

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| ELECTRONIC TARIFF FILING OF MOREHEAD |) | |
| UTILITY PLANT BOARD TO REVISE ITS |) | |
| WHOLESALE WATER RATES TO AND ENTER |) | CASE NO. |
| INTO REVISED WATER PURCHASE |) | 2024-00193 |
| AGREEMENTS WITH BATH COUNTY WATER |) | |
| DISTRICT AND ROWAN WATER, INC. |) | |

ORDER

On April 4, 2024, Morehead Utility Plant Board (Morehead) filed a tariff to increase its wholesale water rates to Bath County Water District (Bath District) and Rowan Water, Inc. (Rowan Water). Morehead proposed an effective date of July 1, 2024. Subsequent to the April 4, 2024 filing, Morehead filed, on May 17, 2024, revised Water Purchase Agreements (Revised Agreements) with Bath District and Rowan Water. The Revised Agreements contain an effective date of the later of July 1, 2024, or the date the Revised Agreements are deemed to be filed by the Commission.

The proposed rates in the April 4, 2024 filing were based on existing assets only and reflected the removal of Monthly Capital Costs and Meter and Billing Charges, as well as an increase in the volumetric rate of \$0.658 per 1,000 gallons, or 40.5 percent, from \$1.626 per 1,000 gallons to \$2.284 per 1,000 gallons. The effect of the revised rates on the average bill of Bath District and Rowan Water would be an increase of \$7,053.77, or 8.53 percent, and an increase of \$12,370.85, or 10.64 percent, respectively.¹

¹ Customer Notices to Bath County Water District and Rowan Water, Inc. (filed Apr. 4, 2024).

Morehead responded to four requests for information from Commission Staff. Those responses are attached as Appendix B to this Order and are made a part of the evidentiary record of this case.

The Revised Agreements filed on May 17, 2024, which would supersede a 2000 InterLocal Agreement between Morehead, Bath District, and Rowan Water, set forth another proposed increase to the wholesale rates of \$3.61 per 1,000 gallons effective July 1, 2025, for Rowan Water and July 15, 2025, for Bath District. As support for the proposed 2025 increase, Morehead provided its wholesale rate computation, which was based on existing assets and a new Regional Water Treatment Plant. The Revised Agreements indicate that Morehead will conduct a Cost of Service Study (COSS) based upon actual costs during the fiscal year ending June 30, 2025. The Revised Agreements would allow Morehead to recover any difference between the results of the COSS and the \$3.61 per 1,000 gallons rate over a 3-year period, beginning in 2026. Morehead would be permitted to conduct additional cost of service studies for the fiscal years ending June 30, 2026, 2027, or 2028 and if the actual cost to produce water differs from the 2025 COSS, Morehead would allocate the difference over the remainder of the gradual implementation periods beginning June 30, 2026, 2027, or 2028 in the same manner as the initial difference. The Revised Agreements also indicate that Bath District and Rowan Water would receive a credit or reduction equal to their share of capital charges collected from January 2024 to June 2024 for bonds that were paid off in December 2023, and a credit or reduction for their share of the reserve funds pursuant to a 2000 InterLocal Agreement. After July 15, 2028, Morehead would have the right to annually adjust the wholesale rate to reflect changes in its cost of providing water service.

LEGAL STANDARD

The Commission has exclusive jurisdiction over the rates and service of utilities and is charged with enforcing the provisions of KRS Chapter 278.² A city-owned utility is generally exempt from the Commission's exclusive jurisdiction over utility rates and services.³ However, pursuant to KRS 278.200, the Commission may, under the provisions of KRS Chapter 278:

[O]riginate, establish, change, promulgate, and enforce any rate or service standard of any utility that has been or may be fixed by any contract, franchise or agreement between the utility and any city, and all rights, privileges, and obligations arising out of any such contract, franchise, or agreement, regulating any such rate or service standard, shall be subject to the jurisdiction and supervision of the commission.⁴

In *Simpson County Water District v. City of Franklin*, the Kentucky Supreme Court held that a city providing utility service loses its exemption and "is rendered subject to the PSC rates and service regulation" pursuant to KRS 278.200 when it enters into a contract to provide wholesale utility service to a public utility subject to the Commission's jurisdiction.⁵

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. "Whenever any

² KRS 278.040.

³ See KRS 278.010(3) (excluding city utilities from the definition of utilities subject to Commission jurisdiction).

⁴ KRS 278.200.

⁵ *Simpson County Water District v. City of Franklin*, 872 S.W.2d 460, 463 (Ky. 1994); see also *City of Russellville v. Public Service Com'n of Kentucky*, No. 2003-CA-002132-MR, 2005 WL 385077 (Ky. App. Feb. 18, 2005) (unpublished) (in which the court found that a city's failure to provide water districts notice and file a proposed wholesale rate increase for water districts pursuant to the provisions of KRS Chapter 278 and 807 KAR 5:011 prevented the city from charging the rate).

utility files with the commission any schedule stating new rates, the commission may, upon its own motion . . . , and upon reasonable notice, hold a hearing concerning the reasonableness of the new rates.”⁶ Pending the final decision on a proposed schedule or rate, “the commission may, at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification, or service” for a period up to five months beyond the time when it would otherwise go into effect if a historical test period is used, and up to six month if a forward-looking test period is used.⁷

DISCUSSION

Having reviewed the proposed tariff and Revised Agreements and being otherwise sufficiently advised, the Commission finds that the rates to be effective July 1, 2024, filed on April 4, 2024,⁸ are reasonable and should be approved but that an investigation is necessary to determine the reasonableness of the provisions in the Revised Agreements, which were filed on May 17, 2024, regarding future rate revisions to Bath District and Rowan Water and that such investigation cannot be completed by July 1, 2024. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the Revised Agreements for one day until July 2, 2024.

The Commission also finds that, in order to investigate the Revised Agreement, Rowan Water and Bath District should be given the opportunity to participate as a party. The Executive Director shall serve a copy of this Order on Rowan Water and Bath District.

⁶ KRS 278.190(1).

⁷ KRS 278.190(2).

⁸ Morehead’s proposed Phase 1 rates of \$2.284 per 1,000 gallons for service rendered on and after July 1, 2024.

As parties to the Revised Agreements, both water utilities shall have the opportunity to participate in this proceeding, should they so choose.

The Commission directs Morehead to the Commission's July 22, 2021 Order in Case No. 2020-00085⁹ in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001, Section 8. Consistent with the filing procedures set forth in Case No. 2020-00085, the Commission finds that electronic filing procedures should be used.

The Commission further finds that a procedural schedule should be established to review the reasonableness of the Revised Agreements. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

⁹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the Revised Agreements.

2. Morehead's proposed Phase 1 rates of \$2.284 per 1,000 gallons are approved for service rendered on and after July 1, 2024.

3. The Revised Agreements, filed on May 17, 2024, are suspended for one day until July 2, 2024, subject to change.

4. Within 20 days of the date of service of this Order, Morehead shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheet setting forth the Phase 1 rates approved herein and reflecting their effective date and that they were authorized by this Order.

5. Morehead shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.

6. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.

7. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of the date of service of this Order, Morehead shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.

8. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

9. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

10. The procedural schedule set forth in Appendix A to this Order shall be followed.

11. Morehead shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

12. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly

complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

13. Any motion to intervene after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

14. Morehead shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, psc.ky.gov." At the time publication is requested, Morehead shall forward a duplicate of the notice and request to the Commission.

15. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

16. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal

announcement made by the presiding officer shall be proper notice of the continued hearing.

17. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.


18. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

19. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of times with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

20. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

21. The Executive Director shall serve a copy of this Order upon Bath District and Rowan Water.

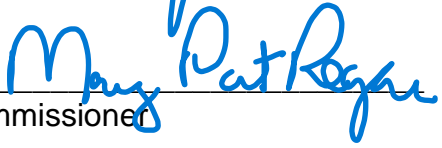
PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ENTERED
JUN 28 2024
rCS
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00193 DATED JUN 28 2024

Requests for intervention shall be filed no later than 07/08/2024

Initial requests for information to Morehead
shall be filed no later than 07/18/2024

Morehead shall file responses to
initial requests for information no later than..... 08/01/2024

All supplemental requests for information to Morehead
shall be filed no later than 08/15/2024

Morehead shall file responses to supplemental requests
for information no later than 08/29/2024

Intervenor testimony, if any, in verified prepared
form shall be filed no later than.... 09/05/2024

All requests for information to Intervenors shall
be filed no later than 09/19/2024

Intervenors shall file responses to requests for
information no later than..... 10/02/2024

Morehead shall file, in verified form, its rebuttal
testimony no later than 10/09/2024

Morehead or any Intervenor shall request either a
hearing or that the case be submitted for decision
based on the record no later than 10/16/2024

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00193 DATED JUN 28 2024

SEVENTY PAGES TO FOLLOW

Hinton, Daniel E (PSC)

From: Earl Rogers
Sent: Monday, April 29, 2024 1:43 PM
To: Hinton, Daniel E (PSC)
Cc: Abshire, Jeff A (PSC); Rogness, Benjamin (PSC);
Subject: Re: KY-PSC Electronic Filing Center NotificationTFS2024-00157
Attachments: MUPB retail water rates and ordinaces 10 years.pdf; 2024 Proposed Water rates effective August 1, 2024.pdf; Wholesale rates past 10 years.pdf

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

This Message Originated from Outside the Organization

This Message Is From an External Sender.

Report Suspicious

Mr. Hinton

As additional information that may be helpful please find attached:

MUPB retail rates for the past 10 years.

MUPB proposed retail rates for 2024 (the ordinance has not been adopted yet)

MUPB wholesale rates the past 10 years.

Also MUPB has negotiated Water Purchase Agreement with Bath County Water District and Rowan Water Inc., doing away with the prior Interlocal Agreement. MUPB has approved it. Bath Water has approved it. We are waiting on approval from Rowan Water in May. Once Rowan Water approves the new contract I will file it as well.

Earl Rogers III
Campbell Rogers & Stacy PLLC
154 Flemingsburg Road
Morehead, Kentucky 40351
(606)-783-1012

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**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$12.46 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$5.03 | per 1,000 |
| Next | 4,000 gallons | \$4.39 | per 1,000 |
| Next | 20,000 gallons | \$3.77 | per 1,000 |
| Next | 20,000 gallons | \$3.14 | per 1,000 |
| Next | 250,000 gallons | \$2.52 | per 1,000 |
| Next | 300,000 gallons | \$2.15 | per 1,000 |

COUNTY RATES

Water- \$14.95 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$6.03 | per 1,000 |
| Next | 4,000 gallons | \$5.27 | per 1,000 |
| Next | 20,000 gallons | \$4.54 | per 1,000 |
| Next | 20,000 gallons | \$3.78 | per 1,000 |
| Next | 250,000 gallons | \$3.02 | per 1,000 |
| Next | 300,000 gallons | \$2.59 | per 1,000 |

ORDINANCE NO 09:2016

AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES,
CHAPTER 51, GAS AND WATER, SECTIONS 51.01, GAS AND WATER TAP
CHARGES AND 51.02 SERVICE RATES AND CHARGES TO INCREASE SAID TAP
AND SERVICE FEES

WHEREAS, the City of Morehead Board of City Council established the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, the Morehead Utility Plant Board's costs for providing said services to the citizens have increased since the last rate increase was enacted; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title 5, Public Utilities, Chapter 51, Gas and Water, Sections 51.1, Gas and Water Tap Charges and 51.02 Service Rates and Charges shall be amended as follows:

51.01 GAS AND WATER TAP CHARGES.

(A) No free use of the services and facilities of the municipal utility system of the city (hereinafter the "system") shall be granted or permitted to any user thereof, including the City of Morehead.

(B) Effective July 1, 2016 [~~September 1, 2009~~], the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any water line of the City of Morehead/Morehead Utility Plant Board for residential purposes shall be [~~five hundred dollars (\$500.00)~~] eight hundred dollars (\$800.00) each for such water tap.

(C) Effective September 1, 2009, the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any waterline of the City of Morehead/Morehead Utility Plant Board for industrial or commercial purposes shall be the actual cost of labor and material incurred by the Morehead Utility Plant Board.

(D) Effective July 1, 2016 [~~September 1, 2009~~], the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any gas line of the City of Morehead/Morehead Utility Plant Board for residential purposes shall be [~~three hundred dollars (\$300.00)~~] seven hundred dollars (\$700.00) each for such gas tap.

(E) Effective September 1, 2009, the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any gas line of the City of Morehead/Morehead

Utility Plant Board for industrial or commercial purposes shall be the actual cost of labor and material incurred by the Morehead Utility Plant Board.

(F) Upon payment of the connection or tapping charge the Morehead Utility Plant Board shall cause the connection or tapping to be made.

(G) Any party making any connection without payment of the connection or tapping charge or violating any provision of this section, upon conviction, shall be fined not less than ten dollars (\$10.00) nor more than twenty-five dollars (\$25.00) and each day's violation shall be deemed a separate offense.

