

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>WILLIAM C. HILL</b>	)	
	)	
<b>COMPLAINANT</b>	)	
	)	
<b>v.</b>	)	<b>CASE NO. 2017-00316</b>
	)	
<b>MUHLENBERG COUNTY WATER</b>	)	
<b>DISTRICT</b>	)	
	)	
<b>DEFENDANT</b>	)	

**SUPPLEMENTAL FILING AND STATUS REPORT**

Muhlenberg County Water District (“Muhlenberg District”) hereby notifies the Kentucky Public Service Commission (“Commission”) of its supplemental filing and status report in this proceeding.

1. The Commission’s August 28, 2018 Order requires the parties to submit the settlement agreement in its final, executed form by September 10, 2018. The Offer and Acceptance of Satisfaction filed on August 17, 2018 is the final, executed settlement agreement.<sup>1</sup> It has been signed by Mr. Hill, approved by the Muhlenberg District Board of Commissioners, and signed by Muhlenberg District. No changes have been made to the settlement agreement since it was filed with the Commission on August 17, 2018.

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<sup>1</sup> The Offer and Acceptance of Satisfaction was styled as such because Muhlenberg District’s offer of satisfaction was made pursuant to 807 KAR 5:001, Section 20(5). The Offer and Acceptance of Satisfaction is the settlement agreement.

2. Muhlenberg District's Board of Commissioners approved the settlement agreement at a Special Call Meeting held on August 17, 2018. The Minutes of the Special Call Meeting are attached as **Exhibit 1**.

3. Since filing the settlement agreement on August 17, 2018, Muhlenberg District and Todd County Water District ("Todd District") have worked expeditiously to finalize a water purchase agreement. This document is attached as **Exhibit 2**. It is called the Second Amended Water Purchase Agreement and Bill of Sale ("Second Amended Agreement") because Todd District and Muhlenberg District already have a 2006 Agreement and a 2010 Amended Agreement.

4. Todd District approved the Second Amended Agreement at its August 27, 2018 Board of Commissioners meeting and authorized its Chairman to execute it. Todd District's counsel has advised that the minutes of Todd District's August 27, 2018 meeting have not yet been approved. These Minutes will be approved at Todd District's September 24, 2018 Board meeting. Todd District plans to file a copy of its signed Minutes of the August 27, 2018 Board meeting with the Commission on or before September 27, 2018.

5. Muhlenberg District has not yet approved the Second Amended Agreement, but plans to do so at its Board of Commissioners meeting to be held on September 24, 2018. Muhlenberg District did discuss, however, the main

provisions of the Second Amended Agreement at its regular monthly meeting on August 27, 2018, but did not formally approve the Second Amended Agreement as it was not yet in final form.

6. The Second Amended Agreement has now been finalized and will be submitted for approval to the Board of Commissioners of Muhlenberg District at its regular meeting on September 24, 2018. Muhlenberg District will adopt a Resolution at its meeting approving the Second Amended Agreement and authorizing the Chairman to execute it.

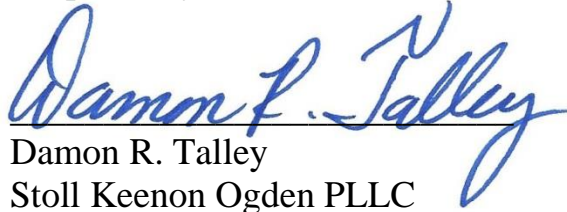
7. After Muhlenberg District approves and executes the Second Amended Agreement, the executed Second Amended Agreement and Muhlenberg District's Resolution will be filed with the Commission as part of the record in this proceeding on or before September 27, 2018.

8. The executed Second Amended Agreement will also be submitted to the Commission through the regular Tariff filing process on or before September 27, 2018.

**WHEREFORE**, Muhlenberg District hereby notifies the Commission that its Offer and Acceptance of Satisfaction filed in this case on August 17, 2018 remains the final, executed settlement agreement in this proceeding. Muhlenberg District urges the Commission to approve the Offer and Acceptance of Satisfaction and dismiss this proceeding.

Dated: September 10, 2018

Respectfully submitted,



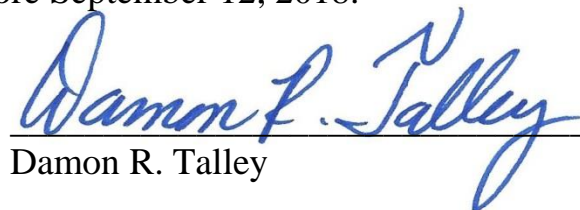
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*Counsel for Muhlenberg County Water  
District*

### **CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that the electronic filing of this Supplemental Filing and Status Report is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on September 10, 2018; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of this Supplemental Filing and Status Report will be delivered to the Public Service Commission on or before September 12, 2018.



