



## Hardin County Water District No. 2

360 Ring Road • P.O. Box 970 • Elizabethtown, KY 42702

Telephone (270) 737-1056 • Fax (270) 737-2301 • [www.hardincountywater2.org](http://www.hardincountywater2.org)

Board of Commissioners: Mike Bell, Cordell Tabb, John Effinger, Morris Miller, Tim Davis

General Manager: James Jeffries

May 24, 2013

Honorable Tim Walker, Mayor  
City of Elizabethtown  
PO Box 550  
200 West Dixie Avenue  
Elizabethtown, KY 42701

### **RE: Continued Water Purchase Agreement Offer**

Dear Mayor Walker,

The current water purchase agreement between the District and the City will conclude its second renewal term on September 30 of this year. In advance of this date, we would like to offer our continued services to provide wholesale water to Elizabethtown and provide some information to aid in your decision making process.

#### Renewal Rate:

The volumetric price for water is calculated by a formula that is approved by the Public Service Commission. It takes into consideration the infrastructure used by the District to deliver the water, the day-to-day expenses the District experiences to produce and pump the water, the minimum daily volume used by the City, the maximum production capacity reserved for the City, and the reserved storage space in our Cecilia and Pear Orchard tanks for the City.

We have four connections under the terms of this formula and the City currently commits to a minimum volume of 1.1 million gallons per day. Also, the District reserves 0.5 million gallons of space in our tanks and 1.5 million gallons per day of our production capacity for the City.

In the event that the City maintains their reserve and minimum commitments, the formula will produce a volumetric price of \$2.2935 per 1000 gallons based on our 2012 financial audit. This price will become effective on October 1, 2013. In the event that the City would like to vary the reserve and minimum levels, we can calculate the new rate accordingly.

**Your Water Professionals**

An Equal Opportunity Provider and Employer

Contract Term:

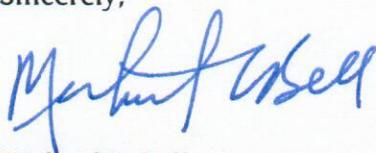
As you are aware, the District has elected to convert our secondary disinfectant method from a free chlorine process to a chloramine process. While the blending of these two methods in the distribution system does not create any concerns for public health, extended contact time between the two waters create other problems including taste and odor issues. As such, it is our understanding that the Kentucky Division of Water will not allow the continued blending of these two disinfectant methods on a day-to-day basis.

The time frame in which the District intends to make this change is during the winter beginning December, 2014. The District is contractually obligated to purchase water from Louisville Water Company in the summer of 2016.

Under these restrictions, the District can offer a 15 month commitment for a water purchase agreement renewal. Given that the City will make a decision on the disinfectant issue in the best interest of the citizens of Elizabethtown, the District will defer to these decisions and make arrangements for a different water purchase agreement, if any, beginning January 1, 2015.

It has been a pleasure to serve the citizens of Elizabethtown for these past 12 years. We offer our continued support for any services in the future that will mutually benefit our common customer bases. Please do not hesitate to contact any staff member to assist you in any way and we look forward to your consideration of this offer.

Sincerely,



Michael L. Bell  
Chairman

Cc: Charlie Bryant  
D. Dee Shaw  
Damon R. Talley  
James R. Jeffries

Attachments: Rate Calculation