§ 51.02 SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

| Water Rates | 2013-2014 | July 1, 2014 and |
|------------------------------|----------------------|---|
| | Fiscal | Thereafter |
| | Year | |
| First 2,000 gallons | \$10.66 | \$11.94 for 2,000 gallons Minimum Bill |
| Next 4,000 gallons | \$4.30 | \$4.82 for 1,000 gallons |
| Next 4,000 gallons | \$3.76 | \$4.21 for 1,000 gallons |
| Next 20,000 gallons | \$3.23 | \$3.61 for 1,000 gallons |
| Next 20,000 gallons | \$2.69 | \$3.01 for 1,000 gallons |
| Next 250,000 gallons | \$2.15 | \$2.41 for 1,000 gallons |
| Greater than 300,000 gallons | \$1.84 | \$2.06 for 1,000 gallons] |

Water Rates within the Corporate Limits of the City of Morehead

First 2,000 gallons \$12.46 minimum bill up to and including first 2,000 gallons
Next 4,000 gallons \$5.03 per 1,000 gallons
Next 4,000 gallons \$4.39 per 1,000 gallons
Next 20,000 gallons \$3.77 per 1,000 gallons
Next 20,000 gallons \$3.14 per 1,000 gallons
Next 250,000 gallons \$2.52 per 1,000 gallons
Greater than 300,000 gallons \$2.15 per 1,000 gallons

Water Rates outside the Corporate Limits of the City of Morehead

First 2,000 gallons \$14.95 minimum bill up to and including first 2,000 gallons
Next 4,000 gallons \$6.03 per 1,000 gallons
Next 4,000 gallons \$5.27 per 1,000 gallons
Next 20,000 gallons \$4.54 per 1,000 gallons
Next 20,000 gallons \$3.78 per 1,000 gallons
Next 250,000 gallons \$3.02 per 1,000 gallons
Greater than 300,000 \$2.59 per 1,000 gallons

(B) The Utility Plant Board may establish the following maximum rates for natural gas customers within the corporate limits of the city:

Gas Rates

| | |
|------------------------------|---|
| First 1,000 MCF | \$3.45 over purchase cost to MUPB from supplier |
| All purchases over 1,000 MCF | \$1.60 per 1,000 MCF over purchase cost to MUPB from supplier |

All charges shall be on a pro rata basis per gas consumption over minimum bill. A minimum bill shall be paid by all customers in an amount to equal the MUPB's actual cost of one thousand (1,000) MCF, from supplier of natural gas plus three dollars and forty-five cents (\$3.45).

(C) Rates and charges for customers of ~~water and~~ gas service located outside the corporate limits of the city shall be one hundred twenty percent (120%) of the rate schedule which is to be charged to customers located within the corporate limits of the city.

(D) The industrial charge for gas purchases over 5,000 MCF shall be as follows:

| | |
|-----------------|---|
| First 5,000 MCF | \$3.45 over purchase cost to MUPB from supplier per first 1,000 MCF and \$1.60 over purchase cost per each additional 1,000 MCF up to 5,000 MCF |
| Over 5,000 MCF | After first 5,000 MCF, \$1.10 over purchase cost to MUPB per 1,000 MCF |
| Over 25,000 MCF | After first 25,000 MCF, \$0.93 over purchase cost to MUPB per 1,000 MCF |

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 9th day of May, 2016.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 13th day of June, 2016.

APPROVED:



JAMES T. TRENT, MAYOR

ATTESTED:



CRISSY CUNNINGHAM, CITY CLERK

**ORDINANCE SUMMARY
ORDINANCE NUMBER 09:2016**

An Ordinance of the City of Morehead, Kentucky amending Title 5, Public Utilities, Chapter 51, Gas and Water, Section 51.01, Gas and Water Tap charges and 51.02 Service Rates and charges to increase said fees was given first reading on May 9, 2016 and second reading on June 13, 2016. Said amendment increases the fees as follows:

51.01 GAS AND WATER TAP CHARGES.

(A) No free use of the services and facilities of the municipal utility system of the city (hereinafter the "system") shall be granted or permitted to any user thereof, including the City of Morehead.

(B) Effective July 1, 2016, the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any water line of the City of Morehead/Morehead Utility Plant Board for residential purposes shall be eight hundred dollars (\$800.00) each for such water tap.

(C) Effective September 1, 2009, the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any waterline of the City of Morehead/Morehead Utility Plant Board for industrial or commercial purposes shall be the actual cost of labor and material incurred by the Morehead Utility Plant Board.

(D) Effective July 1, 2016, the cost for any person, firm, corporation or legal entity desiring to connect or tap onto any gas line of the City of Morehead/Morehead Utility Plant Board for residential purposes shall be seven hundred dollars (\$700.00) each for such gas tap.

§ 51.02 SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

Water Rates within the Corporate Limits of the City of Morehead

First 2,000 gallons \$12.46 minimum bill up to and including first 2,000 gallons
Next 4,000 gallons \$5.03 per 1,000 gallons

Next 4,000 gallons \$4.39 per 1,000 gallons
Next 20,000 gallons \$3.77 per 1,000 gallons
Next 20,000 gallons \$3.14 per 1,000 gallons
Next 250,000 gallons \$2.52 per 1,000 gallons
Greater than 300,000 gallons \$2.15 per 1,000 gallons

Water Rates outside the Corporate Limits of the City of Morehead

First 2,000 gallons \$14.95 minimum bill up to and including first 2,000 gallons
Next 4,000 gallons \$6.03 per 1,000 gallons
Next 4,000 gallons \$5.27 per 1,000 gallons
Next 20,000 gallons \$4.54 per 1,000 gallons
Next 20,000 gallons \$3.78 per 1,000 gallons
Next 250,000 gallons \$3.02 per 1,000 gallons
Greater than 300,000 \$2.59 per 1,000 gallons

The full text of this Ordinance may be reviewed by any interested citizen at the Administrative Offices Building, 314 Bridge Street, Morehead, Kentucky, Office of the City Clerk, Monday through Friday 8:00 a.m. to 4:30 p.m. This is to certify that the foregoing is a true summary of the ordinance for the City of Morehead, Kentucky.

This the 14th day of June 2016.



Joyce Planck Stevens, City Attorney

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$14.95 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$6.04 | per 1,000 |
| Next | 4,000 gallons | \$5.27 | per 1,000 |
| Next | 20,000 gallons | \$4.52 | per 1,000 |
| Next | 20,000 gallons | \$3.77 | per 1,000 |
| Next | 250,000 gallons | \$3.02 | per 1,000 |
| Next | 300,000 gallons | \$2.58 | per 1,000 |

COUNTY RATES

Water- \$17.94 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$7.24 | per 1,000 |
| Next | 4,000 gallons | \$6.32 | per 1,000 |
| Next | 20,000 gallons | \$5.45 | per 1,000 |
| Next | 20,000 gallons | \$4.54 | per 1,000 |
| Next | 250,000 gallons | \$3.62 | per 1,000 |
| Next | 300,000 gallons | \$3.11 | per 1,000 |

ORDINANCE SUMMARY
ORDINANCE NUMBER 12:2017

An Ordinance of the City of Morehead, Kentucky Code of Ordinances amending Title 5, Public Utilities, Chapter 51, Gas and Water, Section 51.02, Service Rates and Chapter 52, Sewer System, Section 52.72, Charges and Fees to increase said fees effective August 1, 2017 was given first reading on May 8, 2017 and second reading on May 22, 2017. Said amendment increases the fees as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$14.95 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$6.04 per 1,000 gallons |
| Next 4,000 gallons | \$5.27 per 1,000 gallons |
| Next 20,000 gallons | \$4.52 per 1,000 gallons |
| Next 20,000 gallons | \$3.77 per 1,000 gallons |
| Next 250,000 gallons | \$3.02 per 1,000 gallons |
| Next 300,000 gallons | \$2.58 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$17.94 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$7.24 per 1,000 gallons |
| Next 4,000 gallons | \$6.32 per 1,000 gallons |
| Next 20,000 gallons | \$5.45 per 1,000 gallons |
| Next 20,000 gallons | \$4.54 per 1,000 gallons |
| Next 250,000 gallons | \$3.62 per 1,000 gallons |
| Next 300,000 gallons | \$3.11 per 1,000 gallons |

§ 52.72(B) CHARGES AND FEES.

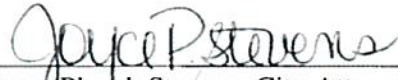
(B) The following schedule of user charges rates shall apply to each user of the wastewater treatment works:

The following schedule of user charges rates shall apply to each user of the wastewater treatment works.

| Total Gallons Water Consumption/Month | Rate | Unit |
|---|-------------|--------------|
| CITY RATES | | |
| 0-2,000 | \$10.50 | Minimum bill |
| Over 2,000 | \$5.45 | per 1,000 |
| COUNTY RATES | | |
| 0-2,000 | \$12.61 | Minimum bill |
| Over 2,000 | \$6.32 | per 1,000 |
| RCSD RATES | | |
| 0-2,000RCSD | \$21.97 | Minimum bill |
| Over 2,000 | \$10.27 | per 1,000 |
| FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES | | |
| 0-2,000 | \$26.99 | Minimum bill |
| Over 2,000 | \$9.82 | per 1,000 |

The full text of this Ordinance may be reviewed by any interested citizen at the Administrative Offices Building, 314 Bridge Street, Morehead, Kentucky, Office of the City Clerk, Monday through Friday 8:00 a.m. to 4:30 p.m. This is to certify that the foregoing is a true summary of the ordinance for the City of Morehead, Kentucky.

This the 23rd day of May 2017.


Joyce Planck Stevens, City Attorney

ORDINANCE NO 12:2017

AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES,
CHAPTER 51, GAS AND WATER, SECTION 51.02, SERVICE RATES AND CHAPTER 52,
SEWER SYSTEM, SECTION 52.72 CHARGES AND FEES

WHEREAS, the City of Morehead Board of City Council established the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, the Morehead Utility Plant Board's costs for providing water and sewer service to the citizens have increased since the last rate increase was enacted; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title 5 of the Morehead Code of Ordinances, Public Utilities, Chapter 51, Gas and Water, Section 51.02, and Chapter 52, Sewer System, Section 52.72 shall be amended effective August 1st, 2017 as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|------------------------------|--|
| First 2,000 gallons | \$12.46 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$5.03 per 1,000 gallons |
| Next 4,000 gallons | \$4.39 per 1,000 gallons |
| Next 20,000 gallons | \$3.77 per 1,000 gallons |
| Next 20,000 gallons | \$3.14 per 1,000 gallons |
| Next 250,000 gallons | \$2.52 per 1,000 gallons |
| Greater than 300,000 gallons | \$2.15 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|------------------------------|--|
| First 2,000 gallons | \$14.95 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$6.03 per 1,000 gallons |
| Next 4,000 gallons | \$5.27 per 1,000 gallons |
| Next 20,000 gallons | \$4.54 per 1,000 gallons |
| Next 20,000 gallons | \$3.78 per 1,000 gallons |
| Next 250,000 gallons | \$3.02 per 1,000 gallons |
| Greater than 300,000 gallons | \$2.59 per 1,000 gallons |

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$14.95 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$6.04 per 1,000 gallons |
| Next 4,000 gallons | \$5.27 per 1,000 gallons |
| Next 20,000 gallons | \$4.52 per 1,000 gallons |
| Next 20,000 gallons | \$3.77 per 1,000 gallons |
| Next 250,000 gallons | \$3.02 per 1,000 gallons |
| Next 300,000 gallons | \$2.58 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$17.94 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$7.24 per 1,000 gallons |
| Next 4,000 gallons | \$6.32 per 1,000 gallons |
| Next 20,000 gallons | \$5.45 per 1,000 gallons |
| Next 20,000 gallons | \$4.54 per 1,000 gallons |
| Next 250,000 gallons | \$3.62 per 1,000 gallons |
| Next 300,000 gallons | \$3.11 per 1,000 gallons |

§ 52.72(B) CHARGES AND FEES.

(B) The following schedule of user charges rates shall apply to each user of the wastewater treatment works:

The following schedule of user charges rates shall apply to each user of the wastewater treatment works.

| <u>Total Gallons Water Consumption/month</u> | <u>Rate</u> | <u>Unit</u> |
|---|-------------|--------------|
| <u>CITY RATES</u> | | |
| 0-2,000 | \$9.15 | Minimum bill |
| Over 2,000 | \$4.75 | per 1,000 |
| <u>COUNTY RATES</u> | | |
| 0-2,000 | \$10.99 | Minimum bill |
| Over 2,000 | \$5.51 | per 1,000 |
| <u>RCSD RATES</u> | | |
| 0-2,000 | \$18.31 | Minimum bill |
| Over 2,000 | \$8.56 | per 1,000 |
| <u>FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES</u> | | |
| 0-2,000 | \$22.53 | Minimum bill |
| Over 2,000 | \$8.56 | per 1,000 |

| <u>Total Gallons Water Consumption/Month</u> | <u>Rate</u> | <u>Unit</u> |
|---|-------------|--------------|
| <u>CITY RATES</u> | | |
| 0-2,000 | \$10.50 | Minimum bill |
| Over 2,000 | \$5.45 | per 1,000 |
| <u>COUNTY RATES</u> | | |
| 0-2,000 | \$12.61 | Minimum bill |
| Over 2,000 | \$6.32 | per 1,000 |
| <u>RCSD RATES</u> | | |
| 0-2,000RCSD | \$21.97 | Minimum bill |
| Over 2,000 | \$10.27 | per 1,000 |
| <u>FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES</u> | | |
| 0-2,000 | \$26.99 | Minimum bill |
| Over 2,000 | \$9.82 | per 1,000 |


All other provisions of the Morehead Code of Ordinances shall remain in full force and effect.

