



**Board of Commissioners**  
Brian Wells, Chairman  
Zachary Engle, Secretary  
Steve Gunnell

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January 18, 2021

Linda Bridwell  
Executive Director  
Public Service Commission  
PO Box 615  
Frankfort, KY 40602

Ms. Bridwell:

Enclosed is Morgan County Water District's Purchased Water Adjustment Application. Morgan County Water District has received an increase from one of its suppliers.

Sincerely,

A handwritten signature in cursive script that reads 'Shannon Elam'. The signature is written in black ink and is positioned above the printed name and title.

Shannon Elam  
General Manager

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

Name of Utility	Morgan County Water District	
Date	January 20, 2022	
Address	1009 Highway 172	
City, State, Zip	West Liberty	KY 41472
Telephone Number	606-743-1204	
Email Address	mcwdshannon@gmail.com	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

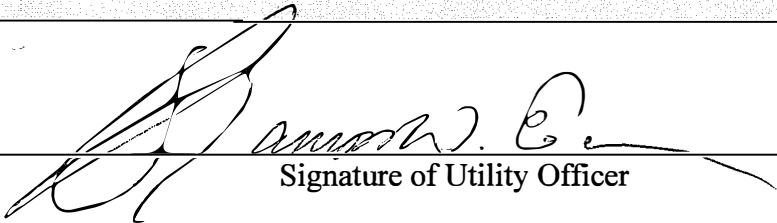
Supplier(s)	Base Rate	Changed Rate
City of West Liberty	3.08	3.08
Cave Run Water Commission	2.67	2.90

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

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	January 2021	through	December 2021
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
City of West Liberty	131,488,000
West Daviess	100,602,000
<b>TOTAL PURCHASES</b>	232,090,000
4. Total gallons sold for the 12 month period	120,213,000
5. Increased water cost	23,138
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit B</p>	
6. Purchased water adjustment factor	.20
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	February 15, 2022
	
Signature of Utility Officer	
General Manager	
Title	

# Attachment A

**Cave Run Water Commission, Incorporated**

**P.O. Box 20  
7533 HWY 1693  
Wellington, KY 40387  
Phone (606)768-6665  
Fax (606)768-6580**

*Edward Bryant  
Chairperson*

*Oscar Brewer  
Vice Chairperson*

*Mike Helton  
Secretary/Treasurer*

*Sandy Ballard  
Commissioner*

*Jack Howard  
Commissioner*

**RATE INCREASE NOTICE**

On July 26, 2021, the Cave Run Water Commission approved a resolution setting a rate increase beginning with the January 2022 Billing (Usage Dates 12/23/21 – 1/22/22). This resolution was a requirement of the financing provided by the Kentucky Infrastructure Authority for the 2021 loan. The resolution set the rates per thousand gallons at \$2.90.

*"Cave Run Water Commission, Inc. is an Equal Opportunity Provider and Employer."*

"If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <http://www.ascr.usda.gov/complaintfilingcust.html>, or at any USDA office, or call (866)632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9401, by fax (202)690-7442 or e-mail at [program.intake@usda.gov](mailto:program.intake@usda.gov)."

# Attachment B

	New Rate	Base Rate
City of West Liberty		
Purchase in gallons	131,488,000	131,488,000
Volumetric Rate	3.08	3.08
Total	\$ 404,983	\$ 404,983
Increased Water Cost	\$ -	
Cave Run Water Commission		
Purchase in gallons	100,602,000	100,602,000
Volumetric Rate	2.90	2.67
Total	\$ 291,746	\$ 268,607
Increased Water Cost	\$ 23,138	
Increased Water Cost	\$ 23,138	
Divided by gals. sold/1,000	120,213.00	
Purchased Water Adj. Factor	\$ 0.192	

or \$.20 per 1,000 Gallons

# Attachment C



## **NOTICE**

Due to an increase from one of its suppliers (Cave Run Water Commission), Morgan County Water District received approval from the Public Service Commission to adjust its rates effective for service rendered on and after February 15, 2022.

