

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CAWOOD)	CASE NO.
WATER DISTRICT FOR AN ALTERNATIVE)	2020-00311
RATE ADJUSTMENT)	

ORDER

On September 28, 2020, Cawood Water District (Cawood District) filed an application with the Commission, pursuant to 807 KAR 5:076, requesting to adjust its rates for water service.

In its application, Cawood District requested rates that would increase annual water sales revenues by \$262,596, a 33.04 percent increase to pro forma present rate water sales revenues.

To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated October 8, 2020, which, among other things, required the Commission Staff (Staff) to file a report containing its findings regarding Cawood District's application.

Pursuant to the procedural Order, on January 22, 2021, Staff issued a report (Staff Report) summarizing its findings regarding Cawood District's requested rate adjustment. In the Staff Report, Staff found that Cawood District's adjusted test-year operations support an overall revenue requirement of \$994,931, and that an annual revenue increase

of \$167,770, or 21.11 percent, to pro forma present rate revenues is necessary to generate the overall revenue requirement.¹

On February 3, 2021, Cawood District filed with the Commission its comments on the Staff Report wherein Cawood District stated that it concurred with the findings of the Staff Report with respect to the recommended water rates, but took exception to the removal of certain labor expenses from nonrecurring charges. With its comments, Cawood District did not request that a conference or hearing be held.²

WATER LOSS

Pursuant to 807 KAR 5:066, Section (6)3, water loss is limited to 15 percent for ratemaking purposes. As noted in the application³ and, subsequently, the Staff Report, Cawood District's test-year water loss was 30.42 percent. Accordingly, Staff reduced test-year expenses by \$21,938 to account for the 15.42 percent excess water loss.⁴ The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold. Cawood District was a party to Case No. 2019-00041 due to its sustained excessive water loss, and the Commission recognizes although it was not specifically ordered to, Cawood District has likely filed this application as a part of its effort to address its water loss and comply with the Commission's November 22, 2019 final Order in that case (November 22, 2019 Order).⁵

¹ Staff Report at 3.

² Letter from Howard Farmer, Jr.

³ Application, Attachment 4, References at 2.

⁴ Staff Report at 10.

⁵ Case No. 2019-00041 *Electronic Investigation into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities* (Ky. PSC Nov. 22, 2019), Appendix B at 1–2.

On November 2, 2020, Cawood District filed the documents in compliance with the November 22, 2019 Order which included updated policies and procedures for Cawood District and a comprehensive water audit that provided a breakdown of the monthly cost of water loss.⁶ The Commission commends Cawood District's efforts to address its ongoing issues with water loss and recognizes the potential impact on those efforts if Cawood District does not have sufficient funds. While Cawood District did not specifically request a surcharge to fund water loss efforts in its application, the Commission finds that the use of a surcharge is consistent with prior Commission action in cases involving water district with excessive unaccounted-for water loss.⁷ In establishing water loss surcharges, the Commission recognizes that the adjustments required to be made to comply with the 15 percent line-loss limitation in 807 KAR 5:066, Section 6(3), could severely restrict cash flow and could impair a water district's ability to take the necessary action to focus on its leak detection and repair. Using a surcharge to fund a water district's water loss reduction project allows the Commission to place strict controls governing the surcharge proceeds to ensure their effective use, public acceptance of the surcharge, and public confidence in the water district's use of those funds. In its report entitled, *"Confronting the Problems Plaguing Kentucky's Water Utilities: An Investigative Report by the Kentucky Public Service Commission November 2019"* that was fully incorporated

⁶ *Id.*, Cawood District Documents Pursuant to Final Order (filed Nov. 2, 2020).