This Ordinance shall become effective August 1, 2017 following two readings and publication.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 8th day of May, 2017.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 22nd day of May, 2017.

APPROVED:



JAMES T. TRENT, MAYOR

ATTESTED:



CRISSY CUNNINGHAM, CITY CLERK

DATE OF PUBLICATION: May 26, 2017

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$17.40 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$7.03 | per 1,000 |
| Next | 4,000 gallons | \$6.13 | per 1,000 |
| Next | 20,000 gallons | \$5.26 | per 1,000 |
| Next | 20,000 gallons | \$4.39 | per 1,000 |
| Next | 250,000 gallons | \$3.52 | per 1,000 |
| Next | 300,000 gallons | \$3.00 | per 1,000 |

COUNTY RATES

Water- \$20.88 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$8.43 | per 1,000 |
| Next | 4,000 gallons | \$7.36 | per 1,000 |
| Next | 20,000 gallons | \$6.34 | per 1,000 |
| Next | 20,000 gallons | \$5.28 | per 1,000 |
| Next | 250,000 gallons | \$4.21 | per 1,000 |
| Next | 300,000 gallons | \$3.62 | per 1,000 |

ORDINANCE NO. 07:2018

AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES,
CHAPTER 51, GAS AND WATER, SECTION 51.02, SERVICE RATES AND CHAPTER 52,
SEWER SYSTEM, SECTION 52.72 CHARGES AND FEES

WHEREAS, the City of Morehead Board of City Council established the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, a rate adjustment is required to address necessary water and sewer capital expenditures to upgrade infrastructure and plants, and to address rising operations costs; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title 5 of the Morehead Code of Ordinances, Public Utilities, Chapter 51, Gas and Water, Section 51.02, and Chapter 52, Sewer System, Section 52.72 shall be amended effective August 1st, 2018 as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

~~Water Rates within the Corporate Limits of the City of Morehead~~

| Gallons | Rates |
|---------------------------------|---|
| First 2,000 gallons | \$14.95 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$6.04 per 1,000 gallons |
| Next 4,000 gallons | \$5.27 per 1,000 gallons |
| Next 20,000 gallons | \$4.52 per 1,000 gallons |
| Next 20,000 gallons | \$3.77 per 1,000 gallons |
| Next 250,000 gallons | \$3.02 per 1,000 gallons |
| Next 300,000 gallons | \$2.58 per 1,000 gallons |

~~Water Rates outside the Corporate Limits of the City of Morehead~~

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$17.94 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$7.24 per 1,000 gallons |
| Next 4,000 gallons | \$6.32 per 1,000 gallons |
| Next 20,000 gallons | \$5.45 per 1,000 gallons |
| Next 20,000 gallons | \$4.54 per 1,000 gallons |
| Next 250,000 gallons | \$3.62 per 1,000 gallons |
| Next 300,000 gallons | \$3.11 per 1,000 gallons] |

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$17.40 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$7.03 per 1,000 gallons |
| Next 4,000 gallons | \$6.13 per 1,000 gallons |
| Next 20,000 gallons | \$5.26 per 1,000 gallons |
| Next 20,000 gallons | \$4.39 per 1,000 gallons |
| Next 250,000 gallons | \$3.52 per 1,000 gallons |
| Next 300,000 gallons | \$3.00 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$20.88 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.43 per 1,000 gallons |
| Next 4,000 gallons | \$7.36 per 1,000 gallons |
| Next 20,000 gallons | \$6.34 per 1,000 gallons |
| Next 20,000 gallons | \$5.28 per 1,000 gallons |
| Next 250,000 gallons | \$4.21 per 1,000 gallons |
| Next 300,000 gallons | \$3.62 per 1,000 gallons |

§ 52.72(B) CHARGES AND FEES.

(B) The following schedule of user charges rates shall apply to each user of the wastewater treatment works:

| [Total Gallons Water Consumption/Month | Rate | Unit |
|---|-------------|--------------|
| CITY RATES | | |
| 0-2,000 | \$10.50 | Minimum bill |
| Over 2,000 | \$5.45 | per 1,000 |
| COUNTY RATES | | |

| | | |
|---|---------|--------------|
| 0-2,000 | \$12.61 | Minimum bill |
| Over 2,000 | \$6.32 | per 1,000 |
| RSCD RATES | | |
| 0-2,000RSCD | \$21.97 | Minimum bill |
| Over 2,000 | \$10.27 | per 1,000 |
| FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES | | |
| 0-2,000 | \$26.99 | Minimum bill |
| Over 2,000 | \$9.82 | per 1,000] |

| Total Gallons Water Consumption/Month | Rate | Unit |
|--|-------------|--------------|
| <u>CITY RATES</u> | | |
| 0-2,000 | \$14.60 | Minimum bill |
| Over 2,000 | \$7.58 | per 1,000 |
| <u>COUNTY RATES</u> | | |
| 0-2,000 | \$17.53 | Minimum bill |
| Over 2,000 | \$8.78 | per 1,000 |
| <u>RSCD RATES</u> | | |
| 0-2,000RSCD | \$30.54 | Minimum bill |
| Over 2,000 | \$14.28 | per 1,000 |
| <u>FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES</u> | | |
| 0-2,000 | \$37.52 | Minimum bill |
| Over 2,000 | \$13.65 | per 1,000 |

All other provisions of the Morehead Code of Ordinances shall remain in full force and effect.

This Ordinance shall become effective August 1st, 2018 following two readings and publication.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 14th day of May 2018.

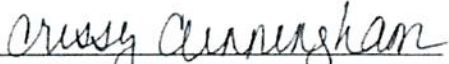
INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 11th day of June 2018.

APPROVED:

ATTESTED:



JAMES T. TRENT, MAYOR



CRISSY CUNNINGHAM, CITY CLERK

DATE OF PUBLICATION: Wednesday, June 20, 2018

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$19.89 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$8.04 | per 1,000 |
| Next | 4,000 gallons | \$7.01 | per 1,000 |
| Next | 20,000 gallons | \$6.01 | per 1,000 |
| Next | 20,000 gallons | \$5.02 | per 1,000 |
| Next | 250,000 gallons | \$4.02 | per 1,000 |
| Next | 300,000 gallons | \$3.43 | per 1,000 |

COUNTY RATES

Water- \$23.87 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$9.64 | per 1,000 |
| Next | 4,000 gallons | \$8.41 | per 1,000 |
| Next | 20,000 gallons | \$7.25 | per 1,000 |
| Next | 20,000 gallons | \$6.04 | per 1,000 |
| Next | 250,000 gallons | \$4.81 | per 1,000 |
| Next | 300,000 gallons | \$4.14 | per 1,000 |

ORDINANCE NO. 18:2019

**AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES,
CHAPTER 51, GAS AND WATER, SECTION 51.02, SERVICE RATES BY INCREASING THE SERVICE
RATES AND CHARGES FOR USE OF WATER**

WHEREAS, the City of Morehead Board of City Council establishes the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, a rate adjustment is required to address necessary water capital expenditures to upgrade infrastructure and plants, and to address rising operations costs; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title V of the Morehead Code of Ordinances, Public Utilities, Chapter 51, Gas and Water, Section 51.02 shall be amended effective August 1st, 2019 as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$17.40 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$7.03 per 1,000 gallons |
| Next 4,000 gallons | \$6.13 per 1,000 gallons |
| Next 20,000 gallons | \$5.26 per 1,000 gallons |
| Next 20,000 gallons | \$4.39 per 1,000 gallons |
| Next 250,000 gallons | \$3.52 per 1,000 gallons |
| Next 300,000 gallons | \$3.00 per 1,000 gallons |

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$19.89 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.04 per 1,000 gallons |
| Next 4,000 gallons | \$7.01 per 1,000 gallons |
| Next 20,000 gallons | \$6.01 per 1,000 gallons |
| Next 20,000 gallons | \$5.02 per 1,000 gallons |
| Next 250,000 gallons | \$4.02 per 1,000 gallons |
| Next 300,000 gallons | \$3.43 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| <u>Gallons</u> | <u>Rates</u> |
|----------------------|--|
| First 2,000 gallons | \$20.88 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.43 per 1,000 gallons |
| Next 4,000 gallons | \$7.36 per 1,000 gallons |
| Next 20,000 gallons | \$6.34 per 1,000 gallons |
| Next 20,000 gallons | \$5.28 per 1,000 gallons |
| Next 250,000 gallons | \$4.21 per 1,000 gallons |
| Next 300,000 gallons | \$3.62 per 1,000 gallons |

| <u>Gallons</u> | <u>Rates</u> |
|----------------------|--|
| First 2,000 gallons | \$23.87 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$9.64 per 1,000 gallons |
| Next 4,000 gallons | \$8.41 per 1,000 gallons |
| Next 20,000 gallons | \$7.25 per 1,000 gallons |
| Next 20,000 gallons | \$6.04 per 1,000 gallons |
| Next 250,000 gallons | \$4.81 per 1,000 gallons |
| Next 300,000 gallons | \$4.14 per 1,000 gallons |

All other provisions of the Morehead Code of Ordinances shall remain in full force and effect.
This Ordinance shall become effective August 1st, 2019 following two readings and publication.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 13th day of May 2019.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 10th day of June 2019.

APPROVED:

ATTESTED:



LAURA WHITE-BROWN, MAYOR



CRISSY CUNNINGHAM, CITY CLERK

DATE OF PUBLICATION: June 19, 2019 – The Morehead News

ORDINANCE SUMMARY
ORDINANCE NUMBER 18:2019

An Ordinance of the City of Morehead, Kentucky amending Title 5, Public Utilities, Chapter 51, Gas and Water, Section 51.02(A), Service Rates and Chapter 51, Gas and Water, Section 51.02, Service Rates to increase said fees effective August 1, 2019 was given first reading on May 13, 2019 and second reading on June 10, 2019. Said amendment increases the fees as follows:

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$19.89 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.04 per 1,000 gallons |
| Next 4,000 gallons | \$7.01 per 1,000 gallons |
| Next 20,000 gallons | \$6.01 per 1,000 gallons |
| Next 20,000 gallons | \$5.02 per 1,000 gallons |
| Next 250,000 gallons | \$4.02 per 1,000 gallons |
| Next 300,000 gallons | \$3.43 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$23.87 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$9.64 per 1,000 gallons |
| Next 4,000 gallons | \$8.41 per 1,000 gallons |
| Next 20,000 gallons | \$7.25 per 1,000 gallons |
| Next 20,000 gallons | \$6.04 per 1,000 gallons |
| Next 250,000 gallons | \$4.81 per 1,000 gallons |
| Next 300,000 gallons | \$4.14 per 1,000 gallons |

The full text of this Ordinance may be reviewed by any interested citizen at the Administrative Offices Building, 314 Bridge Street, Morehead, Kentucky, Office of the City Clerk, Monday through Friday 8:00 a.m. to 4:30 p.m. This is to certify that the foregoing is a true summary of the ordinance for the City of Morehead, Kentucky.

This the 11th day of June 2019.



Joyce Planck Stevens, City Attorney

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$21.91 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$8.86 | per 1,000 |
| Next | 4,000 gallons | \$7.72 | per 1,000 |
| Next | 20,000 gallons | \$6.62 | per 1,000 |
| Next | 20,000 gallons | \$5.53 | per 1,000 |
| Next | 250,000 gallons | \$4.43 | per 1,000 |
| Next | 300,000 gallons | \$3.78 | per 1,000 |

COUNTY RATES

Water- \$26.30 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|---------|-----------|
| Next | 4,000 gallons | \$10.62 | per 1,000 |
| Next | 4,000 gallons | \$9.27 | per 1,000 |
| Next | 20,000 gallons | \$7.99 | per 1,000 |
| Next | 20,000 gallons | \$6.65 | per 1,000 |
| Next | 250,000 gallons | \$5.30 | per 1,000 |
| Next | 300,000 gallons | \$4.56 | per 1,000 |

ORDINANCE NO. 07:2020

**AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES,
CHAPTER 51, GAS AND WATER, SECTION 51.02, SERVICE RATES AND CHARGES
BY INCREASING THE RATES AND CHARGES FOR WATER AND GAS**

WHEREAS, the City of Morehead Board of City Council established the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, a water and gas rate adjustment is required to address necessary water capital expenditures to upgrade infrastructure and plants, and to address rising operations costs; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title 5 of the Morehead Code of Ordinances, Public Utilities, Chapter 51, Gas and Water, Section 51.02 shall be amended effective July 1st, 2020 as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

~~Water Rates within the Corporate Limits of the City of Morehead~~

| Gallons | Rates |
|---------------------------------|---|
| First 2,000 gallons | \$19.89 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.04 per 1,000 gallons |
| Next 4,000 gallons | \$7.01 per 1,000 gallons |
| Next 20,000 gallons | \$6.01 per 1,000 gallons |
| Next 20,000 gallons | \$5.02 per 1,000 gallons |
| Next 250,000 gallons | \$4.02 per 1,000 gallons |
| Next 300,000 gallons | \$3.43 per 1,000 gallons |

