

Attorneys Services of Kentucky, PLLC

Winter R. Huff
Attorney, Member

P.O. Box 627

Monticello, KY 42633

Telephone: (606) 343-0055

Facsimile: (888) 513-0853

Email: winterhuff@hotmail.com

105B North Main Street

Somerset, KY 42501

Telephone: (606) 678-0181

October __, 2011

Public Service Commission

ATTN: Mr. Jeff Derouen, Executive Director

P.O. Box 615

Frankfort, KY 40602-0615

RECEIVED

OCT 17 2011

PUBLIC SERVICE
COMMISSION

**RE: Bronston Water Association, Inc.
Water Shut Off Agreement**

Dear Mr. Derouen:

The Bronston Water Association ("Association") has recently been contacted by Ms. Brenda Hranicky, of Citizens National Bank ("Hranicky") inquiring as to whether or not the Association may terminate water service to residents in The Villas of Woodson Bend ("The Villas"), Bronston, Pulaski County, Kentucky for non-payment of sanitary sewer services. The Association has been advised by Hranicky that there are approximately 64 single family residences located in The Villas that are serviced by a package sanitary sewer treatment plant. Hranicky informed the Association that a large number of residents are not paying their monthly sanitary sewer bills. Without any type of enforcement, Hranicky has indicated that some of the delinquent accounts are significant. Hranicky has informed the Association that it is a Public Service Commission regulated sanitary sewer service system.

Without the foregoing in mind, the Association has entered into a Water Shut Off Agreement (attached) signed by both Hranicky and the Association. This Agreement was approved by the District at its regular meeting on September 6, 2011. This Agreement is being submitted to the Public Service Commission for approval.

Should the Public Service Commission need any additional information in reviewing this Agreement, please do not hesitate to call. Thanking you in advance for your prompt attention and consideration in this matter.

Sincerely,

Winter R. Huff

WRH:ml

Enc Water Shut Off Agreement
Cc Bronston Water Association

FOR Pulaski Co.
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Bronston Water Association, Inc.
(Name of Utility)

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

_____ SHEET NO. _____

RULES AND REGULATIONS

**DISCONTINUATION OF WATER SERVICE IN THE VILLAS AT WOODSON BEND
FOR NON-PAYMENT OF SANITARY SEWER SERVICE CHARGES**

The Association may terminate water service to any customer in The Villas at Woodson Bend for non-payment of sanitary sewer services due and owing Citizens National Bank, and/or its successor. Water service may be disconnected by the Association only after all proper notices have been given to the customer as required by the Association's then current Tariff; Public Service Commission Rules; Regulations; Kentucky Revised Statutes and/or Kentucky Administrative Regulations. The Association may charge the customer the Association's then current and approved disconnect and/or reconnection charges set in the Association's Tariff in the event water service is terminated. This termination provision shall constitute a supplement to the existing approved Tariff of the Association.

DATE OF ISSUE 10/14/2011
Month/Date/Year

DATE EFFECTIVE 11/16/11
Month/Date/Year

ISSUED BY Charles W. Cassin
Signature of Officer

TITLE President

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

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF: BRONSTON WATER ASSOCIATION, INC.
CASE NO. _____

**APPLICATION FOR APPROVAL OF AGREEMENT AND
DEVIATION FROM 807 KAR 5:006 § 14**

Comes now the Applicant, Bronston Water Association, Inc. ("Association"), by and through its Chairman, Charles Cassada, and for its Application seeking approval of a Water Shut Off Agreement and deviation from 807 KAR 5:006 § 14 states as follows:

1. The Association is a regulated Water Association organized under the provisions of KRS Chapter 74.
2. Citizens National Bank ("Citizens") owns and operates a package sanitary sewer treatment plant which provides sanitary sewer services to The Villas At Woodson Bend.
3. The Villas is located within the approved jurisdiction of the Association and receives water service from the Association. The Villas is a residential subdivision that receives sanitary sewer services from an on-site package treatment plant. The sewer plant is owned and operated by Citizens. All operation funding for the sewer plant is received from The Villas residents' monthly sanitary sewer charges assessed and collected by the Association.
4. By Water Shut Off Agreement ("Agreement") dated Oct. 14, 2011 (Exhibit "A"), the Association and Citizens entered into an Agreement whereby the Association, among other services, has agreed to disconnect water service to residents of The Villas in those instances where residents are delinquent in the payment of fees and charges assessed by Citizens for sanitary sewer services.

