


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

IN THE MATTER OF:

ELECTRONIC INVESTIGATION INTO)	
WHOLESALE WATER RATES CHARGED BY)	
THE CITY OF CARLISLE TO SHARPSBURG)	
WATER DISTRICT AND NICHOLAS COUNTY)	CASE NO. 2021-00382
WATER DISTRICT PURSUANT TO KRS)	
278.200, KRS 278.160, KRS 278.180, KRS)	
278.190 AND 807 KAR 5:011)	

**RESPONSES TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION TO SHARPSBURG WATER DISTRICT
DATED JANUARY 6TH, 2022**

Respectfully submitted,



Earl Rogers III
Campbell Rogers & Stacy, PLLC
Attorneys at Law
154 Flemingsburg Road
Morehead, KY 40351
Telephone: (606) 783-1012
Fax: (606) 784-8926
earl@campbellrogers.com
Counsel for Sharpsburg Water District

CERTIFICATE OF SERVICE

The undersigned certifies that the electronic filing has been transmitted to the Commission on January 21st, 2022; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.



Earl Rogers III
Counsel for Sharpsburg Water District

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC INVESTIGATION INTO)
WHOLESALE WATER RATES CHARGED BY)
THE CITY OF CARLISLE TO SHARPSBURG)
WATER DISTRICT AND NICHOLAS COUNTY)
WATER DISTRICT PURSUANT TO KRS)
278.200, KRS 278.160, KRS 278.180, KRS)
278.190 AND 807 KAR 5:011)

CASE NO. 2021-00382

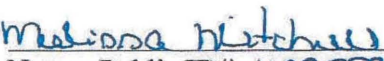
CERTIFICATE

Gayle Haney, being duly sworn, states that she has supervised the preparation of the responses of Sharpsburg Water District to the Commission Staff's First Request for Information in the above-referenced case dated January 6th, 2022, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry



GAYLE HANEY

Subscribed and sworn before me on this the 21st day of January, 2022.



Notary Public ID#: 622559
Commission Expires: May 2, 2023

**SHARPSBURG WATER DISTRICT
PSC CASE NO. 2021-00382
FIRST REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S REQUEST FOR INFORMATION DATED 1/6/2022

RESPONSIBLE PERSON: Gayle Haney

COMPANY: Sharpsburg Water District

REQUEST 1: State what rate the City of Carlisle is currently charging Sharpsburg Water District and provide a copy of the most recent bill from the City of Carlisle.

RESPONSE 1: It is the belief of Sharpsburg Water District that the City of Carlisle is charging according the attached schedule, *Exhibit A*. The attached Exhibit A is consistent with water bills from the City of Carlisle beginning the summer of 2020. According to the City of Carlisle this current rate is the 2019 Tariff rate with a cost of living increase. Sharpsburg Water District also subsequently received from the City of Carlisle the attached rate schedule, *Exhibit B*.

Sharpsburg Water District cannot say for sure which rate the City of Carlisle is charging at the current time, Exhibit A or Exhibit B, but can say it is still being billed in excess of the 2019 Tariff rate. From August of 2020 through January of 2022 the City of Carlisle has overcharged Sharpsburg Water the sum of \$1,898.31. *See Exhibits C and D*.

A copy of the most recent bills are attached. *Exhibit E*.

REQUEST 2: For the effective time period of the Water Purchase Agreement, provide all the rates that the City of Carlisle has charged the Sharpsburg Water District.

RESPONSE 2: The original rate was established in the 1989 Water Purchase Contract, attached as *Exhibit F*. The rate was modified by a subsequent 1994 Water Purchase Contract, attached as *Exhibit G*. The rate was modified by Tariff in 2019, attached as *Exhibit H*. Beginning billing period of July, 2021, the City of Carlisle began charging the rate shown on Exhibit A. Explained

by the City to include a cost of living increase. Currently it appears that Sharpsburg Water District is being billed in accordance with either Exhibit A or B.

REQUEST 3: For the effective time period of the Water Purchase Agreement, provide any notices sent to Sharpsburg Water District from the City of Carlisle regarding any changes in rates.

RESPONSE 3: Sharpsburg Water is unable to locate any notices of rate changes from the City of Carlisle. However, in 2021 upon inquiry to City of Carlisle by Sharpsburg Water about an increase in rate, Carlisle provided the attached schedule, Exhibit A, and advised the rate had been increased with a cost of living adjustment. City of Carlisle also provided the attached Exhibit B.