~~Water Rates outside the Corporate Limits of the City of Morehead~~

~~Gallons~~ _____ ~~Rates~~

| | |
|----------------------|---|
| First 2,000 gallons | \$23.87 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$9.64 per 1,000 gallons |
| Next 4,000 gallons | \$8.41 per 1,000 gallons |
| Next 20,000 gallons | \$7.25 per 1,000 gallons |
| Next 20,000 gallons | \$6.04 per 1,000 gallons |
| Next 250,000 gallons | \$4.81 per 1,000 gallons |
| Next 300,000 gallons | \$4.14 per 1,000 gallons |

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$21.91 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.86 per 1,000 gallons |
| Next 4,000 gallons | \$7.72 per 1,000 gallons |
| Next 20,000 gallons | \$6.62 per 1,000 gallons |
| Next 20,000 gallons | \$5.53 per 1,000 gallons |
| Next 250,000 gallons | \$4.43 per 1,000 gallons |
| Next 300,000 gallons | \$3.78 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$26.30 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$10.62 per 1,000 gallons |
| Next 4,000 gallons | \$9.27 per 1,000 gallons |
| Next 20,000 gallons | \$7.99 per 1,000 gallons |
| Next 20,000 gallons | \$6.65 per 1,000 gallons |
| Next 250,000 gallons | \$5.30 per 1,000 gallons |
| Next 300,000 gallons | \$4.56 per 1,000 gallons |

(B) The Utility Plant Board may establish the following maximum rates for natural gas customers within the corporate limits of the city:

Gas Rates

| | |
|------------------------------|--|
| First 1,000 MCF | \$3.45 <u>\$3.83</u> over purchase cost to MUPB from supplier |
| All purchases over 1,000 MCF | \$1.60 <u>\$1.78</u> per 1,000 MCF over purchase cost to MUPB from supplier |

All charges shall be on a pro rata basis per gas consumption over minimum bill. A minimum bill shall be paid by all customers in an amount to equal the MUPB's actual cost

of one thousand (1,000) MCF, from supplier of natural gas plus ~~three dollars and forty five cents (\$3.45)~~ three dollars and eighty-three cents (\$3.83).

(C) Rates and charges for customers of gas service located outside the corporate limits of the city shall be one hundred twenty percent (120%) of the rate schedule which is to be charged to customers located within the corporate limits of the city.

(D) The industrial charge for gas purchases over 5,000 MCF shall be as follows:

| | |
|-----------------|--|
| First 5,000 MCF | \$3.45 <u>\$3.83</u> over purchase cost to MUPB from supplier per first 1,000 MCF and \$1.60 over purchase cost per each additional 1,000 MCF up to 5,000 MCF |
| Over 5,000 MCF | After first 5,000 MCF, \$1.10 <u>\$1.22</u> over purchase cost to MUPB per 1,000 MCF |
| Over 25,000 MCF | After first 25,000 MCF, \$0.93 <u>\$1.03</u> over purchase cost to MUPB per 1,000 MCF |

All other provisions of the Morehead Code of Ordinances shall remain in full force and effect.

This Ordinance shall become effective July 1st, 2020 following two readings and publication.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 11th day of MAY 2020.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 8TH day of JUNE 2020.

APPROVED:


LAURA WHITE-BROWN, MAYOR

ATTESTED:


CRISSY CUNNINGHAM, CITY CLERK

DATE OF PUBLICATION: _____

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$23.93 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|--------|-----------|
| Next | 4,000 gallons | \$9.68 | per 1,000 |
| Next | 4,000 gallons | \$8.43 | per 1,000 |
| Next | 20,000 gallons | \$7.23 | per 1,000 |
| Next | 20,000 gallons | \$6.04 | per 1,000 |
| Next | 250,000 gallons | \$4.84 | per 1,000 |
| Next | 300,000 gallons | \$4.13 | per 1,000 |

COUNTY RATES

Water- \$28.73 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|---------|-----------|
| Next | 4,000 gallons | \$11.60 | per 1,000 |
| Next | 4,000 gallons | \$10.13 | per 1,000 |
| Next | 20,000 gallons | \$8.73 | per 1,000 |
| Next | 20,000 gallons | \$7.26 | per 1,000 |
| Next | 250,000 gallons | \$5.79 | per 1,000 |
| Next | 300,000 gallons | \$4.98 | per 1,000 |

ORDINANCE NO 09 :2021

AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES,
CHAPTER 51, GAS AND WATER, SECTION 51.02(A), SERVICE RATES AND CHARGES
BY INCREASING THE RATES AND CHARGES FOR WATER

WHEREAS, the City of Morehead Board of City Council established the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, a water rate adjustment is required to address necessary water capital expenditures to upgrade infrastructure and plants, and to address rising operations costs; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased over a five year period to address said upgrades and costs, and the 2021 increase represents the fifth and final year of said increases;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title 5 of the Morehead Code of Ordinances, Public Utilities, Chapter 51, Gas and Water, Section 51.02(A) shall be amended effective July 1st, 2021 as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

~~Water Rates within the Corporate Limits of the City of Morehead~~

| Gallons | Rates |
|---------------------------------|---|
| First 2,000 gallons | \$21.91 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$8.86 per 1,000 gallons |
| Next 4,000 gallons | \$7.72 per 1,000 gallons |
| Next 20,000 gallons | \$6.62 per 1,000 gallons |
| Next 20,000 gallons | \$5.53 per 1,000 gallons |
| Next 250,000 gallons | \$4.43 per 1,000 gallons |
| Next 300,000 gallons | \$3.78 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$26.30 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$10.62 per 1,000 gallons |
| Next 4,000 gallons | \$9.27 per 1,000 gallons |
| Next 20,000 gallons | \$7.99 per 1,000 gallons |
| Next 20,000 gallons | \$6.65 per 1,000 gallons |
| Next 250,000 gallons | \$5.30 per 1,000 gallons |
| Next 300,000 gallons | \$4.56 per 1,000 gallons |

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$23.93 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$9.68 per 1,000 gallons |
| Next 4,000 gallons | \$8.43 per 1,000 gallons |
| Next 20,000 gallons | \$7.23 per 1,000 gallons |
| Next 20,000 gallons | \$6.04 per 1,000 gallons |
| Next 250,000 gallons | \$4.84 per 1,000 gallons |
| Next 300,000 gallons | \$4.13 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$28.73 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$11.60 per 1,000 gallons |
| Next 4,000 gallons | \$10.13 per 1,000 gallons |
| Next 20,000 gallons | \$8.73 per 1,000 gallons |
| Next 20,000 gallons | \$7.26 per 1,000 gallons |
| Next 250,000 gallons | \$5.79 per 1,000 gallons |
| Next 300,000 gallons | \$4.98 per 1,000 gallons |

All other provisions of the Morehead Code of Ordinances shall remain in full force and effect.

This Ordinance shall become effective July 1st, 2021 following two readings and publication.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 10 day of May, 2021.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the 14 day of June, 2021.

APPROVED:



LAURA WHITE-BROWN, MAYOR

ATTESTED:



CRISSY CUNNINGHAM, CITY CLERK

DATE OF PUBLICATION: _____

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$25.84 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|---------|-----------|
| Next | 4,000 gallons | \$10.45 | per 1,000 |
| Next | 4,000 gallons | \$9.10 | per 1,000 |
| Next | 20,000 gallons | \$7.81 | per 1,000 |
| Next | 20,000 gallons | \$6.52 | per 1,000 |
| Next | 250,000 gallons | \$5.23 | per 1,000 |
| Next | 300,000 gallons | \$4.46 | per 1,000 |

COUNTY RATES

Water- \$31.03 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|---------|-----------|
| Next | 4,000 gallons | \$12.53 | per 1,000 |
| Next | 4,000 gallons | \$10.94 | per 1,000 |
| Next | 20,000 gallons | \$9.43 | per 1,000 |
| Next | 20,000 gallons | \$7.84 | per 1,000 |
| Next | 250,000 gallons | \$6.25 | per 1,000 |
| Next | 300,000 gallons | \$5.38 | per 1,000 |

ORDINANCE NO 09 :2023

AN ORDINANCE AMENDING THE CITY OF MOREHEAD, KENTUCKY
CODE OF ORDINANCES, TITLE 5, PUBLIC UTILITIES, CHAPTER 51, GAS AND
WATER, SECTION 51.02, SERVICE RATES AND CHARGES; CHAPTER 52, SEWER,
SECTION 52.72, CHARGES AND FEES; CHAPTER 55, STORM WATER, SECTION 55.06
UTILITY FEES, BY INCREASING THE RATES, CHARGES, AND FEES

WHEREAS, the City of Morehead Board of City Council establishes the rates for utilities based upon the recommendation of the Morehead Utility Plant Board;

WHEREAS, a rate adjustment for water, gas, sewer and storm water is required to address necessary capital expenditures and to address rising operations costs; and

WHEREAS, the Morehead Utility Plant Board has recommended to the Board of City Council that said rates be increased 8% to meet the extra costs;

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky that Title 5 of the Morehead Code of Ordinances, Public Utilities, Chapter 51, Gas and Water, Section 51.02; Chapter 52, Sewer, Section 52.72; and Chapter 55, Storm Water, Section 55.06 shall be amended effective July 1st, 2023 as follows:

§ 51.02(A) SERVICE RATES AND CHARGES.

(A) Rates and charges for the use of the water and gas services and facilities of the system shall be based on the consumption of water, and rates and charges for the use of the gas services and facilities of the system shall be based on the consumption of gas. Rates and charges shall be at least adequate to meet the cost of maintaining, repairing, and operating the system, and making required principal and interest payments and deposits to the debt service or depreciation reserve. On that basis, monthly rates and charges are established and fixed, and will be maintained, at not less than the following:

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$23.93 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$9.68 per 1,000 gallons |
| Next 4,000 gallons | \$8.43 per 1,000 gallons |
| Next 20,000 gallons | \$7.23 per 1,000 gallons |
| Next 20,000 gallons | \$6.04 per 1,000 gallons |
| Next 250,000 gallons | \$4.84 per 1,000 gallons |
| Next 300,000 gallons | \$4.13 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$28.73 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$11.60 per 1,000 gallons |
| Next 4,000 gallons | \$10.13 per 1,000 gallons |
| Next 20,000 gallons | \$8.73 per 1,000 gallons |
| Next 20,000 gallons | \$7.26 per 1,000 gallons |
| Next 250,000 gallons | \$5.79 per 1,000 gallons |
| Next 300,000 gallons | \$4.98 per 1,000 gallons |

Water Rates within the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$25.84 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$10.45 per 1,000 gallons |
| Next 4,000 gallons | \$9.10 per 1,000 gallons |
| Next 20,000 gallons | \$7.81 per 1,000 gallons |
| Next 20,000 gallons | \$6.52 per 1,000 gallons |
| Next 250,000 gallons | \$5.23 per 1,000 gallons |
| Next 300,000 gallons | \$4.46 per 1,000 gallons |

Water Rates outside the Corporate Limits of the City of Morehead

| Gallons | Rates |
|----------------------|--|
| First 2,000 gallons | \$31.03 minimum bill up to and including first 2,000 gallons |
| Next 4,000 gallons | \$12.53 per 1,000 gallons |
| Next 4,000 gallons | \$10.94 per 1,000 gallons |
| Next 20,000 gallons | \$9.43 per 1,000 gallons |
| Next 20,000 gallons | \$7.84 per 1,000 gallons |
| Next 250,000 gallons | \$6.25 per 1,000 gallons |
| Next 300,000 gallons | \$5.38 per 1,000 gallons |

§ 51.02(B), (C), and (D) SERVICE RATES AND CHARGES.

(B) The Utility Plant Board may establish the following maximum rates for natural gas customers within the corporate limits of the city:

Gas Rates

First 1,000 MCF ~~\$3.83~~ \$4.14 over purchase cost to MUPB from supplier

All purchases over 1,000 MCF ~~\$1.78~~ \$1.92 per 1,000 MCF over purchase cost to MUPB from supplier

All charges shall be on a pro rata basis per gas consumption over minimum bill. A minimum bill shall be paid by all customers in an amount to equal the MUPB's actual cost of one thousand (1,000) MCF, from supplier of natural gas plus ~~three dollars and eighty three cents (\$3.83)~~ four dollars and fourteen cents (\$4.14).

(C) Rates and charges for customers of gas service located outside the corporate limits of the city shall be one hundred twenty percent (120%) of the rate schedule which is to be charged to customers located within the corporate limits of the city.