⁷ See Case No. 96-126, *An Investigation into the Operations and Management of Mountain Water District* (Ky. PSC Aug. 11, 1997); Case No. 2011-00217, *Application of Cannonsburg Water District for (1) Approval of Emergency Rate Relief and (2) Approval of the Increase in Nonrecurring Charges* (Ky. PSC June 4, 2012); Case No. 2018-00017, *Application of Martin County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 5, 2018); Case No. 2018-00429, *Application of Graves County Water District for an Alternative Rate Adjustment* (Ky. PSC Sep. 30, 2019); and Case No. 2019-00019, *Electronic Application of Estill County Water District No. 1 for a Surcharge to Finance Water Loss Control Efforts* (Ky. PSC Mar. 24, 2020).

in the final Order in Case No. 2019-00041, the Commission recommended more frequent rate cases and pursuing qualified infrastructure improvement surcharges, the proceeds of which will be devoted exclusively to infrastructure improvement and replacement.⁸

Therefore, the Commission finds that a monthly surcharge is a reasonable means for Cawood District to be afforded the opportunity to recover costs for its efforts to reduce water loss and Cawood District should be authorized to assess a monthly water loss reduction surcharge of \$1.12 per active meter over 48 months from the date of this Order. Cawood District should be restricted to expending any funds collected under the surcharge subject to authorization by the Commission. Cawood District should file a qualified infrastructure improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities, a time schedule for eliminating each source of unaccounted-for water loss, and provides a detailed spending plan for the proceeds of the surcharge.

BACKGROUND

Cawood District is a water district organized pursuant to KRS Chapter 74. It owns and operates a water distribution system through which it provides water service to approximately 1,627 customers in Harlan County, Kentucky.⁹ Cawood District produces 100 percent of its own water for the Cawood System. Cawood District purchases 100 percent of its water for the Path Fork service area which is a noncontiguous division of

⁸ Case No. 2019-00041, *Electronic Investigation into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities* (Ky. PSC Nov. 22, 2019), Appendix L, *Confronting the Problems Plaguing Kentucky's Water Utilities: An Investigative Report by the Kentucky Public Service Commission November 2019*, 24-25.

⁹ *Annual Report of Cawood District Water and Sewer District to the Public Service Commission for the Calendar Year Ended December 31, 2019 (Annual Report)* at 12 and 49.

Cawood District. Cawood District's last alternative rate adjustment occurred on December 14, 2017.¹⁰

TEST PERIOD

The calendar year ended December 31, 2019, was used as the test year to determine the reasonableness of Cawood District's existing and proposed water rates, as required by 807 KAR 5:076, Section 9.

SUMMARY OF REVENUE AND EXPENSES

The Staff Report summarizes Cawood District's pro forma income statement as follows:¹¹

	<u>2019 Annual Report</u>	<u>Audit Adjustments</u>	<u>Pro Forma Adjustments</u>	<u>Staff Pro Forma Operations</u>
Operating Revenues	\$ 820,631		\$ 6,444	\$ 827,075
Operating Expenses	<u>1,046,389</u>	<u>(18,286)</u>	<u>(174,778)</u>	<u>853,325</u>
Net Operating Income	(225,758)	18,286	181,222	(26,250)
Interest Income	<u>86</u>			<u>86</u>
Income Available for Debt Service	<u>\$ (225,672)</u>	<u>\$ 18,286</u>	<u>\$ 181,222</u>	<u>\$ (26,164)</u>

REVENUE REQUIREMENT ADJUSTMENTS

Billing Analysis Adjustment. In the Staff Report, Staff recommended the Commission accept Cawood's proposed adjustment to increase test-year revenues from water sales by \$27,748 to reflect its current billing analysis filed with the application.¹²

¹⁰ Case No. 2017-00319, *Application of Cawood Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 14, 2017).

¹¹ See Appendix A for a complete pro forma.

¹² Staff Report at 6, Adjustment A.

The Commission finds that this adjustment meets the ratemaking criteria of being known and measurable and is reasonable and should be approved.

Other Water Revenues. In the Staff Report, Staff recommended the Commission accept Cawood District's proposed adjustment to decrease Other Operating Revenues by \$10,330 to restore pro forma revenue to the amounts reported on Cawood District's 2019 general ledger.¹³ The Commission finds that this adjustment properly reflects the amounts collected by Cawood during the test period as evidenced by its 2019 general ledger, is known and measurable,¹⁴ and should be accepted.

