Business and Superintendent's Report

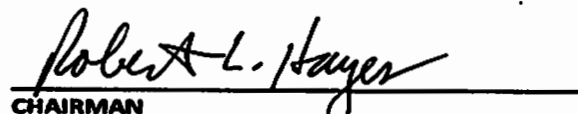
- (a) Ms. Musgove presented the chemical bids received for the upcoming fiscal year. Several companies submitted very competitive bids with many changes taking place for the upcoming year. A motion was made by Jay Parrent and seconded by Pat George to accept the chemical bids as presented. All Ayes.
- (b) Randy Bush presented a proposal by TMB to begin a CLO2 trial at the WTP for 90 days. The addition of CLO2 should reduce our disinfectant by-products by 30% and eliminate the use of peroxide and ferris plus. It should also reduce the amount of flushing required during the hotter months of the year. A motion was made by Pat George and seconded by Jay Parrent to authorize the company to begin the trial. All Ayes.

VI. Adjourn

Jay Parrent made a motion seconded by Pat George to adjourn. All Ayes. Meeting was adjourned.

ATTEST:


SECRETARY


CHAIRMAN

**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 5, 2019**

I. Call to Order

Chairman Bob Hayes called the meeting of the PWWC to order at 3:00 P.M. on Wednesday, June 5th in lieu of the regular meeting scheduled for Thursday, May 30th, which was cancelled due to not having a quorum of attendees.

II. Roll Call and Recognition of Visitors

Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, Pat George, and Jay Parrent along with Superintendent James Noel and Attorney Todd Wetzel. Irl Stevens was absent with prior notification. Mayor Young was the only visitor present.

III. Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills

The minutes from the May 9th meeting were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve the minutes as written. All Ayes. The financial statements for April were presented and reviewed by Ms. Musgove. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the financial statements. All Ayes. The April bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.

IV. System Expansion / Old Business

Mr. Noel reported on several items of clean-up work that has been ongoing in preparation for the paving along Maple and Varmintrace. The paving job looks good and was well received by the community. Sandlick Rd and Dawson Rd are still in line for paving and should be completed in a few weeks. The materials for the railroad bridge crossing are 3-5 weeks out and reportedly are waiting on the sub-contractor. No update still on a start date for the bridge. A lot of work has been happening on Baldwin Ave "killing" galvanized lines. Skyline tank project is coming along nicely and should be complete at the next meeting. Documentation was presented for the 9th pay request which included draws for the Skyline Tank also bringing the total amount to \$294,279.81. In addition, Change Order # 1 for the Skyline Tank Project was submitted for approval in the amount of \$10,100 for replacing the hatch and vent which were deemed to be worn beyond repair. A motion was made by Jay Parrent and seconded by Brent Ladd to approve both the change order and the pay request. All Ayes.

V. New Business and Superintendent's Report

(a) Ms. Musgove presented the budget for the upcoming fiscal year which includes rate increases for both water and sewer along with a \$1 increase to the monthly customer service fee. Without the rate increase, a loss of more than \$350,000 was projected. This loss included a projected \$88k increase to depreciation expense from where the project will begin to be placed in service. Increases to liability insurance, chemical costs to lower disinfectant by-products and other chemicals to meet regulations, utilities, mandated retirement funding, lagoon cleaning at the WTP and interest cost on the new debt related to the project made the rate increase necessary. Ms. Musgove pointed out that it has been five years since a water increase and three years since a sewer increase was passed and during that time these categories, which are out of the control of management, have all increased significantly despite efforts of management to control costs, limit overtime and utilize employees in dual roles while replacing full time office staff with part-time. The budget also included a 2.5% COLA pool raise for employees which Superintendent Noel will administer based on merit. The new budget projects total revenue at \$3,505,000 against expenses of \$3,581,238 for a net loss of \$76,238. The loss would have been almost eliminated had the increase to the water districts been able to have started at the beginning of the fiscal year versus the September billing. This budget projects to service debt at a 3.37x coverage rate and generate \$660k cash after debt service which will begin a much needed reserve replacement plan since the Commission's assets are approximately 60% depreciated and will be needing replacement and more costly repairs. A motion was made by Brent Ladd and seconded by Pat George to accept the budget as presented. All Ayes. *(A copy of the budget is being included in the minute book)*