REQUEST 4: For the effective time period of the Water Purchase Agreement, state if the City of Carlisle has provided any credits or refunds for overpayments to Sharpsburg District.

RESPONSE 4: Sharpsburg Water District has never received a credit or refund.

WATER DISTRICT RATES

FIRST 1000 GALLONS	11.48
NEXT 4000 GALLONS	3.96
NEXT 5000 GALLONS	3.02
NEXT 5000 GALLONS	2.10
NEXT 10,000 GALLONS	1.95
NEXT 25,000 GALLONS	1.61
NEXT 50,000 GALLONS	1.56
ALL OVER 999,999,999 GALLONS	1.58

1000

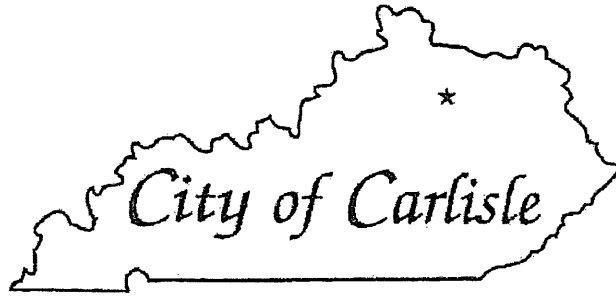
4000

5000

5000

ALL OVER

107 E. CHESTNUT ST.
CARLISLE, KENTUCKY 40311



RONNIE CLARK, MAYOR

PH. 859/289-3700
FAX: 859/289-7704

WATER DISTRICT RATES

FIRST 2000 GALLON	11.48
NEXT 4000 GALLON	3.96
NEXT 5000 GALLON	3.02
NEXT 5000 GALLON	2.10
NEXT 10,000 GALLON	2.02
NEXT 25,000 GALLON	2.02
NEXT 50,000 GALLON	2.02
NEXT 999,999,999 GALLON	2.02

Effective August 2021
C. Gilvin
C. Gilvin

EQUAL OPPORTUNITY EMPLOYER

Sharpsburg Water District
City of Carlisle Water Calculation

Period	Gallons Used	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	911 Fee	Calculated Bill	Actual Amount Billed	Over/ (Under) Billed
January 2020	1,882,700	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,785.70	\$ 2.00	\$ 2,897.69	\$ 2,897.69	\$ (0.00)
February 2020	1,796,500	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,654.68	\$ 2.00	\$ 2,766.67	\$ 2,766.67	\$ -
March 2020	1,571,700	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,312.98	\$ 2.00	\$ 2,424.97	\$ 2,424.97	\$ (0.00)
April 2020	1,776,300	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,623.98	\$ 2.00	\$ 2,735.97	\$ 2,735.97	\$ 0.00
May 2020	1,763,300	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,604.22	\$ 2.00	\$ 2,716.21	\$ 2,716.21	\$ 0.00
June 2020	1,634,100	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,407.83	\$ 2.00	\$ 2,519.82	\$ 2,519.82	\$ (0.00)
July 2020	2,051,600	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 3,042.43	\$ 2.00	\$ 3,154.42	\$ 3,196.63	\$ 42.21
August 2020	2,016,000	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,988.32	\$ 2.00	\$ 3,100.31	\$ 3,219.75	\$ 119.44
September 2020	1,770,700	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,615.46	\$ 2.00	\$ 2,727.45	\$ 2,832.18	\$ 104.73
October 2020	1,916,600	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,837.23	\$ 2.00	\$ 2,949.22	\$ 3,082.70	\$ 113.48
November 2020	1,606,600	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,366.03	\$ 2.00	\$ 2,478.02	\$ 2,572.90	\$ 94.88
December 2020	1,777,100	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,625.19	\$ 2.00	\$ 2,737.18	\$ 2,842.29	\$ 105.11
January 2021	1,538,000	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,261.76	\$ 2.00	\$ 2,373.75	\$ 2,464.51	\$ 90.76
February 2021	1,929,200	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,856.38	\$ 2.00	\$ 2,968.37	\$ 3,082.61	\$ 114.24
March 2021	2,031,900	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 3,012.49	\$ 2.00	\$ 3,124.48	\$ 3,244.87	\$ 120.39
April 2021	2,230,700	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 3,314.66	\$ 2.00	\$ 3,426.65	\$ 3,558.98	\$ 132.33
May 2021	1,551,800	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,282.74	\$ 2.00	\$ 2,394.73	\$ 2,486.31	\$ 91.58
June 2021	1,754,200	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,590.38	\$ 2.00	\$ 2,702.37	\$ 2,806.11	\$ 103.74
July 2021	2,583,900	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 3,851.53	\$ 2.00	\$ 3,963.52	\$ 4,117.23	\$ 153.71
Total												\$ 1,386.58