<b>Current Rates</b>			<b>Proposed Rates</b>				
<u>Minimum Bills Based on Meter Size</u>			<u>Minimum Bills Based on Meter Size</u>				
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Dollar Increase	Percent Increase
5/8x3/4 inch	2,000	\$ 31.49	5/8x3/4 inch	2,000	\$ 31.89	\$ 0.40	1.27
1 Inch	5,000	\$ 66.62	1 Inch	5,000	\$ 67.62	\$ 1.00	1.50
2 inch	15,000	\$ 168.93	2 inch	15,000	\$ 171.93	\$ 3.00	1.78
6 inch	100,000	\$ 943.03	6 inch	100,000	\$ 963.03	\$ 20.00	2.12
<u>Rates for Water Usage in Addition to Minimum</u>			<u>Rates for Water Usage in Addition to Minimum</u>				
No. of Gallons per Month	Charge per 1,000 gals.		No. of Gallons per Month	Charge per 1,000 gals.			
First 2,000 Gallons (lump sum)	\$	31.49	First 2,000 Gallons (lump sum)	\$	31.89	\$ 0.40	1.27
Next 3,000 Gallons	\$	11.66	Next 3,000 Gallons	\$	11.86	\$ 0.20	1.72
Next 5,000 Gallons	\$	10.80	Next 5,000 Gallons	\$	11.00	\$ 0.20	1.85
Next 5,000 Gallons	\$	9.95	Next 5,000 Gallons	\$	10.15	\$ 0.20	2.01
Over 15,000 Gallons	\$	9.09	Over 15,000 Gallons	\$	9.29	\$ 0.20	2.20
Whole Sale Rate	\$	5.87	Whole Sale Rate	\$	6.07	0.2	3.407155

The monthly bill for an average customer using 5,000 gallons of water each month will increase \$1.00 (or 1.5%) from \$66.47 to \$67.47. A person may examine this application at Morgan County Water District's office located at 1009 Highway 172, West Liberty, KY 41472. A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>.

# Attachment D

**Morgan County Water District  
Scheduled Board Meeting  
Monday, January 10, 2022**

The scheduled monthly meeting of the Morgan County Water District was held on Monday, January 10, 2022 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Brian Wells, Steve Gunnell and Zach Engle (by phone), MCWD Staff: Shannon Elam and Chernell Holbrook. Special guest: Paul Nesbitt and Derek Null with Nesbitt Engineering. Prayer. Brian called roll, then called the meeting to order and welcomed all present. Brian called for a motion to approve the minutes from the December 20, 2021. Zach made a motion and seconded by Steve. Motion carried.

First on the agenda was the update on the Hwy 172 and Hwy 191 Projects. We learned in the Progress Meeting today that Dwight is having trouble getting in new meters. Other than the new meters being on back order, Paul said the project is going well. He thought Dwight would be done in a couple of months. Paul has some requisitions for Brian to sign for the upcoming estimates. There was a question concerning the warranty on the new water line. Paul said that we would have a one year warranty from the official completion date.

Second on the agenda was the future project review. Paul asked Shannon to get Gateway Ad to the procurement of the Engineer for the future project. Paul spoke of several possibilities for funding: AML, ARC, KIA and even a cleaner water act. Shannon asked Paul to speak with Judge John Will Stacy about the water line extension project. He has eight extension he would like to do. Shannon asked Paul if there was someone we could speak with regarding the last project with AML, mainly concerning the not is use pump station and generator.

**Third on the agenda was the new building and shop project. We are still looking at several different lots: the old Giovanni's lot, the lot across from Saylers cemetery, the Bobby Jones lot, the Bazie Dulen lot and the John Motley lot. Paul is still looking for funding for us. No further discussion.**

**Fourth on the agenda was the Cave Run Rate Increase. The rate increase will be .23 cents, changing the cost from \$2.67 per 1000 gallons to \$2.90 per 1000 gallons. This increase will start this month. We will need to ask the PSC for a pass through rate increase. The PSC will determine what increase will be passed on to our customers. The Board advised Shannon to get started with the paperwork for this pass through increase.**

**REPORTING:**

**Water Loss Report: Reports were provided.**

**Line Break and Repair Report: Shannon told the Board about the leak on Old Hwy 172 and the leak on New Cummer.**

**Profit and Loss Report: Shannon told the Board that we were still working on the Profit and Loss Report. The PSC has approved our loan with Kentucky Rural Water Assc.**

**Collection Report: See handout. We have collected \$5,008.70 this year.**

**List of Accounts: The November and December list was provided.**

**Review of Written Checks: Hand outs were provided. Brian called for a motion to approve the written checks. Zach made a motion and seconded by Steve. Motion carried.**

**Unpaid invoices: Not available.**

**Shut offs: All but seven customers have paid and been turned back on.**

**New Setting: We have every meter setting done.**

**Active Customers: 2944 and last month 2942.**

**The Board agreed on the next monthly meeting to be on February 14, 2022.**

**With there being no further business to come before the board, Brian called for a motion to adjourn. Zach made a motion and seconded by Steve. Motion Carried.**

**Adjournment time was 5:38pm.**

**IN TESTIMONY WHEREOF, WITNESS MY SIGNATURE this \_\_\_\_\_ day  
of \_\_\_\_\_, 2022.**

\_\_\_\_\_  
**Zachary Engle, Sec/Treas.**