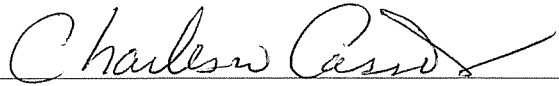
5. Upon information and belief, Citizens is a regulated sanitary sewer service entity of the Kentucky Public Service Commission (“Commission”).
6. The Association and Citizens would request of the Commission for a deviation from those regulations set forth in 807 KAR 5:006 § 14(1) thereby allowing the Association to disconnect water service to residents of The Villas in those instances where a resident fails to pay for sanitary sewer service charges assessed by Citizens.
7. Due to the very nature of sanitary sewer services provided to residents of The Villas, such sanitary sewer service cannot be easily disconnected in those instances where residents are not paying their monthly sewer payments. As recognized by the Commission, “there is no switch to pull or valve to turn to disconnect service. The delinquent customer’s sewer line must be plugged or water service must be disconnected. Plugging a sewer line is costly and not usually environmentally sound. It imposes a disproportionate hardship on the customer. Once the sewer line is dug up and unplugged, the residence is rendered unfit for habitation.”
8. The Agreement entered into between Citizens and the Association allows the Association to disconnect water service to those residents of The Villas who are delinquent in the payment of their sanitary sewer service charges to Citizens. Both Citizens and the Association have agreed that all statutory and/or regulatory rules, regulations and requirements for the termination of water service may only be completed when the appropriate termination notices have been provided which shall include but not be limited to those notices as set forth in 807 KAR 5:006 § 13(5); and § 14(a).

9. The Association submits a Revised Tariff as attached hereto and identified as Exhibit "B." The revised Tariff (Exhibit "B") shall supplement the existing approved Tariff of the Association.
10. Citizens has represented to the Association that for various reasons beyond its control at this time, Citizens is unable to generate sufficient income to adequately provide for the day-to-day operation of its sanitary sewer plant. Unless the Commission allows the Association to terminate water service for non-payment of sanitary sewer services, Citizens will be at a severe disadvantage and suffer irreparably due to its inability to timely receive fees and charges for sanitary sewer services rendered.

WHEREFORE, the Association requests as follows:

- A. That the Water Shut Off Agreement between Citizens and the Association be approved;
- B. That the Association's revised Tariff as attached be approved;
- C. That the Association be granted deviation from 807 KAR 5:006 § 14;
- D. For any and all other relief to which the Association may appear entitled.

BRONSTON WATER ASSOCIATION, INC.


CHARLES CASSADA, CHAIRMAN

COMMONWEALTH OF KENTUCKY
COUNTY OF PULASKI

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Bronston Water Association, Inc., by and through its Chairman, Charles Cassada, this 14th day of ~~September~~, 2011.
October

Victoria Ramsey
NOTARY PUBLIC
My Commission Expires: 12/17/13

THIS INSTRUMENT PREPARED BY:

ATTORNEYS SERVICES OF KENTUCKY, PLLC
105B North Main Street
Somerset, KY 42501
Telephone: (606) 678-0181
Facsimile: (888) 513-0853

WINTER R. HUFF, Attorney at Law

WATER SHUT OFF AGREEMENT

THIS WATER SHUT OFF AGREEMENT, hereinafter referred to as ("Agreement") is made and entered into this 14th day of October, 2011, by and between **CITIZENS NATIONAL BANK**, c/o Brenda Hranicky, of P.O. Box 760, Somerset, KY 42502, hereinafter referred to as "Citizens" and **BRONSTON WATER ASSOCIATION, INC.**, of P.O. Box 243, Bronston, KY 42518, hereinafter referred to as "Association,"

WITNESSETH:

WHEREAS, Citizens currently owns and operates various sanitary sewer treatments and transmission line facilities which services Citizens at Woodson Bend which are located within the territorial limits of Association and,

WHEREAS, Association is the owner and operator of water transmission lines in Citizens areas which include, in part, those areas serviced by Citizens with respect to sewage treatment facilities and transmission lines and,

WHEREAS, pursuant to KRS 76.090, and/or other applicable laws, Citizens and the Association are authorized to enter into various agreements for the handling of delinquent sewage accounts through the shut off of water service and,