Nonrecurring Charges. In the Staff Report, Staff recommended the Commission require Cawood District to revise its nonrecurring charges billed to customers during normal business hours as shown in the schedule below, which results in a decrease to Other Operating Revenue of \$10,974, and ultimately results in an increase to the Revenue Required from Base Rates calculated by Staff. The Commission finds that this adjustment follows recent Commission precedent regarding the reasonableness of the costs associated with certain nonrecurring charges and therefore should be accepted.

<u>Nonrecurring Charge</u>	<u>Normal Business Hours Charge</u>
Meter Reread Charge	\$5.00
Meter Resetting Charge	\$39.00
Meter Test Charge	\$20.00
Meter Turn-On Charge	\$5.00
Returned Check Fee	\$13.00

¹³ *Id.* at 6, Adjustment B.

¹⁴ Commission regulation 807 KAR 5:076, Section 9 sets the standard for the determination of the reasonableness of proposed rates and states, in pertinent part, that the test period shall be "adjusted for known and measurable changes."

Salaries and Wages – New Employee. In the Staff Report, Staff recommended that the Commission accept Cawood District’s proposed adjustment to increase test-year expenses by \$33,699 to reflect the salary and associated payroll taxes for an additional employee hired subsequent to the test period. The Commission finds that this additional operator does not result in wasteful duplication and is reasonable and necessary for the provision of utility service and therefore the additional costs associated with this new employee are known and measurable and reasonable for ratemaking purposes.

Tap Fees. In the Staff Report, Staff recommended the Commission accept Cawood District’s \$15,000 pro forma reduction to capitalize estimated expenses related to the installation of new meter taps in the test period. However, because the cost of the meter installations had to be estimated due to lack of records, Staff additionally recommended that the Commission require Cawood District to keep accurate records in the future sufficient to determine the actual cost to install its meter taps for future rate proceedings. The Commission finds that for the purposes of this proceeding, the adjustment recommended by Staff is reasonable and should be allowed for ratemaking purposes, and additionally finds that it will require Cawood District to maintain sufficient information in the future to make the calculation without the use of estimates.

Taxes Other Than Income. In the Staff Report, Staff recommended the Commission reduce Employee Pensions and Benefits by \$26,989 as proposed by Cawood District for payroll taxes that were reported in two places in its annual report on file with the Commission. The Commission finds that this adjustment is proper and should be accepted.

Employee Pensions and Benefits. In the Staff Report, Staff recommended the Commission accept Cawood District's proposed adjustment to reduce Employee Pensions and Benefits by \$21,653 following recent Commission precedent regarding 100 percent covered employee health insurance premiums. The Commission finds this adjustment is reasonable and in line with recent Commission orders on this topic and should be accepted.

Excess Water Loss. In the Staff Report, Staff recommended the Commission accept Cawood District's proposed adjustment to Purchased Power, Purchased Water, and Chemicals by \$21,938 to reflect the limitation stated in 807 KAR 5:066, Section 6(3). The Commission finds the adjustment properly reflects the limitations imposed by the regulation and should be accepted.

Meter Replacements. In the Staff Report, Staff reduced Pro Forma expenses by \$29,030 to reflect Cawood District's proposal to capitalize meters installed, and subsequently expensed, in the test period. The Commission finds that this adjustment is reasonable and should be accepted.

Insurance. In the Staff Report, Staff increased Insurance expense by \$3,433 for premium increases that will be incurred by Cawood District. The Commission finds this is a known and measurable adjustment to test year operations and should be accepted.

Miscellaneous Expenses. In the Staff Report, Staff reduced Miscellaneous Expense by \$85,095 to correct amounts that had been erroneously included as Miscellaneous Expense. The amounts had already been included on the annual report for Chemicals and Materials and Supplies, and Staff confirmed, via the general ledger, that the amounts had been included in both accounts. The Commission finds that

expenses should not be included twice on Cawood District's annual report and therefore the adjustment should be accepted for ratemaking purposes.