(D) The industrial charge for gas purchases over 5,000 MCF shall be as follows:

First 5,000 MCF ~~\$3.83~~ \$4.14 over purchase cost to MUPB from supplier per first 1,000 MCF and ~~\$1.60~~ \$1.73 over purchase cost per each additional 1,000 MCF up to 5,000 MCF

Over 5,000 MCF After first 5,000 MCF, ~~\$1.22~~ \$1.32 over purchase cost to MUPB per 1,000 MCF

Over 25,000 MCF After first 25,000 MCF, ~~\$1.03~~ \$1.11 over purchase cost to MUPB per 1,000 MCF

treatment works:

| Total Gallons Water Consumption/Month | Rate | Unit |
|---|-------------|--------------|
| CITY RATES | | |
| 0-2,000 | \$14.60 | Minimum bill |
| Over 2,000 | \$7.58 | per 1,000 |
| COUNTY RATES | | |
| 0-2,000 | \$17.53 | Minimum bill |
| Over 2,000 | \$8.78 | per 1,000 |
| RSCD RATES | | |
| 0-2,000RSCD | \$30.54 | Minimum bill |
| Over 2,000 | \$14.28 | per 1,000 |
| FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES | | |
| 0-2,000 | \$37.52 | Minimum bill |
| Over 2,000 | \$13.65 | per 1,000 |

| Total Gallons Water Consumption/Month | Rate | Unit |
|---|-------------|--------------|
| CITY RATES | | |
| 0-2,000 | \$15.77 | Minimum bill |
| Over 2,000 | \$8.19 | per 1,000 |
| COUNTY RATES | | |
| 0-2,000 | \$18.93 | Minimum bill |
| Over 2,000 | \$9.48 | per 1,000 |
| RSCD RATES | | |
| 0-2,000RSCD | \$30.74 | Minimum bill |
| Over 2,000 | \$14.38 | per 1,000 |
| FARMERS/MIDLAND/SALT LICK (BATH CO.) RATES | | |
| 0-2,000 | \$40.52 | Minimum bill |
| Over 2,000 | \$14.74 | per 1,000 |

§55.06(C) Charges and fees. The following schedule fee schedule shall apply to each property with at least one structure in the MUPB Stormwater Program service area. This fee shall be known as the Stormwater Management Fee (SMF) and is based on the number of ISUs on the property.

| Customer | ISU (sf) | Monthly Fee |
|--------------|----------|------------------|
| Residential* | 2,500 | \$2.00 flat rate |
| Commercial** | 2,500 | \$2.25 per ISU |
| Industrial | 2,500 | \$2.50 per ISU |

| Customer | ISU (sf) | Monthly Fee |
|--------------|----------|------------------|
| Residential* | 2,500 | \$2.16 flat rate |
| Commercial** | 2,500 | \$2.43 per ISU |
| Industrial | 2,500 | \$2.70 per ISU |

*Includes all single-family residences (PVA parcels) with at least one structure regardless of parcel size

**Includes all commercial business, shopping centers, duplexes, multi-unit apartments, storage facilities, hospitals, schools, universities, etc.

~~These rates shall be effective January 1, 2020 for residential customers.~~

~~These rates shall be effective July 1, 2020 for commercial and industrial customers.~~

All other provisions of the Morehead Code of Ordinances shall remain in full force and effect.

This Ordinance shall become effective July 1st, 2023 following two readings and publication.

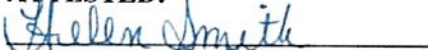
INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the ____ day of April 10, 2023.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this the ____ day of May 8, 2023.

APPROVED:


LAURA WHITE-BROWN, MAYOR

ATTESTED:


HELEN SMITH, CITY CLERK

DATE OF PUBLICATION: May 25, 2023

**Morehead Utility Plant Board
135 S Wilson Ave
Morehead KY 40351
(606) 784-5538**

CITY RATES

Water- \$25.84 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|----------------|-----------|
| Next | 4,000 gallons | \$10.94 | per 1,000 |
| Next | 4,000 gallons | \$9.53 | per 1,000 |
| Next | 20,000 gallons | \$8.18 | per 1,000 |
| Next | 20,000 gallons | \$6.83 | per 1,000 |
| Next | 250,000 gallons | \$5.47 | per 1,000 |
| Next | 300,000 gallons | \$4.67 | per 1,000 |

Sewer- \$15.77 for the first 2,000 gallons (Minimum Bill)

Over 2,000 gallons \$8.19 per 1,000

COUNTY RATES

Water- \$31.03 for the first 2,000 gallons (Minimum Bill)

| | | | |
|------|-----------------|----------------|-----------|
| Next | 4,000 gallons | \$13.12 | per 1,000 |
| Next | 4,000 gallons | \$11.45 | per 1,000 |
| Next | 20,000 gallons | \$9.87 | per 1,000 |
| Next | 20,000 gallons | \$8.21 | per 1,000 |
| Next | 250,000 gallons | \$6.54 | per 1,000 |
| Next | 300,000 gallons | \$5.63 | per 1,000 |

County Sewer- \$18.93 for the first 2,000 gallons (Minimum Bill)

Over 2,000 gallons \$9.48 per 1,000

Extended County Rates \$30.74 for the first 2,000 gallons (Minimum Bill)

Over 2,000 gallons \$14.38 per 1,000

FARMERS/MIDLAND/SALT LICK PROJECT

Sewer- \$40.52 for the first 2,000 gallons (Minimum Bill)

Over 2,000 gallons \$14.74 per 1,000



January 31, 2022

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2022 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 23,807.29 | \$ 18,161.23 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.678 | \$1.678 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,

Baldwin CPAs, PLLC
Baldwin CPAs, PLLC

March 23, 2021

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year ~~2020~~ ²⁰²¹ shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 25,957.53 | \$ 19,044.48 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.595 | \$1.595 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,

Baldwin CPAs, PLLC
Baldwin CPAs, PLLC



November 23, 2019

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2020 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 24,694.60 | \$ 18,079.18 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.470 | \$1.470 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,

Baldwin CPAs, PLLC
Baldwin CPAs, PLLC

November 21, 2018

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year ²⁰¹⁹2018 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 24,341.99 | \$ 17,809.67 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.488 | \$1.488 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,

Baldwin CPAs, PLLC
Baldwin CPAs, PLLC

December 4, 2017

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2018 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 24,293.20 | \$ 17,772.38 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.290 | \$1.290 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,

Baldwin CPAs, PLLC
Baldwin CPAs, PLLC

December 20, 2016

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2017 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 23,827.46 | \$ 17,416.40 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.398 | \$1.398 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,

Timothy S Eldridge
Certified Public Accountant

December 30, 2015

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

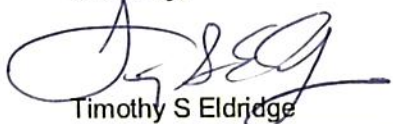
Dear Ms. McGrath Rosas:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2016 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 23,710.28 | \$ 17,326.84 |
| Meter and Billing Charges \$ 10.00 per meter | \$70.00 | \$10.00 |
| Per Thousand Gallons of Water Sold | \$1.250 | \$1.250 |

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,


Timothy S Eldridge
Certified Public Accountant



Eldridge, Jackson & Leedy, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2014

Robert M Nickell
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351


Dear Mr. Nickell:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2015 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 23,621.12 | \$ 17,258.68 |
| Meter and Billing Charges \$ 10.00 per meter | 70.00 | 10.00 |
| Per Thousand Gallons of Water Sold | \$1.196 | \$1.196 |

If I can be of further assistance, please feel free to contact me at any time.

Sincerely,


Timothy S Eldridge
Certified Public Accountant





Eldridge, Jackson & Leedy, PLLC
 CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2013

Robert M Nickell
 Morehead Utility Plant Board
 135 South Wilson Avenue
 Morehead, KY 40351

Dear Mr. Nickell:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2014 shall be as follows:

| | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs | \$ 23,390.79 | \$ 17,082.63 |
| Meter and Billing Charges \$ 10.00 per meter | 70.00 | 10.00 |
| Per Thousand Gallons of Water Sold | \$1.113 | \$1.113 |

If I can be of further assistance, please feel free to contact me at any time.

Sincerely,

Timothy S Eldridge
 Certified Public Accountant



Rogness, Benjamin (PSC)

From: Earl Rogers <earl@campbellrogers.com>
Sent: Friday, April 26, 2024 4:21 PM
To: Hinton, Daniel E (PSC)
Cc: Abshire, Jeff A (PSC); Rogness, Benjamin (PSC)
Subject: Re: KY-PSC Electronic Filing Center NotificationTFS2024-00157
Attachments: Retail Water Rate Study Report FINAL after 2023 Audit.docx; Water Retail Rate Model Updated with 2023 Audit Results.xlsx

This Message Originated from Outside the Organization

This Message Is From an External Sender.

Report Suspicious

Mr. Hinton,

Please see the below responses to your questions. I am also compiling the retail rates for the past 10 years to provide to support the below answers. I had hoped to have them for you today. However, it is looking like I won't have those put together until sometime Monday.

1. Provide the complete retail calculations that justify a lower increase.

Response: See attached files

Water Retail Rate Model Updated with 2023 Audit Results.xlsx
Retail Water Rate Study Report FINAL after 2023 Audit.docx

2. Explain why the proposed retail increase is so much less than the proposed wholesale increases.

Response: There are three dynamics occurring that caused the proposed retail increase to be less than the wholesale increase: (a) Morehead UPB has been raising retail rates by a higher percentage over the past few years to prepare for the large debt service that will become payable soon with the water treatment plant currently under construction; (b) Morehead UPB previously computed wholesale water rates according to the methods prescribed in an interlocal agreement dated November 2000 that did not fully include recovery of depreciation; and (c) the interlocal agreement is being replaced by a newly-negotiated water purchase contract that prescribes a cost-of-service rate study that includes recovery of depreciation. The retail customer rates have been increased as needed over the years to carry any shortfall that may have been created by not fully recovering depreciation from the wholesale customers.

3. State whether any components of the retail rate analysis are excluded from the proposed rate (i.e. depreciation or debt service).

Response: No components that were included in the wholesale cost of service rate study were excluded from the retail rate study. The retail rate study includes the same cost components as the wholesale rate study.

4. Explain if anything changed from the prior cost methodology that would result in a higher percentage increase to the wholesale customers. If the allocations changed, explain the reasoning for the change.

Response: The prior cost methodology was negotiated between Morehead UPB and its two wholesale customers. The methodology had three components (a) a flat meter-based charge; (b) a flat capital recovery charge; and (c) a consumption-based charge. The meter-based charge was minimal (\$10 per meter per month) not cost-based and did not vary from year to year. The capital recovery charge was fixed for the debt service that had been issued when the inter-local agreement was updated, however there was a second component of the capital charge that was based on the depreciation of items that were put in service and paid from operations since there was no related debt service connected to those improvements. This partially factored depreciation into the calculation as some of these assets were replacement items to the original plant debt service in the rate. As a point of reference, the COSS wholesale rate was not materially different than the rate calculation that had been made through the inter-local agreement through the previous year. This fixed capital charge including the “unfunded” depreciation has been adjusted each year. The consumption-based charge was based on the operating costs of all water produced for both wholesale and retail.

The allocation methodology changed for two reasons: (a) Due to the major investment in a new water plant and the complexity of how the inter-local agreement would need to be revised since it was based on a “capacity” charge and other detailed calculations and the fact that due to the fixed portion of the costs, the net wholesale cost of water would vary to the customer based on the volume of water they sold over time, Morehead UPB and the wholesale customers wanted the rates calculated by an independent consultant using a standard cost-of-service methodology and (b) Morehead UPD and the wholesale customers wanted a single all-in consumption-based rate, that would be consistent regardless of the volume of water used in any particular year and would give more stability for budgeting and planning for Morehead UPB and the wholesale customers.

Earl Rogers III
Campbell Rogers & Stacy PLLC
154 Flemingsburg Road
Morehead, Kentucky 40351
(606)-783-1012
(606)-784-8926 fax

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From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Monday, April 22, 2024 12:43 PM
To: Earl Rogers <earl@campbellrogers.com>
Cc: Abshire, Jeff A (PSC) <jeff.abshire@ky.gov>; Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: RE: KY-PSC Electronic Filing Center NotificationTFS2024-00157

Mr. Rogers,

Staff has the requests below regarding the apparent lower increase for retail rates versus wholesale rates. Normally we would expect to see across the board percentage increases that are somewhat similar between retail and wholesale rates.

1. Provide the complete retail calculations that justify a lower increase
2. Explain why the proposed retail increase is so much less than the proposed wholesale increases
3. State whether any components of the retail rate analysis are excluded from the proposed rate (i.e. depreciation or debt service)
4. Explain if anything changed from the prior cost methodology that would result in a higher percentage increase to the wholesale customers. If the allocations changed, explain the reasoning for the change.

If you have any questions, please let us know.

Thanks.

Daniel

From: Earl Rogers <earl@campbellrogers.com>
Sent: Monday, April 22, 2024 8:53 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Subject: Re: KY-PSC Electronic Filing Center NotificationTFS2024-00157

Retail rates are changing. They are set by City Ordinance.
Attached is a copy of the Ordinance. I believe the City had first reading in April and second reading will be at the May meeting. I can get you the signed ordinance once approved.

Earl Rogers III
Campbell Rogers & Stacy PLLC
154 Flemingsburg Road
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(606)-783-1012
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notify the author and/or Campbell Rogers & Stacy PLLC and destroy the message (and all attachments) immediately without reading, copying or forwarding. Neither the transmission of this message or any attachment, nor any error in transmission or misdelivery shall constitute waiver of any applicable legal privilege.

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Monday, April 22, 2024 7:15 AM
To: Earl Rogers <earl@campbellrogers.com>
Subject: RE: KY-PSC Electronic Filing Center NotificationTFS2024-00157

I meant to ask if Morehead's retail rates were changing too. If so, can you provide the ordinance approving the new retail rates and indicate the percentage change to the retail rates?

