

# City of Brandenburg

737 HIGH STREET POST OFFICE BOX 305 BRANDENBURG, KENTUCKY 40108 PHONE 270-422-4981 FAX 270-422-4983

September 20, 2012

Public Service Commission  
Mr. Jeff Derouen, Executive Director  
211 Sower Boulevard  
P O Box 615  
Frankfort KY 40602-0615

Dear Mr. Derouen:

Please be advised the City of Brandenburg has proposed a wholesale water rate increase to the Meade County Water District, beginning November 20, 2012.

The City of Brandenburg has met on two previous occasions with Meade County Water District (MCWD) and was informed that MCWD would be contacting your office for the proper notifications.

On behalf of the City, I apologize that proper notification was not made.

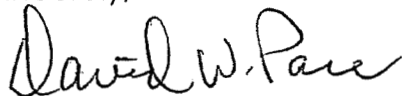
The City of Brandenburg is proposing the following rate increase;

First 250,000 gallons/Daily or less	\$475.00
Next 150,000 gallons/Daily per 1,000	1.90
Over 400,000 gallons/Daily per 1,000	2.00

The City has not increased our rates with the MCWD since 1999. The costs associated with the production and distribution of water has overwhelmingly increased over the past 13 years, with the construction of a water treatment facility, chemicals, maintenance and labor.

Please find enclosed documents related to the request.

Sincerely,



David W. Pace, Mayor  
Cc: MCWD, Joe Bartley  
Encl & Attachments

*"A City of Progress"*

**MAYOR**  
David W. Pace

**CITY COUNCIL**  
Bruce Fackler  
Carol Nelson  
Bill Basham  
Patsy Lusk  
Maggie Love  
Scotty Applegate

**CLERK/TREASURER**  
Molly Janes

**POLICE CHIEF**  
Scotty Singleton

**PUBLIC WORKS  
DIRECTOR**  
Timothy J. Hughes, Jr.

RECEIVED

SEP 24 2012

PUBLIC SERVICE  
COMMISSION

# City of Brandenburg

737 HIGH STREET POST OFFICE BOX 305 BRANDENBURG, KENTUCKY 40108 PHONE 270-422-4981 FAX 270-422-4983

September 20, 2012

Meade County Water District  
Mr. Joe Bartley  
P O Box 367  
Brandenburg KY 40108

RE: Notification of wholesale water rate increase

Dear Mr. Bartley:

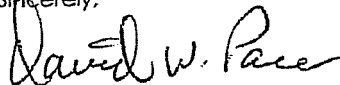
Please be advised the City of Brandenburg is proposing a wholesale water rate increase effective November 20, 2012, as follows:

MINIMUM DAILY WATER RATE FOR WATER FURNISHED TO MEADE COUNTY WATER DISTRICT	
First 250,000 gallons/Daily or less	\$475.00 per day
Next 150,000 gallons/Daily per 1,000	1.90
Over 400,000 gallons/Daily per 1,000	2.00

This amendment in rates reflects changes from the current \$1.15 per 1,000 metered gallons.

You will find enclosed the "NOTICE" stating the proposed rate increase.

Sincerely,



David W. Pace, Mayor

**MAYOR**  
David W. Pace

**CITY COUNCIL**  
Bruce Fackler  
Carol Nelson  
Bill Basham  
Patsy Lusk  
Maggie Love  
Scotty Applegate

**CLERK/TREASURER**  
Molly Jones

**POLICE CHIEF**  
Scotty Singleton

**PUBLIC WORKS  
DIRECTOR**  
Timothy J. Hughes, Jr.

*"A City of Progress"*

## **NOTICE**

The City of Brandenburg will file a proposed rate schedule which will increase by approximately 65 percent the rate(s) it currently charges to the Meade County Water District for water service. The City of Brandenburg currently charges \$1.15 for metered water service. It proposes to charge the following breakdown of rates: First 250,000 gallons/Daily or less \$475.00 per day, Next 150,000 gallons/Daily per 1,000 \$1.90, Over 400,000 gallons/Daily per 1,000 \$2.00 for metered water service effective November 20, 2012. The Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Any corporation, association, or person with a substantial interest in this matter may, within thirty (30) days after mailing of this notice, file a written request to intervene. Any person may examine the City of Brandenburg's application and other filing at Brandenburg City Hall, 737 High Street, Brandenburg KY 40108 or at the Public Service Commission's offices at 211 Sower Boulevard Frankfort KY.

## **ENCLOSURES AND ATTACHMENTS**

Cover letter requesting rate increase

ATTACHMENT 1: 1999 Amendment to water purchase contract between City of Brandenburg and Meade County Water District

ATTACHMENT 2: 2008 Modification to water purchase contract between City of Brandenburg and Meade County Water District, extending the contract years.

LETTER TO MEADE COUNTY WATER DISTRICT ANNOUNCING PROPOSED RATE INCREASE

NOTICE OF PROPOSED RATE INCREASE

RATES AND CHARGES

**MODIFICATION AGREEMENT  
TO  
WATER PURCHASE CONTRACT**

RECORDED  
JUL 13 1999  
PUBLIC SERVICE COMMISSION

THIS CONTRACT made and entered into this the 12th day of July, 1999 by and between the City of Brandenburg, Kentucky, hereinafter referred to as the "Seller"; and the Meade County Water District, hereinafter referred to as the "Purchaser";

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

**WITNESSETH:**

AUG 18 1999

WHEREAS, The Seller and the Purchaser have heretofore entered into a Water Purchase Contract dated February 7, 1984 (hereinafter referred to as "Contract"); and,

PURSUANT TO 907 KAR 5:011,  
SECTION 9(1)  
BY: Sheridan Bell  
SECRETARY OF THE COMMISSION

WHEREAS, the Seller and Purchaser made provision for modification of the Contract in Subsection C, Paragraph 5 (Modification of Contract);