Depreciation. In the Staff Report, Staff recommended the Commission accept Cawood District's proposed adjustment to reduce depreciation expense by \$12,205 to reflect adjustments to the ranges of its utility assets to the midpoint of the ranges recommended by the National Association of Regulatory Utility Commissioners (NARUC) in its report published in 1979 titled *Depreciation Practices for Small Water Utilities* (NARUC Study). The Commission finds that there is significant precedent regarding the use of the NARUC Study to calculate depreciation on water utility plant and that the adjustment as proposed by Cawood District, and subsequently Staff, should be accepted.

Based upon the Commission's findings and determinations herein, Cawood District requires an increase in revenues of \$167,770, or 21.11 percent above pro forma present rate revenues, as shown below:

Pro Forma Operating Expenses	\$ 853,325
Plus: Average Annual Principal and Interest Payments	119,191
Additional Working Capital	<u>22,415</u>
Overall Revenue Requirement	994,931
Less: Other Operating Revenue	(32,186)
Interest Income	<u>(86)</u>
Revenue Required from Rates	\$ 962,659
Less: Pro Forma Present Rate Service Revenues	<u>(794,889)</u>
Required Revenue Increase	<u>\$ 167,770</u>
Percentage Increase	<u>21.11%</u>

RATE DESIGN

Cawood District proposed to increase all of its monthly retail water service rates evenly across the board by approximately 33.04 percent. Cawood District has not performed a cost of service study (COSS). Cawood District stated that they did not complete a COSS at this time as there has not been any material change in the water system to warrant a COSS.¹⁵ In the Staff Report, Staff followed the method proposed by Cawood District and allocated Staff's calculated revenue increase across the board to Cawood District's monthly retail water service rates. The rates set forth in Appendix A to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable and will produce sufficient revenues from water sales to recover the \$962,659 Revenue Required from Rates, an approximate 21.11 percent increase. These rates will increase a typical residential customer's monthly water bill for customers in the Cawood General Service Area from \$40.82 to \$49.45, an increase of \$8.63, or approximately 21.14 percent, and will increase a typical residential customer's monthly water bill for customers in the Path Fork Service Area from \$49.35 to \$59.76, an increase of \$10.41, or approximately 21.09 percent.

LATE PAYMENT CHARGES

The Commission notes that recently it has taken substantial evidence in various proceedings regarding the reasonableness of the assessment and collection of late payment penalties and also made several conclusions in its September 21, 2020 Order in Case No. 2020-00085, which included, but was not limited to, the fact that late fees are

¹⁵ Cawood District's Response to Staff's First Request for Information (filed Nov.4, 2020), Item 4.

not calculated based upon actual costs or the time value of money.¹⁶ Commission regulation 807 KAR 5:006, Section 9(2) states: “A charge shall relate directly to the service performed or action taken and shall yield only enough revenue to pay the expenses incurred in rendering the service.” The evidence in the record shows that Cawood District, like other similarly situated utilities, has relied on these fees as a significant portion of its income and the process disproportionately affects those customers who already struggle to pay for service. Also, discussed generally by the Commission in the September 21, 2020 Order of Case No. 2020-00085,

The Commission is sincerely concerned with smaller utilities’ processes for writing off bad debt, where it is apparent from data request responses that many utilities merely give up on amounts owed and make little attempt to recover monies. Additionally, the Commission is concerned by the degree at which jurisdictional utilities depend on late payment fees and nonrecurring charges to meet their income requirements. As noted before, late payment fees are merely used to incentivize on-time payment, and nonrecurring charges are supported as being merely cost-based.¹⁷

The collection of late fees is not recovering an actual cost that the utility incurs, it is purely a punitive exercise that disproportionately affects those customers already unable to pay for service rendered, and the evidence in this matter indicates it has little-to-no effect on a customer’s timeliness of payment.

On March 29, 2021, the General Assembly of the Commonwealth of Kentucky passed House Bill 272, which authorized water districts or associations to charge a late payment charge of 10 percent of the amount billed, and prohibits the Commission from

¹⁶ Case No. 2020-00085 *Emergency Docket Related to COVID-19* (Ky. PSC Sept. 21, 2020), Order at 3.