Thanks.

Daniel

From: Earl Rogers <earl@campbellrogers.com>
Sent: Wednesday, April 17, 2024 1:18 PM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Subject: Re: KY-PSC Electronic Filing Center NotificationTFS2024-00157

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Please find attached a corrected Notice that was sent to Rowan Water immediately prior to this email.

Thanks,
Earl

Earl Rogers III
Campbell Rogers & Stacy PLLC
154 Flemingsburg Road
Morehead, Kentucky 40351
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From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Wednesday, April 17, 2024 9:37 AM
To: Earl Rogers <earl@campbellrogers.com>
Cc: Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: RE: KY-PSC Electronic Filing Center NotificationTFS2024-00157

Staff has requested the Excel version of rate study. Also, Staff noticed an error in the notice to Rowan Water in the Monthly Capital Costs row. The previous amount is listed as \$24,629.55, the new amount is listed as \$0.00, and the difference is listed as \$24,620.55.

If you have any questions, please let us know.

Thanks.

Daniel

From: Earl Rogers <earl@campbellrogers.com>
Sent: Friday, April 12, 2024 3:38 PM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: Re: KY-PSC Electronic Filing Center NotificationTFS2024-00157

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Cost of Service Study attached.
I can't get the audit reports till Monday, will send Monday.

Earl Rogers III
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(606)-783-1012
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From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Friday, April 12, 2024 11:25 AM

To: Earl Rogers <earl@campbellrogers.com>
Cc: Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: RE: KY-PSC Electronic Filing Center NotificationTFS2024-00157

Mr. Rogers,

Can you provide support for the new rates (rate study if one performed, rate calculation, etc.) and the two most recent audits for Morehead Utility Plant Board?

If you have any questions, please let me know.

Thanks.

Daniel

From: KY Public Service Commission <psc.tariffs@ky.gov>
Sent: Thursday, April 4, 2024 10:20:36 AM (UTC-05:00) Eastern Time (US & Canada)
To: earl@campbellrogers.com <earl@campbellrogers.com>
Cc: PSC Tariffs <psc.tariffs@ky.gov>
Subject: KY-PSC Electronic Filing Center NotificationTFS2024-00157

This notification has been sent to you regarding your recent Tariff filing : TFS2024-00157 file(s) have been transmitted successfully.
Documents received for Tariff filing: TFS2024-00157 for Morehead Utility Plant Board
4/4/2024 10:20:35 AM

File Summary:
File Name: 2024_Tariff_signed.pdf
Description: Tariff
File Name: Customer_Notice_to_Bath_County_Water_District.pdf
Description: Support Document
File Name: Customer_Notice_to_Rowan_Water_Incorporated.pdf
Description: Support Document

Thank you.

***ANALYSIS AND RECOMMENDATIONS
FOR
RETAIL WATER RATES***

**Morehead Utility Plant Board
*Updated March 15, 2024***

Prepared by
Robert K. Miller



Kentucky Rural Water Association

1151 Old Porter Pike • Bowling Green, KY 42101 • 270.843.2291 • www.krwa.org

EXECUTIVE SUMMARY

Morehead Utility Plant Board requested that Kentucky Rural Water Association perform a retail water rate study based upon current expenses as well as anticipated additional expenses associated with construction of a new water treatment plant. Following are the key assumptions made when developing the rate model:

- Audited revenues and expenses from the fiscal year ending June 30, 2023 would be used as the test year.
- Debt totaling \$52,052,602 will be issued, with \$44,998,000 at 0.50% with repayment over 30 years and \$7,054,602 at 2.75% interest over 20 years.
- Depreciation expense would be included in the revenue requirement, including the new water treatment plant.
- Water rates associated with this rate study would be implemented in two phases:

| | | |
|---------|--------------------------------|------------------|
| Phase 1 | (based on current expenses) | July 1, 2024 |
| Phase 2 | (based on new treatment plant) | To Be Determined |

The study is complete and the results are presented in this report. The Schedule of Adjusted Operations (SAO) lists the revenues and expenses and applies certain adjustments. The adjustments to revenues are to recognize the difference between the audited amounts and computed amounts based upon consumption and current rates and to recognize proposed changes in wholesale rates.

The study also shows the computations for Revenue Requirements which recover operating expenses, depreciation expenses, debt service, and debt service coverage. Considering revenues recovered from Wholesale Sales of Water, the total Revenue Required from Retail Sales of Water for Phase 1 comes to \$2,270,346. This is less than the existing pro forma sales of \$2,587,757 and indicates that no rate increase is needed for Phase1. However, the total Revenue Required from Retail Sales of Water for Phase 2 comes to \$2,882,128. This is more than the existing pro forma sales of \$2,587,757 and indicates that an overall rate increase of 11.38% is needed for Phase2.

Computations from this study are included in the Schedule of Adjusted Operations, Revenue Requirements, Depreciation Expense, and Debt Service Requirements. The current and recommended water rates and a comparison of existing and proposed bills are also included. The computations performed in the study are attached to this Executive Summary.

| Morehead Utility Plant Board | |
|--|--------------|
| Water Operating Revenues from Trial Balance | |
| As of June 30, 2023 Audit | |
| | Water |
| 4000 Water Service Sales | 4,975,659.30 |
| Water Service Sales | 4,975,659.30 |
| 4010 Late Charges (Penalties) | 36,110.87 |
| 4015 Materials And Supplies | - |
| 4030 Met Res/Rt Ck/Turn | 3,708.81 |
| Other Operating Revenue | 39,819.68 |
| 4055 Grants, CIAC | - |
| Grant Revenue | - |
| 4055001 Water Tap Fees | 23,148.00 |
| Tap Fee Revenue | 23,148.00 |
| 4055015 KLC Ins Reimbursement | - |
| Insurance Reimbursement | - |
| Total Operating Revenues | 5,038,626.98 |

| Morehead Utility Plant Board | |
|--|---------------------|
| Water Operating Expenses from Trial Balance | |
| As of June 30, 2023 Audit | |
| | Water |
| 6001 Water Department:Water Maintenance System:Salaries - Water Maint | 341,780.93 |
| 6010 Water Department:Water Maintenance System:Equipment Repairs | 16,665.22 |
| 6011 Water Department:Water Maintenance System:Equipment Fuel | 28,872.43 |
| 6016 Water Department:Water Maintenance System:Shop Utilities | 14,193.07 |
| 6017 Water Department:Water Maintenance System:Vehicle Expenses | 38,200.27 |
| 6019 Water Department:Water Maintenance System:Equipment Expenses | 2,093.88 |
| 6020 Water Department:Water Maintenance System:System Repair/Maintenance | 128,378.27 |
| 6026 Water Department:Water Maintenance System:Janitor/Shop Supplies | 6,886.00 |
| 6027 Water Department:Water Maintenance System:Office Supplies | 1,031.81 |
| 6030 Water Department:Water Maintenance System:Computer Expense | 10,076.69 |
| 6050 Water Department:Water Maintenance System:Easements | 421.90 |
| 6070 Water Department:Water Maintenance System:Drug and Alcohol Testing | 0.00 |
| 6075 Water Department:Water Maintenance System:Employee Training & Travel | 11,620.92 |
| 6088 Water Department:Water Maintenance System:Employee Benefits - Maintenance | 241,102.07 |
| 6092 Water Department:Water Maintenance System:Uniform Exp - Mtn | 904.84 |
| Water Maintenance System | 842,228.30 |
| 6000 Water Department:Water Treatment Plant:Salaries - WTP | 566,595.88 |
| 6012 Water Department:Water Treatment Plant:Equipment Repairs | 6,214.72 |
| 6013 Water Department:Water Treatment Plant:Equipment Fuel | 9,832.41 |
| 6015 Water Department:Water Treatment Plant:Utilities-WTP | 433,779.01 |
| 6018 Water Department:Water Treatment Plant:Vehicle Expenses | 23,628.25 |
| 6021 Water Department:Water Treatment Plant:Repairs and Maintenance | 120,827.37 |
| 6025 Water Department:Water Treatment Plant:Janitor/Shop Supplies | 2,089.53 |
| 6031 Water Department:Water Treatment Plant:Computer Expense | 4,214.51 |
| 6035 Water Department:Water Treatment Plant:Chemicals - WTP | 382,843.31 |
| 6044 Water Department:Water Treatment Plant:Water Pumps & Tank Repair | 3,261.32 |
| 6065 Water Department:Water Treatment Plant:Office Supplies | 406.94 |
| 6085 Water Department:Water Treatment Plant:Employee Training & Travel | 14,596.82 |
| 6086 Water Department:Water Treatment Plant:Water Lab Testing & Supplies | 46,783.96 |
| 6087 Water Department:Water Treatment Plant:Dues & Subscriptions WTP | 0.00 |
| 6093 Water Department:Water Treatment Plant:Uniform Exp - WTP | 1,007.23 |
| 6099 Water Department:Water Treatment Plant:Employee Benefits- WTP | 380,219.56 |
| 6150 Water Department:Water Treatment Plant:Drug/Alcohol Test WTP | 0.00 |
| Water Treatment Plant | 1,996,300.82 |
| 8000 Administrative Department:Salaries - Admin | 286,233.35 |
| 8015 Administrative Department:Office Utilities | 14,426.02 |
| 8018 Administrative Department:Vehicle Expenses | 12,541.32 |
| 8020 Administrative Department:Repairs & Maintenance | 3,338.81 |
| 8035 Administrative Department:Advertising & Printing | 437.78 |
| 8040 Administrative Department:Professional Services | 52,595.39 |
| 8050 Administrative Department:Easements and Right of Way | 225.88 |
| 8052 Administrative Department:Janitorial Service | 5,683.21 |
| 8055 Administrative Department:Employee Training & Travel | 13,832.45 |
| 8055 Administrative Department:Pension Expense | 0.00 |
| 8065 Administrative Department:General Insurance | 80,357.49 |
| 8065 Administrative Department:Workman's Comp Ins | 0.00 |
| 8070 Administrative Department:Office Supplies | 7,734.92 |
| 8071 Administrative Department:Postage | 20,855.66 |
| 8072 Administrative Department:Service Contracts | 1,712.56 |
| 8073 Administrative Department:Dues & Subscriptions | 526.58 |
| 8074 Administrative Department:Computer Programming | 10,097.74 |
| 8080 Administrative Department:Payroll Taxes | 2,003.05 |
| 8087 Administrative Department:Bad Debts | 15,456.00 |
| 8088 Administrative Department:Safety Program Expenses | 2,872.26 |
| 8090 Administrative Department:Miscellaneous | 15,707.74 |
| 8091 Administrative Department:Ceremonies & Award | 6,567.41 |
| 8092 Administrative Department:Uniform Expense | 544.49 |
| 8099 Administrative Department:Employee Benefits | 190,555.33 |
| Administrative Department | 744,305.44 |
| Total Operating Expenses | 3,582,834.56 |

| Morehead Utility Plant Board | |
|---|--------------|
| Water Other Income and Expenses from Trial Balance | |
| As of June 30, 2023 Audit | |
| | Water |
| 9000 Other Income (Expenses):Interest Income | 32,918.48 |
| 9035 Other Income (Expenses):Sales Tax Vendors Compensation | 225.40 |
| 9036 Other Income (Expenses):Health/Vision Insurance Reimbursement | 16,953.88 |
| 9045 Other Income (Expenses):Bad Debt Recovery | 244.43 |
| 9060 Other Income (Expenses):Maintenance Bldg Rental Income | - |
| Other Income | 50,342.19 |
| 9037 Other Income (Expenses):Bank Draft Incentive | 676.20 |
| 9040 Other Income (Expenses):Misc Income (Expense) | 24,462.96 |
| Other Expense | 25,139.16 |
| Total Other Income/Expense | 25,203.03 |

PHASE 1 COMPUTATIONS

SCHEDULE OF ADJUSTED OPERATIONS - WATER Phase 1
Morehead Utility Plant Board

| | <u>Test Year</u> | <u>Adjustments</u> | <u>Proforma</u> |
|--|------------------|--------------------|-----------------|
| <u>Operating Revenues</u> | | | |
| Retail Water Sales | 2,587,757 | | 2,587,757 |
| Wholesale Water Sales | 2,387,902 | 233,095 | 2,620,997 |
| Other Operating Revenue | 39,820 | - | 39,820 |
| Grant Revenue | - | - | 0 |
| Tap Fee Revenue | 23,148 | - | 23,148 |
| Insurance Reimbursement | - | - | 0 |
| Total Operating Revenues | 5,038,627 | 233,095 | 5,271,722 |
| <u>Operating Expenses</u> | | | |
| Operation and Maintenance | | | |
| Water Maintenance System | 842,228 | - | 842,228 |
| Water Treatment Plant | 1,996,301 | - | 1,996,301 |
| Administrative Department | 744,305 | - | 744,305 |
| Total Operation and Maintenance Expenses | 3,582,835 | - | 3,582,835 |
| Depreciation Expense | 906,292 | | 906,292 |
| Total Operating Expenses | 4,489,127 | - | 4,489,127 |
| Total Utility Operating Income | 549,500 | 233,095 | 782,595 |