WHEREAS, Citizens and the Association intend to formalize the terms and conditions of an agreement to provide water shut off services for non-payment of sewage service bills.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and undertakings hereinafter specified, Citizens and the Association agree as follows:

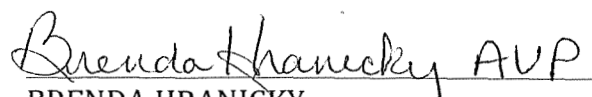
1. In the event that the Association should modify or alter its current meter reading procedures and frequencies, Citizens shall only be entitled to such water consumption data at those times when the water meters are read by representatives of the Association. In no event shall the Association be responsible for supplying water consumption data to Citizens other than during their regular water meter reading times. It is further acknowledged by Citizens that occasionally, due to damaged meters and the like, water usage data may be inaccurate. In no event shall the Association be liable to Citizens or its customers in any way or in any manner for any inaccurate water consumption data made available to Citizens regardless of the reason for such inaccuracy.
2. The Association shall be entitled to receive and review all relevant documentation of Citizens to ensure due authorization of water shut off, and may further send such additional notices as the Association deems appropriate, but has no obligation to do so nor will any notice sent by the Association affect the indemnity rights of the Association as set forth herein. Citizens shall be fully and solely responsible for

keeping current, accurate records of all account holders and ensuring that all account holders are duly apprised of their rights and obligations hereunder.

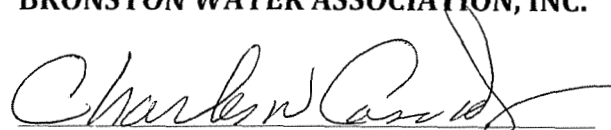
3. In the event of any water shut off, the Association shall be entitled to recover from the delinquent customer any and all costs of such shut off and reconnect fees permitted under the Tariff of the Association as authorized and approved by the Public Service Commission. In the event that the customer is unable, refuses or does not pay the Association for such shut off or reconnect fees then, in such event, Citizens shall reimburse the Association the cost thereof.
4. In the event Citizens should direct or authorize the Association to shut off any water service to any customer of Citizens and such customer shall make any claim, demand, or pursue any cause of action against the Association as a result thereof for any reason whatsoever, Citizens does hereby agree to indemnify and hold harmless the Association from any such liability, such indemnification and contribution to include but not be limited to the reimbursement of the Association of any and all legal fees, costs or other expenses incurred in the defense of any and all such claims so instituted against the Association.
5. Citizens and the Association acknowledge that the Rules, Regulations and Statutory requirements governing Citizens and the Association may change from time to time and that as a result of such changes, performance of the terms and conditions of this Agreement may become impossible or impractical. In the event of any such changes in the Rules, Regulations or Statutes governing the operation of Citizens and the Association should occur as to render any terms or condition of this Agreement illegal or the performance thereof impossible or impractical, then in such event, this Agreement shall be reasonably amended so as to render the performance thereof practical in light of such new Rules, Regulations and/or Statutes. If Citizens and the Association are unable to reasonably amend or modify this Agreement to reflect such changes, then and in such event, this Agreement shall become null and void.
6. Citizens hereby certifies that this Agreement is entered into pursuant to a duly authorized and adopted Resolution.
7. The Association certifies that this Agreement is executed pursuant to duly authorized and adopted Resolution.
8. This Agreement shall be binding upon the respective parties, their successors and assigns.
9. Provided Citizens has not breached any term of this Agreement, this Agreement shall continue for a period of twelve months from the execution hereof and specifically thereafter for successive 12 month periods unless either party elect to cancel by notifying the other of such cancellation election no later than 90 days preceding the termination of such initial 12 month term or any renewal 12 month term.

IN WITNESS THEREOF the parties have hereunto set their hands on the date and year first above written.

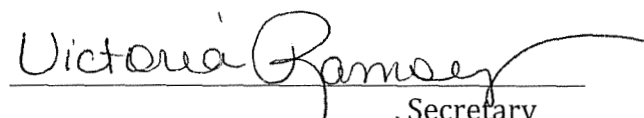
CITIZENS NATIONAL BANK


BRENDA HRANICKY

BRONSTON WATER ASSOCIATION, INC.


CHARLES CASSADA, CHAIRMAN

ATTEST:


_____, Secretary