¹⁷ Case No. 2020-00085, *Emergency Docket Related to COVID-19* (Ky. PSC Sept 21, 2020), Order at 12.

modifying, rejecting, or suspending late payment charges established by the tariff. While the new section of KRS 278 is not yet effective, the Commission will make no adjustments to the late payment charge currently assessed by Cawood District. To do so now, would result in the inclusion in the base rate revenue requirement the amounts that Cawood District would then be authorized by statute to reinstate into their tariff as a late payment charge at a later date.

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The findings contained in the Staff Report are supported by the evidence of record and are reasonable.
2. Cawood District should maintain its records following the date of this Order that are sufficient to determine the actual costs incurred to install its meter taps.
3. The Commission has historically used a DSC method to calculate the revenue requirement for water districts or associations with outstanding long-term debt. Application of the Commission's DSC method to Cawood District's pro forma operations results in an Overall Revenue Requirement of \$994,931. A revenue increase of \$167,770 from water service rates is necessary to generate the overall revenue requirement.
4. The water service rates proposed by Cawood District should be denied.
5. The water service rates set forth in Appendix B to this Order are fair, just and reasonable and should be approved.

6. Cawood District should be authorized to assess a monthly surcharge of \$1.12 per meter for 48 months to fund its water loss control efforts, subject to the conditions set forth in finding paragraph 7.

7. The Commission should open a separate case to monitor the surcharge proceeds collection and expenses, with the following conditions:

a. Within 120 days of the date of this Order, Cawood District should file with the Commission a qualified infrastructure improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.

b. Cawood District should deposit surcharge collections in a separate interest-bearing account.

c. Cawood District should file monthly activity reports with the Commission that include a statement of monthly surcharge billings and collections; a monthly surcharge bank statement; a list of each payment from the account, its payee, and a description of the purpose; and invoices supporting each payment.

d. Cawood District should file monthly water loss reports with the Commission.

e. Surcharge proceeds should not be used to reimburse Cawood District for unaccounted-for water loss reduction expenses incurred prior to the date of this Order.

f. Cawood District's surcharge and water loss detection and repair program is subject to annual Commission reviews that will examine the progress of the

water loss detection and repair program and expenditures made with surcharge proceeds and consider adjustments to the program and the surcharge amount.

g. Cawood District's failure to comply with any conditions attached to its assessment of the surcharge will result in termination of the surcharge and the refund of collected surcharge proceeds disbursed on expenses or projects outside the scope of expenses and projects approved by the Commission.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The water service rates proposed by Cawood District are denied.

3. The rates set forth in Appendix B to this Order are approved for services rendered by Cawood District on and after the date of this Order.

4. Cawood District shall maintain its records on a going forward basis that are sufficient to determine the actual costs incurred to install its meter taps.

5. Within 20 days of the date of entry of this Order, Cawood District shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.

6. Cawood District shall use the midpoint of the depreciable lives of the National Association of Regulatory Utility Commissioners ranges, as proposed in the application and agreed upon by Staff, to depreciate water plant assets for accounting purposes in all future reporting periods. No adjustment to accumulated depreciation, or retained earnings should be made to account for this change in the accounting estimate.

7. The Commission shall open a separate proceeding, Case No. 2021-00150,¹⁸ to monitor the surcharge proceeds collection and expenses, subject to the following conditions:

a. Within 120 days of the date of this Order, Cawood District shall file with the Commission a qualified infrastructure improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.

b. Cawood District shall deposit surcharge collections in a separate interest-bearing account.

c. On the fifteenth day of each month for 48 months from the date of this Order or until all surcharge proceeds are expended, Cawood District shall file with the Commission a monthly activity report that includes a statement of monthly surcharge billings and collections; a monthly surcharge bank statement; a list of each payment from the account, its payee, and a description of the purpose; and invoices supporting each payment.

d. On the fifteenth day of each month for 48 months from the date of this Order or until all surcharge proceeds are expended, Cawood District shall file a monthly water loss report with the Commission.¹⁹

¹⁸ Case No. 2021-00150, *Electronic Cawood Water District's Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring* (Ky. PSC Apr. 8, 2021).