Prepared by Joel Lane, CPA with John T. Lane & Associates LLC.
August 24, 2021

September 2021 1,892,700 Gallons Amount Billed \$3025.14 Calculated Amount \$2912.89

Over billed \$112.25

TOTAL OVER BILLED AMOUNT \$1499.83

Sharpsburg Water District
City of Carlisle Water Calculation

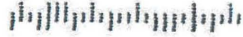
Period	Gallons Used	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	911 Fee	Calculated Bill	Actual Amount Billed	Over/ (Under) Billed
August 2021	1,755,100	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,591.75	\$ 2.00	\$ 2,703.74	\$ 2,703.74	\$ (0.00)
September 2021	1,892,700	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,800.90	\$ 2.00	\$ 2,912.89	\$ 3,025.14	\$ 112.25
October 2021	1,736,000	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,562.72	\$ 2.00	\$ 2,674.71	\$ 2,777.55	\$ 102.84
November 2021	1,880,220	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,781.93	\$ 2.00	\$ 2,893.92	\$ 3,005.39	\$ 111.47
December 2021	1,799,700	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 2,659.54	\$ 2.00	\$ 2,771.53	\$ 2,878.20	\$ 106.67
January 2022	1,330,500	\$ 11.21	\$ 15.28	\$ 14.75	\$ 10.25	\$ 19.00	\$ 39.50	\$ 1,946.36	\$ 2.00	\$ 2,058.35	\$ 2,136.86	\$ 78.51
Total												\$ 511.73

Prepared by Joel Lane, CPA with John T. Lane & Associates LLC.
January 21, 2022

CITY OF CARLISLE
107 E. CHESTNUT ST.
CARLISLE, KY 40311

FAILURE TO RECEIVE BILL DOES NOT
RELIEVE CUSTOMER OF PENALTY OR
LIABILITY OF AMOUNT DUE
OFFICE (859) 289-3700

ACCOUNT	0012-00350-001	11/30/21 TO 12/30/21		
SERVICE AT	Kennedy Heights			
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES
WA	2511823	2498518	13305	2,134.86
SF	911 Service Fee			2.00
<i>RJ-110-22</i> <i>CK#9948</i>				
HAVE A WARM AND SAFE WINTER!				
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
G01	2,350.35	01/20/22	2,136.86	



CITY OF CARLISLE
107 E. CHESTNUT ST.
CARLISLE, KY 40311

FAILURE TO RECEIVE BILL DOES NOT
RELIEVE CUSTOMER OF PENALTY OR
LIABILITY OF AMOUNT DUE

LEXINGTON KY 405

ACCOUNT	0012-00350-001	10/28/21 TO	11/30/21	
SERVICE AT	Kennedy Heights			
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES
WA	2498518	2480521	17997	2,876.20
SF	911 Service Fee			2.00
HO! HO! HO! MERRY CHRISTMAS AND HAPPY NEW YEAR!!!!				
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
G01	3,165.82	12/20/21	2,878.20	

Pa.
12-9-21
CL#9924

40374-024848



WATER PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this 13 day of November, 1989, by and between the City of Carlisle, Kentucky, hereinafter referred to as "SELLER", and Sharpsburg Water District, hereinafter referred to as "PURCHASER".

WITNESSETH:

WHEREAS, Sharpsburg Water District desires an additional source of water supply; and

WHEREAS, City of Carlisle has the ability to deliver water to Sharpsburg Water District provided proposed upgrades of their existing system are completed, respectively;

NOW, THEREFORE, the parties do hereby mutually agree as follows:

A. The SELLER agrees:

1. (QUALITY and QUANTITY) To furnish the PURCHASER at a point of delivery hereinafter specified, during the term of this Contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Department for Human Resources in such quantity as may be required by the PURCHASER not to exceed one hundred thousand (100,000) gallons per day.
2. (CARLISLE SYSTEM IMPROVEMENTS) To supply water to the Sharpsburg Water District, the SELLER shall first meet the terms of Agreed Order 87222, complete construction of the raw water transmission line and pump station improvements; including application for and receipt of a revised Water Withdrawal Permit from the Division of Water incorporating the Agreed Order improvements. The SELLER shall supply certification to

the Division of Water that this work has been satisfactorily completed prior to delivery of water to the PURCHASER.