Damon R. Talley

# **EXHIBIT 1**

MINUTES OF THE AUGUST 17, 2018

SPECIAL CALL MEETING

The August 17, 2018 meeting was opened by Bobby Mayhugh, Chairman.

Craig Porter gave an update on the settlement with Bill Hill regarding the PSC Case. Mr. Hill will construct a 3" line at his cost. It will connect at Todd County line 400 ft from our line on Mcpherson Road. The line will run 1.2 miles to his proposed subdivision. We will set a vault and master meter and hook up with Todd County. The lines will be inspected by engineers chosen by Mr. Hill also paid by Mr. Hill. After one year the lines will become property of Muhlenberg County Water District along with all right of ways and easements. Mr. Hill agreed to pay for one flushing per month until he sells a lot in said subdivision. After we install this meter we will assume responsibility for all flushing. When the vault and master meter has been set Todd County Water will assume responsibility for its maintenance. Craig does not expect the District to need to flush very much due to the fact that Todd County water quality is very good. Once this settlement agreement is signed and approved by Public Service no further action can be taken in the matter.

Mike Camplin made a motion to accept the Settlement Agreement presented. Shawn Noffsinger 2<sup>nd</sup> the motion. Said motion carried. The Agreement was signed.

Bobby Mayhugh then requested that we work out a Subdivision Agreement and file it with Public Service so that this type of problem will not happen in the future.

The meeting was then adjourned.

Respectfully Submitted,

*Kendra Newman*  
Kendra Newman

*Bobby Mayhugh*  
Bobby Mayhugh, Chairman

*Shawn Noffsinger*  
Shawn Noffsinger, Treasurer

# **EXHIBIT 2**

**SECOND AMENDED WATER PURCHASE  
AGREEMENT AND  
BILL OF SALE**

This Second Amended Water Purchase Agreement and Bill of Sale (“Second Amended Agreement”), made and entered into this \_\_\_\_ day of September, 2018, by and between the **Todd County Water District** of Todd County, Kentucky, “**Party of the First Part,**” and the **Muhlenberg County Water District** of Muhlenberg County, Kentucky, “**Party of the Second Part**”;

**WITNESSETH:**

WHEREAS, the First Party has previously agreed to supply water to the Second Party at two (2) different locations so that the Second Party can serve anticipated customers of the Second Party at various places in the Lake Malone area of southern Muhlenberg County, Kentucky;

WHEREAS, an Agreement dated May 1, 2006 setting forth the parties intentions regarding the wholesale sale and purchase of water was filed and approved by the Kentucky Public Service Commission on July 5, 2006;

WHEREAS, an Amended Agreement providing for a second connection point between the parties was filed and approved by the Public Service Commission on February 1, 2010;

WHEREAS, as a part of the resolution of the proceedings currently pending before the Public Service Commission, William C. Hill vs Muhlenberg County Water District and Todd County Water District, Case No. 2017-00316, the Todd County Water District has agreed to the following: (a) to furnish potable water at a wholesale rate to the Muhlenberg County Water District; (b) to transfer to the Second Party seven (7)



customers of the First Party who physically reside in Muhlenberg County; and (c) to transfer to the Second Party 0.65 miles of 3-inch diameter water distribution line physically located in Muhlenberg County, Kentucky;

WHEREAS, it is the desire of the parties to reduce that agreement for the sale and purchase of water, transfer of customers, and transfer of water distribution line to writing;

WHEREAS, the First Party has agreed to sell and convey and the Second Party has agreed to purchase and accept 0.65 miles of 3-inch diameter water line;

WHEREAS, the First Party has agreed to sell and the Second Party has agreed to purchase potable water on the terms and conditions hereinafter set forth; and

WHEREAS, the parties now wish to amend said Agreement and the Amended Agreement to provide an additional point of delivery, which will be located at the Todd/Muhlenberg County line on McPherson Road.

NOW, THEREFORE, the Parties agree as follows:

1. The Party of the First Part shall sell the Party of the Second Part potable water at a rate of \$5.85 per 1,000 gallons of water sold.