¹⁹ The report format is found at <https://psc.ky.gov/Home/UtilForms> under "Water Use & Loss Calculations (Excel format)."

e. Cawood District shall not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

f. Cawood District shall consider all surcharge collections as contributions and shall account for them in the manner that the Uniform System of Accounts for Class A and B Water Districts and Associations prescribes.

g. Cawood District shall debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

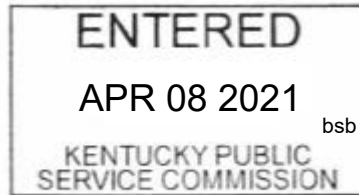
h. When Cawood District collects the surcharge from the customers, it shall debit special funds and credit the customer account.

i. One year after the date of entry of this Order and annually thereafter, Cawood District shall file in Case No. 2021-00150 a schedule of the estimated and actual progress of the water loss detection and repair program, and estimated and actual expenditures made with surcharge proceeds, for the purpose of evaluating whether adjustments to the program or to the surcharge amount are required.

j. Cawood District's failure to comply with the conditions set forth in ordering paragraph 7 shall result in termination of the surcharge and the refund of collected surcharge proceeds disbursed on expenses or projects outside the scope of expenses and projects approved by the Commission.

8. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Linda C. Lindwell
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00311 DATED APR 08 2021

	2019 Annual Report	Audit Adjustments	Pro Forma Adjustments	Pro Forma Operations
Operating Revenues				
Sales of Water	\$ 767,141		\$ 27,748	\$ 794,889
	53,490		(10,330)	
Other Water Revenues			(10,974)	32,186
Total Operating Revenues	<u>820,631</u>		<u>6,444</u>	<u>827,075</u>
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	222,817	7,315	31,304	
			(4,500)	256,936
Salaries and Wages - Commissioners	6,730			6,730
Employee Pensions and Benefits	75,426		(26,989)	
			(21,653)	26,784
Purchased Water	28,727		(4,429)	24,298
Purchased Power for Pumping	71,818		(11,073)	60,745
Chemicals	41,745		(6,436)	35,309
Materials and Supplies	59,009		(10,500)	
			(29,030)	19,479
Contractual Services	91,751	(16,877)		74,874
Insurance	25,869		3,433	29,302
Bad Debt Expense	20,525			20,525
Miscellaneous Expense	131,455		(85,095)	46,360
Total Operation and Maintenance Expenses	775,872	(9,562)	(164,968)	601,342
Taxes Other Than Income	26,989	(7,315)	2,395	
				22,069
Depreciation	<u>243,528</u>	<u>(1,409)</u>	<u>(12,205)</u>	<u>229,914</u>
Total Operating Expenses	<u>1,046,389</u>	<u>(18,286)</u>	<u>(174,778)</u>	<u>853,325</u>
Net Operating Income	(225,758)	18,286	181,222	(26,250)
Interest Income	86			86
Income Available to Service Debt	<u>\$ (225,672)</u>	<u>\$ 18,286</u>	<u>\$ 181,222</u>	<u>\$ (26,164)</u>

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00311 DATED APR 08 2021

The following rates and charges are prescribed for the customers in the area served by Cawood Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

Cawood General Service Area

First 2,000 Gallons	\$29.53	Minimum Bill
Next 8,000 Gallons	0.00996	Per Gallon
Over 10,000 Gallons	0.00710	Per Gallon

Path Fork Service Area

First 2,000 Gallons	\$33.68	Minimum Bill
Next 8,000 Gallons	0.01304	Per Gallon
Over 10,000 Gallons	0.01017	Per Gallon

Nonrecurring Charges

Meter Reread Charge	\$5.00
Meter Resetting Charge	39.00
Meter Test Charge	20.00
Meter Turn-On Charge	5.00
Returned Check Charge	10.25

Surcharge Rate

All Customers	\$1.12	Per meter per month
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