(b) Ms. Musgove then went into detail how the rates have been redesigned to be fair and equitable to the citizens and users on the system and to fully compensate the PWWC for the cost it takes to produce and distribute water and treat wastewater. In addition, the redesign will greatly simplify the rate calculation and move from the declining block rate structure, which was popular in the 1980's and was used to attract industry and large users to the system, to a uniform full cost pricing rate structure. With the help of the UNC Environmental Finance Staff, it was decided to approach the water rate redesign in a two step phase since there were four tiers in the original design. With the cost of water being projected at \$3.36/100 cf, the goal would be to get everyone to pay that rate. Currently, the water districts pay only 68% of the cost to produce the water (\$2.29/100 cf) while residential users at the minimum level pay 2.5x that rate. This increase will collapse the last tier of the declining block rate structure which mainly affects wholesale and the largest commercial users and raise that rate to \$2.97 (a 30% increase). The minimum usage for residential users will be increased from 150 to 175 cf without raising the minimum rate (a 16.7% increase) while the second tier usage will be increased from 1100 cf to 2000cf and will be priced at the calculated full cost of \$3.36. While the largest users could see a 30% increase,

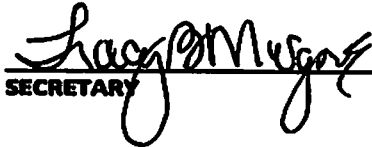
they will still be paying only 88% of the true cost it takes to treat, produce, and distribute the water. Nearly ¼ of all customers should see no increase in water rates.

According to Ms. Musgove, sewer rates were easier to address since the difference in the first and last tier was only \$0.31 and the gap between what was being charged at the lowest tier and the cost to produce was only 16%. The full cost to treat wastewater was calculated at \$7.69/100cf and the decision was made to collapse all tiers and raise the price from \$6.63 to \$7.24/100cf for all levels. Each rate code will now have a minimum depending on the size of the meter and all usage over the minimum will be billed at \$7.24/100cf. This results in a 4.3% increase to the minimum user and 9.2% increase at the higher levels with the average user seeing an increase of 7.9%. After analyzing the results of this restructure, the next step would take the pricing to the full cost. Chairman Hayes proceeded to read the new Rate Regulation 06-05-2019. A motion was made by Jay Parrent and seconded by Brent Ladd to approve the first reading of the Regulation which serves to increase to both rates as presented and also adds \$1 to the monthly customer service fee. All Ayes. A second reading of the Regulation will take place on Friday, June 7th at 10:00 AM. (A copy of Regulation 06-05-2019 is inserted in the minute book)

VI. Adjourn

There being no further issues or business to discuss, Brent Ladd made a motion seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – June 7, 2019

I. Call to Order

Chairman Bob Hayes called the special called meeting of the PWWC to order at 10:00 A.M. on Friday, June 7, 2019 in the PWWC main office.

II. Roll Call and Recognition of Visitors

Superintendent Noel conducted a roll call. The following Commission members were present: Bob Hayes, Pat George, Brent Ladd, and Jay Parrent. Director of Finance Tracy Musgove, Commissioner Irl Stevens and Attorney Todd Wetzel were all absent with prior notification. There were no visitors.

Since the agenda of the meeting consisted of only one item, the approval of minutes from last meeting and the review of financial statements and bills were deferred until the upcoming regular meeting.

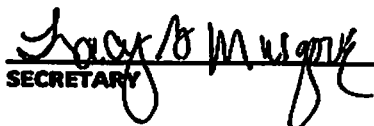
III. New Business – Second Reading of Regulation 06-05-2019

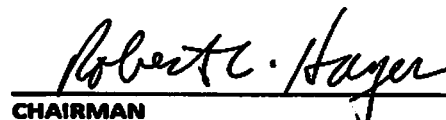
Chairman Hayes reviewed Rate Regulation 06-05-2019 and asked if there were any comments or discussion. There being none, he then asked for a motion to adopt the regulation as presented which would be considered the second reading as required by law. The motion to adopt Regulation 06-05-2019 was made by Brent Ladd and seconded by Pat George. All Ayes. The new rates will become effective with the August billing.