REVENUE REQUIREMENTS

| | |
|--|-----------|
| Pro Forma Operating Expenses | 4,489,127 |
| Plus: Average Annual Principal and Interest Payments | 356,183 |
| Additional Working Capital | 71,237 |
| Total Revenue Requirement | 4,916,547 |
| Less: Sales for Resale | 2,620,997 |
| Less: Other Income | 50,342 |
| Plus: Other Expenses | 25,139 |
| Revenue Required From Sales of Water | 2,270,346 |
| Less: Revenue from Sales with Present Rates | 2,587,757 |
| Required Revenue Increase | (317,411) |
| Percent Increase Retail Sales | 0.00% |

Table A.1
DEPRECIATION EXPENSE Phase 1
Morehead Utility Plant Board

| <u>Asset</u> | <u>Original Cost *</u> | <u>Depreciation Expense</u> |
|---|----------------------------|---------------------------------|
| <u>Source of Supply Plant</u> | | |
| Structures & Improvements | - | - |
| Collecting & Impounding Reservoirs | - | - |
| Intakes | 259,378.88 | 14,447.77 |
| Wells & Springs | - | - |
| Galleries & Tunnels | - | - |
| Supply Mains | - | - |
| Other Source of Supply | - | - |
| <u>Pumping Plant</u> | | |
| Structures & Improvements | 40,654.60 | 1,231.96 |
| Pumping Equipment | 127,601.86 | 8,461.51 |
| Other Pumping Plant | 48,409.39 | 1,953.06 |
| <u>Water Treatment Plant</u> | | |
| Structures and Improvements | 13,747,793.23 | 416,565.22 |
| Water Treatment Equipment | 819,119.37 | 37,806.17 |
| <u>Transmission & Distribution Plant</u> | | |
| Structures & Improvements | 66,278.69 | 2,008.44 |
| Reservoirs & Tanks | 1,567,689.23 | 126,788.33 |
| Tank Painting | - | - |
| Transmission Mains | 7,779,859.17 | 105,693.79 |
| Water Line Replacement | 679,260.61 | 40,423.70 |
| Fire Mains | - | - |
| Services | 13,270.00 | - |
| Meters | 988,798.09 | 92,253.41 |
| Meter Installations | - | - |
| Hydrants | 17,082.63 | 566.31 |
| <u>General Plant</u> | | |
| Structures & Improvements | 326,460.07 | 11,966.61 |
| Office Furniture & Equipment | 1,188.68 | 183.83 |
| Transportation Equipment | 27,450.74 | 9,045.58 |
| Stores Equipment | - | - |
| Tools, Shop, & Garage Equipment | 29,749.27 | 3,860.50 |
| Laboratory Equipment | - | - |
| Power Operated Equipment | 179,867.15 | 23,428.07 |
| Communcation Equipment | 137,992.99 | 9,608.16 |
| Total Existing Assets | 26,857,904.64 | 906,292.43 |
| New Regional Water Treatment Plant | - | - |
| TOTALS | 26,857,904.64 | 906,292.43 |

* Includes only costs associated with assets that contributed to depreciation expense in the test year.

Table B.1
DEBT SERVICE SCHEDULE
Morehead Utility Plant Board
FY 2023/2024 - 2027/2028

| | FY 2023/2024 | | FY 2024/2025 | | FY 2025/2026 | | FY 2026/2027 | | FY 2027/2028 | | Average Annual | | | | | |
|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|----------------|-----------------|----------------|-----------------|---------------------|-------------------|---------------------|------------------|------------------|--|
| | Principal | Interest & Fees | Principal | Interest & Fees | Principal | Interest & Fees | Principal | Interest & Fees | Principal | Interest & Fees | Debt Service | Water | Sewer | Storm | Gas | |
| Wastewater Revolving Loan Program Fund A | 386,740 | 18,394 | 390,617 | 10,754 | 394,532 | 6,877 | 0 | 0 | 0 | 0 | 241,583 | 0 | 241,583 | 0 | 0 | |
| KIA Big Woods | 19,739 | 1,776 | 19,937 | 1,540 | 20,137 | 1,300 | 20,339 | 1,057 | 20,534 | 812 | 21,434 | 0 | 21,434 | 0 | 0 | |
| KIA Phase IV | 31,539 | 3,246 | 31,856 | 2,867 | 32,175 | 2,482 | 32,498 | 2,096 | 32,823 | 1,705 | 34,657 | 0 | 34,657 | 0 | 0 | |
| KIA Wastewater Treatment Plant | 95,456 | 11,700 | 96,413 | 10,551 | 97,379 | 9,391 | 98,355 | 8,220 | 99,342 | 7,037 | 106,769 | 0 | 106,769 | 0 | 0 | |
| KIA KY 801 and 158 Sewer Extension | 87,677 | 10,039 | 88,336 | 9,579 | 89,001 | 8,714 | 89,671 | 8,044 | 90,346 | 7,369 | 97,715 | 0 | 97,715 | 0 | 0 | |
| KIA A19-032 US60 and KY 801 SSO | 172,292 | 116,066 | 177,090 | 111,268 | 182,022 | 106,336 | 187,091 | 101,267 | 192,301 | 96,056 | 288,358 | 0 | 288,358 | 0 | 0 | |
| KIA A20-020 | 28,630 | 9,577 | 29,062 | 9,145 | 29,501 | 8,706 | 29,947 | 8,260 | 30,399 | 7,808 | 38,207 | 0 | 38,207 | 0 | 0 | |
| KIA New Regional Water Treatment Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Cave Run Lake | 160,000 | 123,313 | 165,000 | 115,188 | 175,000 | 106,688 | 185,000 | 97,688 | 195,000 | 88,188 | 282,213 | 205,150 | 77,063 | 0 | 0 | |
| Kentucky Utility Refunding Bonds 2022 Series A | 0 | 115,368 | 50,403 | 64,965 | 49,103 | 66,265 | 47,778 | 67,590 | 46,426 | 68,942 | 115,368 | 115,368 | 0 | 0 | 0 | |
| Vehicle Leases | 174,975 | 34,222 | 113,652 | 23,606 | 89,917 | 19,298 | 67,709 | 15,982 | 40,284 | 10,226 | 117,974 | 35,665 | 33,998 | 24,156 | 24,156 | |
| TOTALS | 1,157,048 | 443,701 | 1,162,365 | 359,264 | 1,158,767 | 336,057 | 758,388 | 310,203 | 747,455 | 288,143 | 1,344,278 | 356,183 | 939,784 | 24,156 | 24,156 | |
| | | | | | | | | | | | \$ 1,344,278 | \$ 356,183 | \$ 939,784 | \$ 24,156 | \$ 24,156 | |
| | | | | | | | | | | | \$ 268,856 | \$ 71,237 | \$ 187,957 | \$ 4,831 | \$ 4,831 | |
| | | | | | | | | | | | \$ 1,613,134 | \$ 427,420 | \$ 1,127,741 | \$ 28,987 | \$ 28,987 | |

Average Annual Principal & Interest
Average Annual Coverage
Average Total Debt Service

TABLE C.1
CURRENT AND PROPOSED RATES (Phase 1)
Morehead Utility Plant Board

CITY WATER RATES

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|------------------------------------|----------------|-----------------|-------------------|-------|
| First 2,000 Gallons (Minimum Bill) | \$ 23.93 | \$ 23.93 | \$ - | 0.00% |
| Next 4,000 Gallons | \$ 9.68 | \$ 9.68 | \$ - | 0.00% |
| Next 4,000 Gallons | \$ 8.43 | \$ 8.43 | \$ - | 0.00% |
| Next 20,000 Gallons | \$ 7.23 | \$ 7.23 | \$ - | 0.00% |
| Next 20,000 Gallons | \$ 6.04 | \$ 6.04 | \$ - | 0.00% |
| Next 250,000 Gallons | \$ 4.84 | \$ 4.84 | \$ - | 0.00% |
| Over 300,000 Gallons | \$ 4.13 | \$ 4.13 | \$ - | 0.00% |

COUNTY WATER RATES

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|------------------------------------|----------------|-----------------|-------------------|-------|
| First 2,000 Gallons (Minimum Bill) | \$ 28.73 | \$ 28.73 | \$ - | 0.00% |
| Next 4,000 Gallons | \$ 11.60 | \$ 11.60 | \$ - | 0.00% |
| Next 4,000 Gallons | \$ 10.13 | \$ 10.13 | \$ - | 0.00% |
| Next 20,000 Gallons | \$ 8.73 | \$ 8.73 | \$ - | 0.00% |
| Next 20,000 Gallons | \$ 7.26 | \$ 7.26 | \$ - | 0.00% |
| Next 250,000 Gallons | \$ 5.79 | \$ 5.79 | \$ - | 0.00% |
| Over 300,000 Gallons | \$ 4.98 | \$ 4.98 | \$ - | 0.00% |

ROWAN WATER INCORPORATED WATER RATES

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|---------------------------|----------------|-----------------|-------------------|----------|
| Capital Costs | \$24,629.55 | \$ - | \$(24,629.55) | -100.00% |
| Meter and Billing Charges | \$ 70.00 | \$ - | \$ (70.00) | -100.00% |
| Per 1,000 Gallons | \$ 1.626 | \$ 2.284 | \$ 0.658 | 40.47% |

BATH COUNTY WATER DISTRICT

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|---------------------------|----------------|-----------------|-------------------|----------|
| Capital Costs | \$18,789.70 | \$ - | \$(18,789.70) | -100.00% |
| Meter and Billing Charges | \$ 10.00 | \$ - | \$ (10.00) | -100.00% |
| Per 1,000 Gallons | \$ 1.626 | \$ 2.284 | \$ 0.658 | 40.47% |

TABLE D.1
CURRENT AND PROPOSED BILLS (Phase 1)
Morehead Utility Plant Board

| CITY WATER RATES | | | | |
|---------------------------|-----------------|-----------------|---------------|-------------------|
| <u>Gallons</u> | <u>Existing</u> | <u>Proposed</u> | | |
| <u>per Month</u> | <u>Bill</u> | <u>Bill</u> | <u>Change</u> | <u>Percentage</u> |
| - | 23.93 | 23.93 | \$ - | 0.00% |
| 2,000 | 23.93 | 23.93 | - | 0.00% |
| 4,000 | 43.29 | 43.29 | - | 0.00% |
| 6,000 | 62.65 | 62.65 | - | 0.00% |
| 8,000 | 79.51 | 79.51 | - | 0.00% |
| 10,000 | 96.37 | 96.37 | - | 0.00% |
| 15,000 | 132.52 | 132.52 | - | 0.00% |
| 20,000 | 168.67 | 168.67 | - | 0.00% |
| 25,000 | 204.82 | 204.82 | - | 0.00% |
| 30,000 | 240.97 | 240.97 | - | 0.00% |
| 40,000 | 301.37 | 301.37 | - | 0.00% |
| 50,000 | 361.77 | 361.77 | - | 0.00% |
| 75,000 | 482.77 | 482.77 | - | 0.00% |
| 100,000 | 603.77 | 603.77 | - | 0.00% |
| 200,000 | 1,087.77 | 1,087.77 | - | 0.00% |
| 500,000 | 2,397.77 | 2,397.77 | - | 0.00% |
| COUNTY WATER RATES | | | | |
| <u>Gallons</u> | <u>Existing</u> | <u>Proposed</u> | | |
| <u>per Month</u> | <u>Bill</u> | <u>Bill</u> | <u>Change</u> | <u>Percentage</u> |
| - | 28.73 | 28.73 | \$ - | 0.00% |
| 2,000 | 28.73 | 28.73 | - | 0.00% |
| 4,000 | 51.93 | 51.93 | - | 0.00% |
| 6,000 | 75.13 | 75.13 | - | 0.00% |
| 8,000 | 95.39 | 95.39 | - | 0.00% |
| 10,000 | 115.65 | 115.65 | - | 0.00% |
| 15,000 | 159.30 | 159.30 | - | 0.00% |
| 20,000 | 202.95 | 202.95 | - | 0.00% |
| 25,000 | 246.60 | 246.60 | - | 0.00% |
| 30,000 | 249.73 | 249.73 | - | 0.00% |
| 40,000 | 362.85 | 362.85 | - | 0.00% |
| 50,000 | 435.45 | 435.45 | - | 0.00% |
| 75,000 | 580.20 | 580.20 | - | 0.00% |
| 100,000 | 724.95 | 724.95 | - | 0.00% |
| 200,000 | 1,303.95 | 1,303.95 | - | 0.00% |
| 500,000 | 2,878.95 | 2,878.95 | - | 0.00% |

* Highlighted usage represents the average residential bill.