3. (POINT OF DELIVERY AND PRESSURE) That water will be furnished at a reasonably constant pressure calculated at fifty (50) p.s.i. from the proposed termination point and master meter of the to be constructed 8-inch transmission main supply line located at the intersection of State Highway 36 and the T.T.I. Railroad crossing. If a greater pressure than normally available at the point of delivery is required by the PURCHASER, the cost of providing such greater pressure shall be borne by the PURCHASER. Emergency failures of pressure or supply due to main supply line breaks, power failures, flood, drought, curtailment of draw, fire and use of water to fight fire, earthquake or other catastrophe, including periodic failure of pressure due to maintaining of the system by SELLER, shall excuse the SELLER from this provision for such reasonable period of time as may be necessary to restore service.

4. (METERING EQUIPMENT) To operate and maintain at its own expense to point of delivery, the 8-inch transmission line, the necessary metering equipment, including a meter house or pit, and required devices of standard type (all to be supplied and dedicated by the PURCHASER) for properly measuring the quantity of water delivered to the PURCHASER, and to calibrate such metering equipment whenever requested by the PURCHASER but not more frequently than once every twelve months. A meter registering not more than two

percent above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the Six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period in the year immediately prior to the failure, unless SELLER and PURCHASER shall agree upon a different amount. The metering equipment shall be read in accordance with SELLERS usual reading and billing schedule. An appropriate official of the PURCHASER at all reasonable times shall have access to the meter for the purpose of verifying its readings.

5. (SYSTEM IMPROVEMENTS) That the proposed 8-inch transmission line proposed to be constructed by PURCHASER from the SELLER'S existing 10-inch line on Oriole Street to the T.T.I. Railroad tracks is designed to benefit to SELLER'S system as well the system of the PURCHASER. Therefore, the SELLER agrees to pay the PURCHASER the actual cost difference between a 6-inch transmission line which would be necessary to supply water to the PURCHASER only, and an 8-inch transmission line which is necessary to mutually benefit both PURCHASER and SELLER, not to exceed Nine Thousand (\$9,000.00) Dollars, which fee is to represent the difference in cost of materials required to oversize the line.

6. (BILLING & STATEMENTS) To furnish the PURCHASER, in accordance with SELLER'S usual billing schedule, a monthly statement including the quantity of water furnished for the preceding billing month and the current amount due.

B. The PURCHASER agrees:

1. (UPGRADE OF SELLER'S SYSTEM) To construct an 8-inch transmission line ("the 8" Line") from the end of SELLER'S existing 10-inch line at Oriole Street near the SELLER'S existing 182,000 Gallon Tank to the T.T.I. Railroad Crossing of Route 36, including the construction of necessary metering equipment and facilities to be maintained and operated thereafter at the cost and expense of SELLER.

2. (METERING EQUIPMENT) To furnish and install one (1) dual turbine meter pit and connections to the SELLER'S system as set out in Paragraph A(3) above. Said meter vaults and metering equipment and connections ("the Equipment") shall follow good and normal engineering principles and said design and installation shall be approved by the SELLER and performed by the PURCHASER.

3. (DEDICATION) Upon completion, testing, and acceptance by the SELLER, "the 8" Line" and "the Equipment" shall become the property of the SELLER, which will operate and maintain same in accordance with Paragraph A(4) above.

4. (RATES AND PAYMENT DATE) To pay the SELLER, not later than ten (10) working days following billing by SELLER, for water delivered in accordance with the usual schedule of water rates as established from time

to time of ordinance of SELLER, currently per the following schedule of rates:

First 1,000 gallons @	\$6.00
Next 4,000 gallons @	1.60 per 1,000 gal.
Next 5,000 gallons @	1.55 per 1,000 gal.
Next 5,000 gallons @	1.30 per 1,000 gal.
Next 10,000 gallons @	1.20 per 1,000 gal.
Next 25,000 gallons @	1.00 per 1,000 gal.
All over 50,000 gallons @	.95 per 1,000 gal.