IV. Adjourn

There being no further business to discuss, Commissioner Parrent made a motion to adjourn which was then seconded by Brent Ladd. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

**PRINCETON WATER & WASTEWATER COMMISSION
FISCAL YEAR 2019 BUDGET
ADOPTED JUNE 5, 2019**

		2020 BUDGET
INCOME CATEGORIES		
4000	WATER SALES	1,624,000
4010	SEWER SALES	1,477,000
4015	CUSTOMER SERVICE FEE	240,000
4020	PENALTY INCOME	60,000
4030	SALE OF STORES	12,000
4040	LABOR SALES	6,000
4046	BANK CUSTOMER CONV.FEE	1,000
4050	EQUIP RENTAL	4,000
4065	INT INCOME	-
4080	MISC.INC. S.C.& CONN.	20,000
4082	MISC.INC-GENERAL	7,500
4085	FARM RENTAL INCOME	34,500
4098	GRANT REVENUE	-
	TOTAL INCOME \$	3,486,000
EXPENSE CATEGORIES		
6010	SALARIES	808,500
6020	PAYROLL TAX	61,000
6030	EMPLOYEE BENEFITS	297,000
6040	UNIFORMS	5,000
6050	TRAINING EXPENSE	6,000
6060	RETIREMENT FUND	187,000
6070	UTILITIES	420,000
6080	GASOLINE & OIL	25,000
6090	EQUIPMENT REPAIR & MAINT	75,000
6100	SUPPLIES	20,000
6105	CHEMICALS	210,000
6110	INSURANCE	130,000
6120	LAB FEES	63,000
6121	PROF.SERVICES(OTHER)	30,000
6122	DATA PROCESSING	12,000
6125	CONTRACTED SERVICES	12,500
6130	MISCELLANEOUS EXPENSE	10,000
6135	POSTAGE EXPENSE	12,000
6140	RENTAL & LEASE	5,000
6150	ATTORNEYS FEES	6,000
6160	TOOLS & EQUIPMENT	20,000
6180	BUILDING REPAIR & MAINT	15,000
6185	SLUDGE REMOVAL	90,000
6650	INVENTORY EXP	40,000
6660	MISC MATERIAL EXPENSE	15,000
6665	FREIGHT EXPENSE	1,500
6670	CAPITAL COST/LABOR/MACH.	(10,000)
6676	KIA INTEREST EXP.(WWTP)	10,000
6678	RD INTEREST EXPENSE (WTP)	84,738
6680	DEPRECIATION EXPENSE	920,000
6699	FEE EXPENSE	5,000
	TOTAL EXPENSES	3,586,238
	NET INCOME \$	(100,238)
	Cash Available for Debt Service (NI + Deprec + Int) \$	914,500
	Scheduled Principal and Interest Payments \$	278,085
	Debt Service Coverage	3.29

**CITY OF PRINCETON, KENTUCKY
WATER AND WASTEWATER COMMISSION
REGULATION NO. 06-05-2019**

**A REGULATION ESTABLISHING THE WATER AND SEWER RATES TO
BE CHARGED BY THE WATER AND WASTEWATER COMMISSION OF
THE CITY OF PRINCETON, KENTUCKY FOR THE PUBLIC AND
PRIVATE USE OF THE MUNICIPAL WATER AND SEWER SYSTEM
EFFECTIVE WITH AUGUST 5, 2019 BILLING**

WHEREAS, by ordinance No. 2-21-83 (4), the City Council of the City of Princeton granted the City of Princeton Water and Wastewater Commission (hereafter "Commission") the authority to determine programs and make all plans and determinations as to improvements, rates, and financial practices, and to establish such rules and regulations as it deems necessary or appropriate to govern the furnishing of water and sewer services on behalf of the City of Princeton; and

WHEREAS, the Commission has conducted an evaluation of water and sewer rates required to provide adequate revenue to meet actual operation, maintenance, and replacement costs attributable to the system, to meet obligated indebtedness costs, and payments required by applicable bonds and other financial obligations; and

WHEREAS, the Commission continues to incur increases in electricity charges, state mandated retirement and pension funding increases, increased chemical costs and flushing costs associated with meeting numerous federal regulations, and decreased sales as households and industry have become more efficient and conservative; and

WHEREAS, in order to more fairly charge customers who use the least amount of water and who currently subsidize the largest users and in order to recoup the actual costs incurred to produce and distribute services; and

WHEREAS, pursuant to the aforementioned rate analysis, water and sewer rate schedules have been prepared consistent with applicable Kentucky Division of Water requirements and policies;

WHEREFORE, the Princeton Water and Wastewater Commission hereby adopts the following regulation:

Section 1. The minimum allowance shall be increased to 175 cubic feet for water service to customers connected to the Commission's water system within the corporate limits of the City of Princeton and the minimum charge of \$8.60 shall remain unchanged. The second tier shall increase to 2,000 cubic feet and will be charged at the full cost price of \$3.36 / 100 cubic feet. The fourth tier shall be eliminated and each 100 cubic feet over 2,000 cubic feet shall be charged a flat rate of \$2.97 per 100 cubic feet. Rates will now be as follows:

First	175 cubic ft. / month (min bill):	\$ 8.60
Next	1,825 cubic ft. / month	\$ 3.36 / 100 CF
Over	2,000 cubic ft. / month	\$ 2.97 / 100 CF

Section 2. The billing and rates for water service to customers connected to the Commission's water system outside the corporate limits of the City of Princeton shall remain unchanged.

Section 3. Monthly rates for water service to wholesale customers of the Commission (other municipalities or rural water districts which take delivery at master water meters) shall remain unchanged.

Section 4. Monthly rates for sewer service to customers connected to the Commission sewer system within the corporate limits of the City of Princeton shall now be charged at a flat rate of \$7.24 per 100 cubic feet. The new structure shall be as follows:

First	150 cubic ft. / month (min bill):	\$ 10.86
Over	150 cubic ft	\$ 7.24 / 100 CF

Section 5. All customers connected to either the water and sewer system will now be charged a monthly customer service fee of \$6.00 per month per meter whether connected to one or both systems.

Section 6. Any regulation or portion thereof inconsistent with the terms of this Regulation is hereby repealed and any section of this Regulation adjudged invalid or unconstitutional shall not affect the validity of the Regulation as a whole or any other section or provision hereof.

Section 7. The rates and charges provided for herein shall become effective upon its adoption, approval and publication as provided by law and shall become effective with the bills due August 5, 2019.

Given first reading on the 5th day of June, 2019.

Given second reading and duly passed by the City of Princeton Water and Wastewater Commission on the 7th day of June 2019.



 ROBERT L. HAYES, CHAIRMAN

ATTEST:



 JAMES NOEL, SUPERINTENDENT

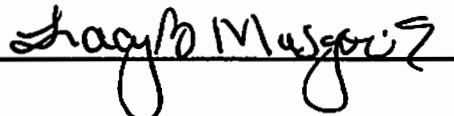
**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – July 2, 2019**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Tuesday July 2nd in lieu of the regular meeting scheduled for June 27th.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present included: Bob Hayes, Brent Ladd, and Iri Stevens. Pat George, and Jay Parrent were absent with prior notification. Superintendent James Noel and Attorney Todd Wetzel were also present along with Mayor Young.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the June 5th and June 7th meetings were reviewed with a motion made by Brent Ladd and seconded by Bob Hayes to approve the minutes as written. All Ayes. The financial statements for May were presented and reviewed by Ms. Musgove. A motion was made by Brent Ladd and seconded by Iri Stevens to approve the financial statements. All Ayes. The bills were reviewed with a motion made by Brent Ladd and seconded by Iri Stevens to approve. All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported that the start date for the bridge portion of the project is slated for July 15th. P&L Railroad has been notified to have flaggers on hand. The Sandlick Road section has been pressure tested and has passed all tests along with the BacT samples. Paving on Noble Ave is scheduled for July 8th and there are still several items of clean-up work to be done. Skyline tank project still needs clean-up work and fencing and hopefully will be complete at the next meeting. Documentation was presented for the 10th pay request which included draws for both the tank rehab and the water project totaling \$300,326.46. A motion was made by Brent Ladd and seconded by Iri Stevens to approve the pay request. All Ayes.
- V. **New Business and Superintendent's Report city**
- (a) Ms. Musgove updated the members regarding the presentation on the rate increases to the City Council the previous evening. While there has been minimal Facebook comments from the public, generally, the need for the increase was understood by Council Members.
- (b) Ms. Musgove then presented findings regarding a needed rate increase for the wholesale customers. The same reasoning applies to the wholesale customer base as did the reason to increase and revamp the rate structure for the retail customer base. Ms. Musgove pointed out that it has been five years since a water rate increase and during that time several expense categories, which are out of the control of management, have all increased significantly despite management's best efforts to control costs and think "out of the box". The rates have been redesigned to be fair and equitable to the citizens and users on the system and to fully compensate the PWWC for the cost it takes to produce and distribute water. With the cost of water calculated at \$3.36/100 cf, the goal would be to get everyone to pay that rate. Currently, the water districts pay only 68% of this amount (\$2.29/100 cf) and this increase will raise that rate to \$2.97 (a 30% increase); however, they will still be paying only 88% of the true cost it takes to treat, produce, and distribute the water.
- Chairman Hayes proceeded to read the new Rate Regulation 07-02-2019. A motion was made by Brent Ladd and seconded by Iri Stevens to approve the first reading of the Regulation which serves to increase wholesale rates to level of the largest retail users in the system. All Ayes. A second reading of the Regulation will take place at the next board meeting. *(A copy of Regulation 07-02-2019 will be inserted in the minute book after final reading)*
- VI. **Adjourn**
There being no further issues or business to discuss, Brent Ladd made a motion seconded by Iri Stevens to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