2. The Parties recognize that, from time-to-time, the Party of the First Part may experience increases in its cost of water and those increases shall be passed along to the Party of the Second Part consistent with uniform rate increases which, from time-to-time, may be passed along to the First Party's rate payers.

3. The Party of the First Part shall furnish to the Party of the Second Part, at the point of delivery specified herein, during the term of this Second Amended Agreement,

or any renewal or extension thereof, potable, treated water meeting the applicable water quality standards of all appropriate state and federal regulatory agencies.

4. A master meter vault, master meter, and related appurtenances (“Master Meter”) will be constructed at the Todd/Muhlenberg County line on McPherson Road by, and at the expense of, the Second Party. The Second Party shall prepare the design and specifications for the Master Meter and submit them to the First Party for approval prior to installation. Following installation, the Master Meter shall be owned, operated, and maintained by the First Party.

5. The Second Party shall be billed on a monthly basis for water purchased from the First Party and all payment for purchased water shall be made by the Second Party to the First Party by the 10<sup>th</sup> day of each month.

6. This Agreement shall be for a term of twenty-five (25) years, unless sooner modified by mutual agreement of the Parties. This Agreement may be continued for an additional term of years by mutual consent of the Parties.

7. From and after the installation of the Master Meter, the 0.65 miles of water distribution line described in **Exhibit A** attached hereto shall become the property of Muhlenberg County Water District. The First Party acknowledges this Second Amended Agreement is for valuable consideration which cannot be measured in monetary terms, the receipt and sufficiency of which is hereby acknowledged. The First Party hereby releases, remises, and forever quit claims unto the Second Party, the 0.65 miles of water distribution line described in **Exhibit A** attached hereto. The Second Party acknowledges its acceptance of the Water District Distribution Line, “as is,” “where is.”

8. The First Party further assigns to the Second Party the right to serve the seven (7) current water customers set forth in **Exhibit B** attached hereto and made a part hereof. From and after the date of the installation of the Master Meter, the Second Party shall be responsible for service to the customers described in **Exhibit B**.

9. This Second Amended Agreement shall be binding upon the Parties hereto, their successors, and assigns.

10. This Second Amended Agreement will be subject to approval by the Public Service Commission.

11. This is the entire agreement of the Parties, and no other term or terms shall be considered unless executed with like formality.

12. In the event any portion of this Second Amended Agreement is declared invalid by a court of competent jurisdiction, all other portions of this Second Amended Agreement not declared invalid shall remain in full force and in effect.

**[Remainder of page intentionally left blank]**

In witness whereof, the Parties hereto, through appropriate actions of their Boards of Commissioners, have approved and caused this Second Amended Agreement to be executed by their duly authorized Chairmen.

Dated this \_\_\_\_ day of September, 2018.

**TODD COUNTY WATER DISTRICT**

BY: \_\_\_\_\_  
George D. Brown, Chairman

ATTEST:

\_\_\_\_\_  
Lois Brown, Secretary

**MUHLENBERG COUNTY WATER DISTRICT**

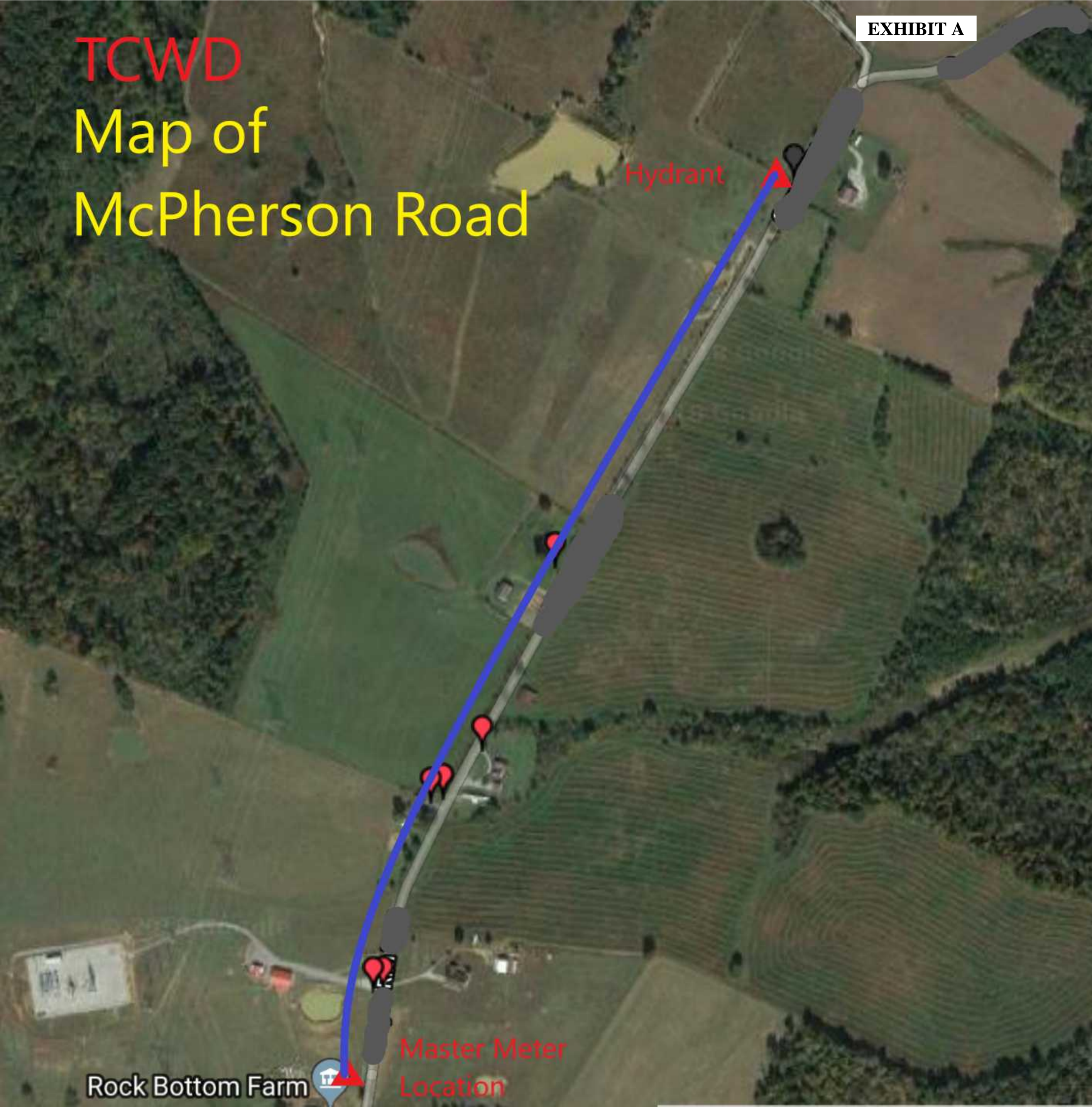
BY: \_\_\_\_\_  
Bobby Mayhugh, Chairman

ATTEST:

\_\_\_\_\_  
Shawn Noffsinger, Secretary



TCWD  
Map of  
McPherson Road



Hydrant

Rock Bottom Farm

Master Meter  
Location

**Customer list of meters in Muhlenberg County on McPherson Road**

**Meter Electronic Number:** 19675486  
**Meter Serial Number:** 09438380  
**Latitude/Longitude:** [37.05418, -87.083](#)  
**Location:** 455 MCPHERSON RD  
**Customer:** [REDACTED]

**Meter Electronic Number:** 19679287  
**Meter Serial Number:** 09437509  
**Latitude/Longitude:** [37.05419, -87.08289](#)  
**Location:** 470 MCPHERSON RD  
**Customer:** [REDACTED]

**Meter Electronic Number:** 19679267  
**Meter Serial Number:** 09437507  
**Latitude/Longitude:** [37.0559, -87.08235](#)  
**Location:** 579 McPHERSON ROAD  
**Customer:** [REDACTED]

**Meter Electronic Number:** 30632157  
**Meter Serial Number:** 66487202  
**Latitude/Longitude:** [37.05593, -87.08221](#)  
**Location:** 584 MCPHERSON RD  
**Customer:** [REDACTED]

**Meter Electronic Number:** 19679280  
**Meter Serial Number:** 09437506  
**Latitude/Longitude:** [37.05637, -87.08177](#)  
**Location:** 620 McPHERSON ROAD  
**Customer:** [REDACTED]

**Meter Electronic Number:** 19679263  
**Meter Serial Number:** 09437508  
**Latitude/Longitude:** [37.05803, -87.08094](#)  
**Location:** MCPHERSON RD  
**Customer:** [REDACTED]

**Meter Electronic Number:** 19679128  
**Meter Serial Number:** 09436846  
**Latitude/Longitude:** [37.06154, -87.07824](#)  
**Location:** 790 MCPHERSON ROAD  
**Customer:** [REDACTED]