A penalty of ten (10) percent of the amount due will be assessed and paid on all bills not paid in full within ten (10) working days in accordance with ordinances of SELLER.

5. (CONNECTION FEE) If all connections are accomplished by PURCHASER, there shall be no connection fee due SELLER; if however, SELLER is required or requested to perform any connections PURCHASER shall pay SELLER the actual cost of materials required to make such connection.

C. It is further mutually agreed as between the SELLER and the PURCHASER as follows:

1. (CONDITIONS PRECEDENT) The parties mutually acknowledge that the construction of the 8-inch water transmission supply line and improvements and water distribution system improvements by the PURCHASER is proposed in anticipation of financing by a Community Development Block Grant and through the Farmers Home Administration, Department of Agriculture, and the provisions hereof are conditioned upon the approval of the appropriate administrators of the Block Grant and FmHA grant and loan programs. This Contract, in its entirety, is further specifically conditioned upon the

receipt of sufficient financing from said sources to enable PURCHASER to undertake and complete the proposed project according to terms imposed by the said financing agencies.

2. (TERM) That this Contract shall extend for a term of forty (40) years from the date of the initial delivery of water as shown by the first bill submitted by the SELLER and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the SELLER and the PURCHASER.

3. (DELIVERY OF WATER) That ten (10) days prior to the estimated date of completion of construction of the PURCHASER'S water distribution system improvements, the PURCHASER will notify the SELLER in writing of the date for the initial delivery of water.

4. (WATER FOR TESTING) When requested by the PURCHASER, the SELLER will make available to PURCHASER'S contractor at the point of deliver, or other point reasonably close thereto, water sufficient for testing, flushing and trench filling "the 8" Line" and "the Equipment" during construction, irrespective of whether the metering equipment has been installed at that time at a reasonable charge to be paid by the contractor, or, upon his failure to pay, by the PURCHASER.

5. (FAILURE TO DELIVER) That the SELLER will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the PURCHASER with the quantities of water required by the PURCHASER. Temporary or partial failures to supply water shall be remedied with all

possible dispatch. In the event of an extended shortage of water, or should the supply of water that is available to the SELLER be otherwise diminished over an extended period of time, the supply of water to PURCHASER shall be reduced or diminished in the same ratio or proportion as the supply to the SELLER'S other purchasers is reduced or diminished.

6. (MODIFICATION OF RATES) The rate charged PURCHASER by SELLER for potable water shall be in accordance with rates charged SELLER'S other customers as established from time to time by Ordinance of the City of Carlisle, Kentucky.

7. (REGULATORY AGENCIES) That this Contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this state and the PURCHASER and SELLER will collaborate in obtaining such permits, certifications, or the like, as may be required to comply therewith.

8. (PLEDGE AS SECURITY) This Contract is pledged to the United States of America, acting by and through the Farmers Home Administration (FmHA), as security for the loan made to the PURCHASER by FmHA.

9. (SUCCESSOR TO THE PURCHASER) That in the event of any occurrence rendering the PURCHASER incapable of performing under this Contract, any successor of the PURCHASER, whether the result of legal process, assignment, or otherwise shall succeed to the rights of the PURCHASER hereunder.

10. (CONFLICTS OF LAW) This Contract shall be

construed according to the laws of the Commonwealth of Kentucky.

11. (MODIFICATION) This Contract shall not be modified except in writing executed by both Parties hereto.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in six (6) counter parts, each of which shall constitute an original.

City of Carlisle, Kentucky
SELLER

BY: Lee Bentz
Lee Bentz, Mayor

ATTEST: Mary Tapp
Mary Tapp, City Clerk

Sharpsburg Water District
PURCHASER

BY: Mike Pryor
Mike Pryor, Chairman

ATTEST: Jan B. Barnes
Secretary

Approved as to form:

Henry Watson III
Henry Watson III, Attorney at Law
Counsel for City of Carlisle

Approved as to form:

Billy G. Hopkins
Billy G. Hopkins, Attorney at Law
109 Main Street
Carlisle, Kentucky
Counsel for Sharpsburg Water District

The Water Purchase Agreement dated November 13, 1989, by and between the City of Carlisle (SELLER) and Sharpsburg Water District (PURCHASER) is approved on the behalf of the Farmers Home Administration (FmHA) subject to no FmHA funds being used to pay for any project costs associated with the construction of the 8-inch transmission line and metering equipment (Paragraph B4) which will be dedicated to the City of Carlisle.