PHASE 2 COMPUTATIONS

SCHEDULE OF ADJUSTED OPERATIONS - WATER Phase 2
Morehead Utility Plant Board

| | <u>Adjusted</u> <u>Test Year</u> | <u>Additional</u> <u>Adjustments</u> | <u>Proforma</u> |
|--|-------------------------------------|---|-----------------|
| <u>Operating Revenues</u> | | | |
| Retail Water Sales | 2,587,757 | - | 2,587,757 |
| Wholesale Water Sales | 2,620,997 | 2,818,066 | 5,439,063 |
| Other Operating Revenue | 39,820 | - | 39,820 |
| Grant Revenue | - | - | 0 |
| Tap Fee Revenue | 23,148 | - | 23,148 |
| Insurance Reimbursement | - | - | 0 |
| Total Operating Revenues | 5,271,722 | 2,818,066 | 8,089,788 |
| <u>Operating Expenses</u> | | | |
| Operation and Maintenance | | | |
| Water Maintenance System | 842,228 | - | 842,228 |
| Water Treatment Plant | 1,996,301 | - | 1,996,301 |
| Administrative Department | 744,305 | - | 744,305 |
| Total Operation and Maintenance Expenses | 3,582,835 | - | 3,582,835 |
| Depreciation Expense | 2,406,459 | | 2,406,459 |
| Total Operating Expenses | 5,989,293 | - | 5,989,293 |
| Total Utility Operating Income | (717,572) | 2,818,066 | 2,100,494 |

REVENUE REQUIREMENTS

| | |
|--|-----------|
| Pro Forma Operating Expenses | 5,989,293 |
| Plus: Average Annual Principal and Interest Payments | 1,964,251 |
| Additional Working Capital | 392,850 |
| Total Revenue Requirement | 8,346,394 |
| Less: Sales for Resale | 5,439,063 |
| Less: Other Income | 50,342 |
| Plus: Other Expenses | 25,139 |
| Revenue Required From Sales of Water | 2,882,128 |
| Less: Revenue from Sales with Present Rates | 2,587,757 |
| Required Revenue Increase | 294,371 |
| Percent Increase Retail Sales | 11.38% |

Table A.2
DEPRECIATION EXPENSE
Morehead Utility Plant Board

| <u>Asset</u> | <u>Original Cost *</u> | <u>Depreciation Expense</u> |
|---|----------------------------|---------------------------------|
| <u>Source of Supply Plant</u> | | |
| Structures & Improvements | - | - |
| Collecting & Impounding Reservoirs | - | - |
| Intakes | 259,378.88 | 14,447.77 |
| Wells & Springs | - | - |
| Galleries & Tunnels | - | - |
| Supply Mains | - | - |
| Other Source of Supply | - | - |
| <u>Pumping Plant</u> | | |
| Structures & Improvements | 40,654.60 | 1,231.96 |
| Pumping Equipment | 127,601.86 | 8,461.51 |
| Other Pumping Plant | 48,409.39 | 1,953.06 |
| <u>Water Treatment Plant</u> | | |
| Structures and Improvements | 13,747,793.23 | 416,565.22 |
| Water Treatment Equipment | 819,119.37 | 37,806.17 |
| <u>Transmission & Distribution Plant</u> | | |
| Structures & Improvements | 66,278.69 | 2,008.44 |
| Reservoirs & Tanks | 1,567,689.23 | 126,788.33 |
| Tank Painting | - | - |
| Transmission Mains | 7,779,859.17 | 105,693.79 |
| Water Line Replacement | 679,260.61 | 40,423.70 |
| Fire Mains | - | - |
| Services | 13,270.00 | - |
| Meters | 988,798.09 | 92,253.41 |
| Meter Installations | - | - |
| Hydrants | 17,082.63 | 566.31 |
| <u>General Plant</u> | | |
| Structures & Improvements | 326,460.07 | 11,966.61 |
| Office Furniture & Equipment | 1,188.68 | 183.83 |
| Transportation Equipment | 27,450.74 | 9,045.58 |
| Stores Equipment | - | - |
| Tools, Shop, & Garage Equipment | 29,749.27 | 3,860.50 |
| Laboratory Equipment | - | - |
| Power Operated Equipment | 179,867.15 | 23,428.07 |
| Communication Equipment | 137,992.99 | 9,608.16 |
| Total Existing Assets | 26,857,904.64 | 906,292.43 |
| New Regional Water Treatment Plant | 52,052,602.00 | 1,500,166.51 |
| TOTALS | 78,910,506.64 | 2,406,458.93 |

* Includes only costs associated with assets that contributed to depreciation expense in the test year.

Table B.2
DEBT SERVICE SCHEDULE
Morehead Utility Plant Board
 FY 2023/2024 - 2027/2028

| | FY 2025/2026 | | FY 2026/2027 | | FY 2027/2028 | | TOTALS | | | | | | |
|--|------------------|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|----------------|---------------|---------------|--|
| | Principal | Interest & Fees | Principal | Interest & Fees | Principal | Interest & Fees | Principal | Interest & Fees | Water | Sewer | Storm | Gas | |
| Wastewater Revolving Loan Program Fund A | 394,532 | 6,877 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| KIA Big Woods | 20,137 | 1,300 | 20,339 | 1,057 | 20,534 | 812 | 20,534 | 812 | 0 | 21,393 | 0 | 0 | |
| KIA Phase IV | 32,175 | 2,482 | 32,498 | 2,096 | 32,823 | 1,705 | 32,823 | 1,705 | 0 | 34,593 | 0 | 0 | |
| KIA Wastewater Treatment Plant | 97,379 | 9,391 | 98,355 | 8,220 | 99,342 | 7,037 | 99,342 | 7,037 | 0 | 106,575 | 0 | 0 | |
| KIA KY 801 and 158 Sewer Extension | 89,001 | 8,714 | 89,671 | 8,044 | 90,346 | 7,369 | 90,346 | 7,369 | 0 | 97,715 | 0 | 0 | |
| KIA A19-032 US60 and KY 801 SSO | 182,022 | 106,336 | 187,091 | 101,267 | 192,301 | 96,056 | 192,301 | 96,056 | 0 | 288,358 | 0 | 0 | |
| KIA A20-020 | 29,501 | 8,706 | 29,947 | 8,260 | 30,399 | 7,808 | 30,399 | 7,808 | 0 | 38,207 | 0 | 0 | |
| KIA New Regional Water Treatment Plant | 1,393,989 | 224,990 | 1,400,959 | 218,020 | 1,407,964 | 211,015 | 1,407,964 | 211,015 | 1,618,979 | 0 | 0 | 0 | |
| Cave Run Lake | 175,000 | 106,688 | 185,000 | 97,688 | 195,000 | 88,188 | 195,000 | 88,188 | 282,521 | 77,147 | 0 | 0 | |
| Kentucky Utility Refunding Bonds 2022 Series A | 49,103 | 66,265 | 47,778 | 67,590 | 46,426 | 68,942 | 46,426 | 68,942 | 115,368 | 0 | 0 | 0 | |
| Vehicle Leases | 89,917 | 19,298 | 67,709 | 15,982 | 40,284 | 10,226 | 40,284 | 10,226 | 24,529 | 23,383 | 16,613 | 16,613 | |
| TOTALS | 2,552,757 | 561,047 | 2,159,347 | 528,224 | 2,155,419 | 499,158 | 2,155,419 | 499,158 | 1,964,251 | 821,173 | 16,613 | 16,613 | |
| | | Average Annual Principal & Interest | | | | | | | | | | | |
| | | | | | | | | | \$ 1,964,251 | \$ 821,173 | \$ 16,613 | \$ 16,613 | |
| | | Average Annual Coverage | | | | | | | | | | | |
| | | | | | | | | | \$ 392,850 | \$ 164,235 | \$ 3,323 | \$ 3,323 | |
| | | Average Total Debt Service | | | | | | | | | | | |
| | | | | | | | | | \$ 2,357,101 | \$ 985,408 | \$ 19,936 | \$ 19,936 | |

TABLE C.2
CURRENT AND PROPOSED RATES (Phase 2)
Morehead Utility Plant Board

CITY WATER RATES

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|------------------------------------|----------------|-----------------|-------------------|--------|
| First 2,000 Gallons (Minimum Bill) | \$ 23.93 | \$ 26.65 | \$ 2.72 | 11.37% |
| Next 4,000 Gallons | \$ 9.68 | \$ 10.78 | \$ 1.10 | 11.36% |
| Next 4,000 Gallons | \$ 8.43 | \$ 9.39 | \$ 0.96 | 11.39% |
| Next 20,000 Gallons | \$ 7.23 | \$ 8.05 | \$ 0.82 | 11.34% |
| Next 20,000 Gallons | \$ 6.04 | \$ 6.73 | \$ 0.69 | 11.42% |
| Next 250,000 Gallons | \$ 4.84 | \$ 5.39 | \$ 0.55 | 11.36% |
| Over 300,000 Gallons | \$ 4.13 | \$ 4.60 | \$ 0.47 | 11.38% |

COUNTY WATER RATES

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|------------------------------------|----------------|-----------------|-------------------|--------|
| First 2,000 Gallons (Minimum Bill) | \$ 28.73 | \$ 32.00 | \$ 3.27 | 11.38% |
| Next 4,000 Gallons | \$ 11.60 | \$ 12.92 | \$ 1.32 | 11.38% |
| Next 4,000 Gallons | \$ 10.13 | \$ 11.28 | \$ 1.15 | 11.35% |
| Next 20,000 Gallons | \$ 8.73 | \$ 9.72 | \$ 0.99 | 11.34% |
| Next 20,000 Gallons | \$ 7.26 | \$ 8.09 | \$ 0.83 | 11.43% |
| Next 250,000 Gallons | \$ 5.79 | \$ 6.45 | \$ 0.66 | 11.40% |
| Over 300,000 Gallons | \$ 4.98 | \$ 5.55 | \$ 0.57 | 11.45% |

ROWAN WATER INCORPORATED WATER RATES

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|---------------------------|----------------|-----------------|-------------------|---------|
| Capital Costs | \$ - | \$ - | \$ - | 0.00% |
| Meter and Billing Charges | \$ - | \$ - | \$ - | 0.00% |
| Per 1,000 Gallons | \$ 2.284 | \$ 4.740 | \$ 2.456 | 107.53% |

BATH COUNTY WATER DISTRICT

| <u>Monthly Charge</u> | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> | |
|---------------------------|----------------|-----------------|-------------------|---------|
| Capital Costs | \$ - | \$ - | \$ - | 0.00% |
| Meter and Billing Charges | \$ - | \$ - | \$ - | 0.00% |
| Per 1,000 Gallons | \$ 2.284 | \$ 4.740 | \$ 2.456 | 107.53% |

TABLE D.2
CURRENT AND PROPOSED BILLS (Phase 2)
Morehead Utility Plant Board

| CITY WATER RATES | | | | |
|-------------------------|-----------------|-----------------|---------------|-------------------|
| <u>Gallons</u> | <u>Existing</u> | <u>Proposed</u> | | |
| <u>per Month</u> | <u>Bill</u> | <u>Bill</u> | <u>Change</u> | <u>Percentage</u> |
| - | 23.93 | 26.65 | \$ 2.72 | 11.37% |
| 2,000 | 23.93 | 26.65 | 2.72 | 11.37% |
| 4,000 | 43.29 | 48.21 | 4.92 | 11.37% |
| 6,000 | 62.65 | 69.77 | 7.12 | 11.36% |
| 8,000 | 79.51 | 88.55 | 9.04 | 11.37% |
| 10,000 | 96.37 | 107.33 | 10.96 | 11.37% |
| 15,000 | 132.52 | 147.58 | 15.06 | 11.36% |
| 20,000 | 168.67 | 187.83 | 19.16 | 11.36% |
| 25,000 | 204.82 | 228.08 | 23.26 | 11.36% |
| 30,000 | 240.97 | 268.33 | 27.36 | 11.35% |
| 40,000 | 301.37 | 335.63 | 34.26 | 11.37% |
| 50,000 | 361.77 | 402.93 | 41.16 | 11.38% |
| 75,000 | 482.77 | 537.68 | 54.91 | 11.37% |
| 100,000 | 603.77 | 672.43 | 68.66 | 11.37% |
| 200,000 | 1,087.77 | 1,211.43 | 123.66 | 11.37% |
| 500,000 | 2,397.77 | 2,670.43 | 272.66 | 11.37% |

| COUNTY WATER RATES | | | | |
|---------------------------|-----------------|-----------------|---------------|-------------------|
| <u>Gallons</u> | <u>Existing</u> | <u>Proposed</u> | | |
| <u>per Month</u> | <u>Bill</u> | <u>Bill</u> | <u>Change</u> | <u>Percentage</u> |
| - | 28.73 | 32.00 | \$ 3.27 | 11.38% |
| 2,000 | 28.73 | 32.00 | 3.27 | 11.38% |
| 4,000 | 51.93 | 57.84 | 5.91 | 11.38% |
| 6,000 | 75.13 | 83.68 | 8.55 | 11.38% |
| 8,000 | 95.39 | 106.24 | 10.85 | 11.37% |
| 10,000 | 115.65 | 128.80 | 13.15 | 11.37% |
| 15,000 | 159.30 | 177.40 | 18.10 | 11.36% |
| 20,000 | 202.95 | 226.00 | 23.05 | 11.36% |
| 25,000 | 246.60 | 274.60 | 28.00 | 11.35% |
| 30,000 | 249.73 | 278.08 | 28.35 | 11.35% |
| 40,000 | 362.85 | 404.10 | 41.25 | 11.37% |
| 50,000 | 435.45 | 485.00 | 49.55 | 11.38% |
| 75,000 | 580.20 | 646.25 | 66.05 | 11.38% |
| 100,000 | 724.95 | 807.50 | 82.55 | 11.39% |
| 200,000 | 1,303.95 | 1,452.50 | 148.55 | 11.39% |
| 500,000 | 2,878.95 | 3,207.50 | 328.55 | 11.41% |

* Highlighted usage represents the average residential bill.

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