CHAIRMAN

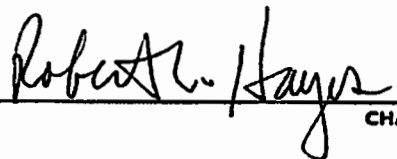


SECRETARY

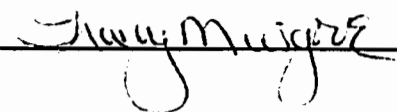
**Princeton Water & Wastewater Commission
Minutes of Special Called Meeting – August 1, 2019**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday August 1st in lieu of the regular meeting scheduled for July 25th.
- II. **Roll Call and Recognition of Visitors**
Commission Secretary / Director of Finance Tracy Musgove conducted a roll call. Commission members present Included: Bob Hayes, Brent Ladd, Irl Stevens, Pat George, and Jay Parrent. Superintendent James Noel and Attorney Todd Wetzel were also present.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the July 2nd meeting was reviewed with a motion made by Irl Stevens and seconded by Brent Ladd to approve the minutes as written. All Ayes. The financial statements for June were presented and reviewed by Ms. Musgove. Most of the year-end adjustments have been made along with some significant adjustments regarding the capitalization of the sewer and water projects and the establishment of chemical and fuel inventory balances. A motion was made by Brent Ladd and seconded by Jay Parrent to approve the financial statements. All Ayes. The bills were reviewed with a motion made by Brent Ladd and seconded by Pat George to approve. All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported that the attachment of the new water line to the bridge over the railroad has been completed and was accomplished in less than four days with no downtime. P&L Railroad had flaggers on hand and was very easy to work with. Paving on Noble Ave is now complete but there is still some clean-up work to be done. Our maintenance staff has poured the concrete pad for the building at the Skyline tank and will bill Preferred Sandblasting rather than delay the completion of this project. HTI is scheduled to install the telemetry system at the tank on August 5th.
- A final walk-through with USDA staff, contractors and engineers is scheduled for Friday, August 16th. Documentation was presented for the 11th pay request in the amount of \$388,217.14 which included \$42,426.08 in interest reimbursement for PWWC. This was the first draw that utilized grant funds as a source of repayment. A motion was made by Brent Ladd and seconded by Jay Parrent to approve the pay request. All Ayes.
- V. **New Business and Superintendent's Report**
- (a) Ms. Musgove presented information to the members regarding bids she had requested from the local banks for interest bearing deposits and/or totally new depository relationships. Both Farmers Bank and Planters bank had bid the same sweep product and were then provided information on the main depository accounts in order to finalize their proposals. Farmers Bank returned with a proposal having some minimal fees (approximately \$150 monthly but with per item charges); however, Planters Bank offered the same interest product and better certificate of deposit rates with no fees on any accounts plus access to remote deposit capture technology at no cost. Ms. Musgove recommended to move the banking relationship from First Southern to Planters Bank and a formal motion was made by Pat George and seconded by Brent Ladd to proceed with moving the entire depository relationship from First Southern to Planters. All Ayes.
 - (b) Ms. Musgove informed the board that the audit for fiscal year 2019 was started July 31st and the auditor was able to accomplish a lot in the first day of testing. Hopefully the final product will be complete by the end of October. The scheduled closing for the USDA loan is planned for August 20th which will pay off the Planters Bank interim construction loan. Subsequent draws will be coming from the grant proceeds which will hopefully also be enough to fund the clearwell repairs and the installation of a surge tank at the WTP.
 - (c) Training for the new Beacon billing software took place this week and it is hoped that the August billing cycle will be able to be completed on the new system.
- VI. **Adjourn**
There being no further issues or business to discuss, Irl Stevens made a motion seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:



CHAIRMAN

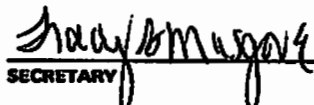


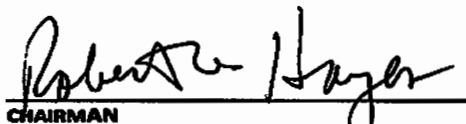
SECRETARY

**Princeton Water & Wastewater Commission
Minutes of Regular Meeting – August 29, 2019**

- I. **Call to Order**
Chairman Bob Hayes called the meeting of the PWWC to order at 4:00 P.M. on Thursday August 29th at the PWWC office.
- II. **Roll Call and Recognition of Visitors**
Attendees included Commission Members- Chairman Bob Hayes, Irl Stevens, Brent Ladd, Pat George, and Jay Parrent. Also present- Attorney Todd Wetzel, Superintendent James Noel and Mayor Kota Young. Commission Secretary / Director of Finance Tracy Musgove was absent with prior notification but was available by phone if needed.
- III. **Approval of Minutes from Last Meeting, Financial Statements and Approval of Bills**
The minutes from the August 1st meeting was reviewed with a motion made by Brent Ladd and seconded by Jay Parrent to approve the minutes as written. All Ayes. With no DOF present, a brief overview of Ms. Musgove's report was given by Chairman Bob Hayes. Water sales for July was just above the budgeted amount with sewer sales being a few thousand under budget. Operating revenues were \$3,314 under budget. Operating expenses ended up being \$532 over budget. Several categories were over slightly with the main contributor being inventory and misc materials that were over budget \$8,956. Salaries & Benefits being under budget \$9,898 (due to not filling a vacant position for the month of July), kept this overage to a minimum. Debt Service Ratio for July was 6.18 compared to the budgeted 6.38. A motion was made by Irl Stevens and seconded by Brent Ladd to approve the financial statement as written. Motion passed with all Ayes. The invoices for the month of July 2019 were reviewed by members and a motion was made by Irl Stevens and seconded by Brent Ladd to pay the bills. Motion passed with All Ayes.
- IV. **System Expansion / Old Business**
Mr. Noel reported that ongoing chemical trials of Chlorine Dioxide at the WTP have not achieved the desired results with DBP numbers being higher than anticipated. Results were affected by the construction project and the fact that normal early summer flushing had not occurred since the Skyline Tank was offline through most of the summer. He further explained with the connection of the new 16 inch transmission main to the Industrial Park Tank along with the Skyline Tank being back in service that better DBP results should be achieved. A recent system wide flushing should start to improve water quality and decrease complaints.
- Superintendent Noel reported that all the work on the water line project and master meters had been completed with only a few places needing additional clean up. JSJ is scheduled to return in October to address these areas with a portion of retainage remaining unpaid until completed. Mr. Noel reported work remaining on the Skyline Tank included the installation of the fence, touch up paint work on the overflow and final clean up. Mr. Noel also informed the commission that Preferred Sandblasting would be reimbursing PWWC for work done to the road and concrete work for the building.
- D.O.F. Tracy Musgove was contacted via phone to discuss Construction Pay Request #12 and explained that this request covered the final interest payment of the interim financing along with additional attorney fees. Ms. Musgove stated the retainage amount was approximately \$105,000 and there would be a final pay request for both JSJ and Preferred Sandblasting. A motion was made by Brent Ladd and seconded by Pat George to pay Construction Pay Request# 12 totaling \$21,964.77. Motion passed with all Ayes.
- Mr. Noel and Mayor Young briefed the Commission on the closing of the USDA loan. At closing, the interest rate was fixed at 2.125% versus the original locked rate of 2.625%. With the lower rate, PWWC will save \$313,870 over the life of the loan.
- Superintendent Noel reported that staff had completed all training and the first billing on the new Beacon software billing system with a minor issue on the transfer of about 150 meter readings. After consulting tech support, crews reread those meters with no further issues. (Update: manual read meters are still not pulling through in the auto bill system according to Jason Oliver. This affects namely the wholesale customers which are being direct billed.)
- With the absence of Ms. Musgove there was no report on the Planters Bank Deposit relationship transfer other than the start date was set for September 1st.
- V. **New Business and Superintendent's Report**
PER Addendum No. 1 for 2013 Water System Improvements was presented to the board. Mr. Noel stated this will allow for monies available to PWWC through the remaining grant to be used to make much needed improvements to the water treatment plant, namely to the clearwell and the surge tank. A motion was made by Jay Parrent and seconded by Pat George to accept Addendum No. 1 to the Preliminary Engineering Report with totals not to exceed the budget total for 2013 Water System Improvements of \$3,502,500.00. Motion passed with all Ayes.
- Superintendent Noel briefed the Commission regarding property for sale adjacent to the Skyline Tank. The owner, Mr. Creekmur, approached Mr. Noel and is asking \$20K for the home and 3 acres. Noel believed that the house would need to be torn down, but thought the property held value to PWWC due to the restricted space available at the tank site. The Commission decided to take no action at this time.
- The Commission next discussed issues related to the upcoming departure of the Director of Finance and Special Projects. No Board action was taken at this time.
- VI. **Adjourn**
There being no further issues or business to discuss, Irl Stevens made a motion seconded by Pat George to adjourn. All Ayes. Chairman Hayes adjourned the meeting.