March 2, 1990
Date

BY: Robert W. Letton
ROBERT W. LETTON

TITLE: Chief, Community & Business Programs

RECEIVED

AUG 19 1994

P.S.C.
RATES & RESEARCH DIV.

WATER PURCHASE CONTRACT

RECEIVED

AUG 19 1994

PUBLIC SERVICE
COMMISSION

This contract for the sale and purchase of water is entered into as of the 25th day of January, 1993, between the City of Carlisle, Nicholas County, Kentucky, City Hall, 107 Chestnut Street, Carlisle, Kentucky 40311, hereinafter referred to as the "Seller" and the Nicholas County Water District, P.O. Box 304, Carlisle, Kentucky 40311, hereinafter referred to as the "Purchaser".

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

W I T N E S S E T H:

WHEREAS the Purchaser is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes for the purpose of constructing and operating a distribution system serving water users within the area described in plans now on file in the office of the Purchaser, and to accomplish this purpose the Purchaser requires for its existing system, and will require for an extension thereto, a supply of treated water; and

SEP 09 1994

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Jordan C. Noel
FOR THE PUBLIC SERVICE COMMISSION

WHEREAS, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the existing system and the extension thereto, respectively, now on file in the office of the Purchaser, and

WHEREAS, by Resolution No. 8 enacted on the 23^d day of DECEMBER, 1992, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said

Resolution was approved, and the execution of this contract carrying out the said Resolution by the Mayor, and attested by the City Clerk, was duly authorized, and

WHEREAS, by Resolution of the Nicholas Co. Water District of the Purchaser, enacted on the 21ST day of January, 1993, the purchase of water from the Seller in accordance with the terms set forth in the said resolution was approved, and the execution of this contract by the Chairman, and attested by the Secretary was duly authorized;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

It is the intent of the parties hereto that this Agreement shall supercede and replace all prior Agreements of the parties for the sale of water from City of Carlisle to Nicholas County Water District, and all sales after the effective date hereof shall be governed by the terms and conditions herein, as they may be modified from time to time by City Ordinances relating to rates for Outside City Customers, or by mutual written agreement.

A. The Seller Agrees:

1. Quality and Quantity. To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Division of Water Quality in such quantity as may be required by the Purchaser not to exceed Four Million (4,000,000) gallons of Kentucky water per month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1994

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

2. Points of Delivery and Pressure. That water will be furnished at a reasonably constant pressure, from existing main supplies, at points located, through meters sized, as follows:

A. From a tap on the north side of Kentucky Highway #36 across from the Deposit Bank, from a four (4") inch supply main, through a two (2") inch meter, at plus or minus (+/-) fifty-five (55) PSI.

B. From a tap on the north side of Kentucky Highway #36 on the County Barn property, from a four (4") inch supply main, through a four (4") inch compound meter, at plus or minus (+/-) seventy-five (75) PSI.

C. From a tap on the south side of Kentucky Highway #32 in the Henryville neighborhood, east of Laytart's Store, from a ten (10") inch supply main, through a six (6") inch meter, at plus or minus (+/-) thirty-two (32) PSI.

D. From a tap at the end of High Street, on the property of Billy Mack Gaunce, from a four (4") inch supply main, through a two (2") inch turbine meter, at plus or minus (+/-) forty-eight (48) PSI.

E. From a tap on the west side of Dorsey Road, serving the Concord Road area, from a four (4") inch supply main, through a two (2") turbine meter, at plus or minus (+/-) fifty-six (56) PSI.

F. From a tap on the west side of Kentucky Highway #32 "Old Paris Pike", next to the Reno Runck farm, from a ten (10") inch supply main, which tap shall be ten (10") inches by six (6") inches, and which meter shall be four (4") inches minimum to six

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Charles B. Noel
COMMISSION

(6") inches maximum, at plus or minus (+/-) seventy-five (75) PSI.

If a greater pressure than that normally available at the points of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. Billing Procedure. To furnish the Purchaser at the above address not later than the 10th day of each month, (or the first working day thereafter), with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1994

B. The Purchaser Agrees:

1. Metering Equipment. To furnish and install meter pit and connection for its extension to system, at its own expense at the new point of delivery in 2.F. above, including any required meter house or pit, and required devices of a standard type, which shall follow good and normal engineering principles, and which said design and installation shall be approved by the Seller and the Seller's engineer and performed by the Purchaser.