WHEREAS, the Seller and Purchaser entered into a Modification Agreement to Water Purchase Contract dated August 21, 1991;

**NOW THEREFORE, it is mutually agreed between the Seller and Buyer that Section C, Paragraph 1 is modified as follows:**

1. (Term of Contract). That this contract shall extend for a term of 25 years from the date that the Sellers newly constructed water treatment facility starts complete operation and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

**NOW THEREFORE, it is further mutually agreed between the Seller and Buyer that Section C, Paragraph 3 is modified so as to change the flat charge of \$1.35/1000 gal. to the modified price of \$1.15 per one thousand gallons (1,000) pumped.**

**NOW THEREFORE, it is further mutually agreed between the Seller and the Buyer that Section A, Paragraph 1 is modified so as to change "in such quantity as may be required by the Purchaser not to exceed 3,000,000 gallons per month" to the modified language of ". . . in such quantity as may be required by the Purchaser not to**

exceed 400,000 gallons daily and, thereafter may be negotiated, at any said time, and revised as agreed upon by the Seller and the Purchaser."

NOW THEREFORE, in consideration of the mutual promise herein contained and in consideration of the mutual agreement and representation recited in the February 1984 Water Purchase Contract, and it is further mutually agreed between the Seller and Purchaser that the Modification Agreement to the Water Purchase Contract dated August 21, 1991, is hereby rescinded.

This Modification Agreement shall not alter or amend any other term or provision of the original Water Purchase Contract. It is further understood and agreed that the Original Water Purchase Contract and this Modification Agreement is pledged to the Farmers Home Administration as part of the security for a loan to be made by the Farmers Home Administration to the Purchaser.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two counterparts, each of which shall constitute an original.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
AUG 18 1997  
PURSUANT TO 807 KAR 6:011,  
SECTION 3(1)  
BY: Stephen O. Bell  
SECRETARY OF THE COMMISSION

SELLER:  
CITY OF BRANDENBURG, KENTUCKY

BY: [Signature]  
Ronnie Joyner, Mayor

ATTEST:  
[Signature]  
Molly Janes, City Clerk

PURCHASER:  
MEADE COUNTY WATER DISTRICT

BY: [Signature]  
Jon Whitfield, Chairman

ATTEST:  
[Signature]  
Patsy Thompson, Secretary

## **MODIFICATION AGREEMENT TO WATER PURCHASE CONTRACT**

THIS CONTRACT made and entered into this 4<sup>th</sup> day of September, 2008 by and between the CITY OF BRANDENBURG, Kentucky hereinafter referred to as the "Seller"; and the MEADE COUNTY WATER DISTRICT hereinafter referred to as the "Purchaser"; and

WHEREAS, the Seller and Purchaser have previously entered into a water purchase contract dated February 7, 1984 and subsequently amended on August 21, 1991 and July 12, 1999; and

WHEREAS, the Seller and Purchaser by prior modification agreement made provisions for modification of the underlying contract Subsection C, paragraph 5; and

WHEREAS, the Seller and Purchaser wish to hereby amend the Modification Agreement to Water Purchase Contract dated July 12, 1999;

NOW THEREFORE, it is mutually agreed between the Seller and Purchaser that Section C, paragraph 1 of the original Contract of February 7, 1984 is hereby modified as follows:

1. Term of Contract: That this contract shall extend for a term of forty (40) years from the date of this Modification and may thereafter be renewed or extended for such term(s) as may be agreed upon by the Seller and Purchaser. The Seller and Purchaser further agree to renegotiate other pertinent terms including price, at this signing and then annually thereafter,

This Modification Agreement this date shall not alter or amend any other term of the original Water Purchase Contract.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies have caused this Modification Agreement to be duly executed in two counterparts, each of which shall constitute an original.

SELLER:

CITY OF BRANDENBURG, KENTUCKY

By: David W. Pace  
David W. Pace, Mayor

Attested By:

Molly Janes  
Molly Janes, City Clerk

PURCHASER:

MEADE COUNTY WATER DISTRICT:

By: Joseph R. Bartley  
Joseph Bartley, Chairman

Attested By:

Rebecca Richardson  
Secretary of  
Meade County Water District





COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
governor

August 5, 1999

Ronnie Joyner  
Mayor  
City of Brandenburg  
737 High Street  
Post Office Box 305  
Brandenburg, Kentucky 40108

RE: Contract Filing No. C60-847 of a Water Purchase Contract with Meade County  
Water District.

Dear Mr. Joyner:

The above referenced Contract filing has been received and reviewed. An  
accepted copy is enclosed for your files.

Sincerely,

A handwritten signature in cursive script that reads "Jess Helton".

Jess Helton  
Tariff Review Branch  
Filings Division

Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

FOR \_\_\_\_\_  
Community, Town and City

P.S.C. KY.NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

City of Brandenburg, Kentucky  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

---

RATES AND CHARGES

---

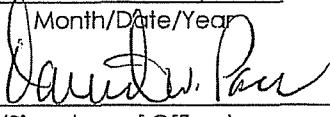
WHOLESALE WATER SERVICE  
MINIMUM DAILY WATER RATE FOR WATER FURNISHED TO  
MEADE COUNTY WATER DISTRICT

First 250,000 gallons/Daily or less	\$475.00
Next 150,000 gallons/Daily per 1,000	1.90
Over 400,000 gallons/Daily per 1,000	2.00

---

DATE OF ISSUE September 24, 2012  
Month/Date/Year

DATE EFFECTIVE November 20, 2012  
Month/Date/Year

ISSUED BY   
(Signature of Officer)

TITLE Mayor, City of Brandenburg

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