ATTEST:


SECRETARY


CHAIRMAN

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

30. Refer to Princeton's response to Commission Staff's First Information Request 9. Using a table format, as to each current and former Princeton employee, provide all wage increases, if any, expressed by percentage and total dollars that such employee received during FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019.

Response: Refer to Exhibit Excel File WD 1-30 Employee Wages

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

31. Using a table format provide the number of gallons of water used by Princeton's wastewater treatment plant for FY 2014, FY 2015, FY 2016, FY 2017, FY 2018, and FY 2019 and include a description of how Princeton's sewer division compensates Princeton's water division for water used at the wastewater treatment plant, the amount of such compensation for these years, and whether compensation was accounted for during these years.

Response: Water and sewer services are not billed to any internal department on the PWWC system. The following details the wastewater treatment plant's usage for the periods in question. Usage decreased dramatically when an inside leak in the walls of the plant was found and fixed. This, along with changes in methods of treatment, greatly reduced water usage at the plant since effluent discharged from the plant is used when potable water is not required.

Fiscal Year	Plant Gallons	Lift Station Gallons
2014	122,485	6,042,538
2015	112,918	5,826,576
2016	14,234	5,616,208
2017	20,951	5,170,834
2018	8,572	5,439,396
2019	35,537	5,660,079

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

32. State whether salaries and other benefits, if any, for members of Princeton's Water and Wastewater Commission were allocated between water and sewer operations.

Response: These expenses, totaling \$9,000 for the test year, are shown under the heading "Unallocated Commission" in the ProForma Statement provided in Response to PSC 2-1 and are allocated 50/50 to water and sewer.

Witness: Tracy B. Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

33. Provide Princeton's cost allocation manual and all other documents, including policy statements, memoranda, correspondence, and office guidance, that address how Princeton allocates shared or joint costs between its water and sewer operations.

Response: See Response to PSC 1-13, 2-10, and 2-11

Witness: Tracy Musgove

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

34. Refer to Princeton's response to Commission Staff's First Information Request 17 and 19.

- (a) Describe in detail how Princeton determined the miles of main used jointly for retail and wholesale water service.
- (b) State Princeton's justification for its position that the entire 15.3 miles of 16" main is utilized by Princeton to serve Lyon and Caldwell Districts.
- (c) Provide a readable larger scale version of the system map furnished at Exhibit 19.

Response:

(a) The number of miles used by PWWC to serve Wholesale Customers was calculated by accounting for all non-dead-end mains utilized to move water throughout the distribution system. The size, location and connectivity of the water lines was determined by using PWWC's hydraulic water model which is constructed in ArcGIS software. Please see the Exhibit titled Princeton Water & Wastewater Water Facilities Serving Wholesale Customers (Response to PSC 1-19) for a visual representation of all mains utilized to serve Wholesale Customers.

(b) The 15.3 miles of 16-inch water main is the direct link between PWWC's water treatment plant (WTP) and the Industrial Park and Linton Hill water tanks. The entirety of the line is used to fill both water tanks when the high service pumps at the WTP are on and conversely when the high service pumps are off, the entirety of the line is used to supply water to the distribution system from the tanks.

Case No. 2019-00444
Princeton Water and Wastewater Wholesale Water Rates Increase
Responses to Caldwell/Lyon's Information Requests

(c) Counsel for the parties have spoken about this request and resolved the question related to the system map.

Witness: Tracy B. Musgove; Legal