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Jason C. Neal
FOR THE SELLER'S ENGINEER

2. Operation and maintenance. Upon completion, testing, and acceptance by the Seller, Purchaser is to operate and maintain at its own expense, all necessary connections, from the

tapping valve and line, and metering equipment, including meter houses and pits, for properly measuring the quantity of water delivered to the Purchaser, at all points of delivery and to calibrate such metering equipment whenever requested by the Seller but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read by the last of the month. An appropriate official of the Seller at all reasonable times shall have access to the meter for the purpose of verifying its readings.

3. Outside City Rates and Payment Date. To pay the Seller, not later than than ten (10) working days following billing by Seller, for water delivered in accordance with the City of Carlisle Water rates for Outside City Users as established from time to time by Ordinance in the Code of Ordinances of the City, currently per the following schedule of rates:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jonathan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

Outside City

SEP 09 1994

First 1,000 gallons	\$7.80
Next 4,000 gallons	2.08
Next 5,000 gallons	2.02
Next 5,000 gallons	1.69
Next 10,000 gallons	1.56
Next 25,000 gallons	1.30
All over 50,000 gallons	1.24
Industrial rate	1.30

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Jordan C. Neal
All rates per
1,000 gallons

A penalty of ten (10%) percent of the amount due will be assessed and paid on all bills not paid in full within ten (10) working days in accordance with Ordinances of Seller.

4. Connection Fee. No connection fee will need to be paid if the Water District or its contractors install all meter equipment and other needed materials and make all water main taps. If the City does any work for the Water District, it will be reimbursed at an agreed cost of labor and materials furnished.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. Term of Contract. That this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. Delivery of Water. That thirty (30) days prior to the estimated date of completion of construction of the extension to Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. Water for Testing. When requested by the Purchaser the Seller will make available to Purchaser's contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system extension of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge per one thousand (1,000) gallons at the then current over fifty (50,000) thousand gallons rate for Outside City Users, which will be paid by the contractor or, for Outside PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE failure to pay, by the Purchaser.

4. Failure to Deliver. That the Seller will, at all times, operate and maintain its system in an efficient manner will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished as set forth in the City of Carlisle Code of Ordinances.

5. Modification of Contract. That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification in accordance with the City of Carlisle Water Rates, as established from time to time by Ordinance of the City in its Code of Ordinances. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of production of

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1994

PURSUANT TO 807 KAR 5:011,
SECTION 8(1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

finished water by Seller, which may include increased capitalization of the Seller's system based on improvements benefiting Purchaser. Other provisions of the contract may be modified or altered by mutual agreement.

6. Regulatory Agencies. That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. Miscellaneous. That the extension of its water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser regarding the extension to its system are conditioned upon the approval, in writing, of the State Director of the Farmers Administration. PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

8. Successor to the Purchaser. That in the event of any occurrence rendering the Purchaser incapable of performing this contract, any successor of the Purchaser, whether by legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder. SEP 09 1994
PURSUANT TO 807 KAR 5.011,
SECTION 10
BY: Jordan C. Neal
FOR THE PURCHASER

9. Conflicts of Law. This contract shall be construed in accordance with the laws of the Commonwealth of Kentucky.

10. Modification. Except as to rates for water provided as set forth in Paragraph C. 5. above, this Contract shall not

modified except in writing executed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in four (4) counterparts, each of which shall constitute an original.

Seller: City of Carlisle

Frankie Hughes

By: Frankie Hughes
Title: Mayor

Attest:

Mary Tapp
Mary Tapp
City Clerk

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

Purchaser: Nicholas County Water
District

Garvey Curtsinger

By: Garvey Curtsinger
Title: Chairman

Attest:

Paula J Hunter

This contract is approved on behalf of the Farmers Home Administration this the 22nd day of FEBRUARY, 1993.

Jimmy H. Hall
By: JIMMY H. HALL
Title: COMMUNITY AND BUSINESS PROGRAMS SPECIALIST

FOR Nicholas County WD & Sharpsburg WD
Area Served

P.S.C. KY. NO. 1

Original SHEET NO. 1

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

SHEET NO. _____

City of Carlisle
(Name of Municipal Utility)

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

Nicholas County Water District & Sharpsburg Water District

First	1,000	gallons	\$11.21	Minimum Bill
Next	4,000	gallons	3.82	per 1,000 gallons
Next	5,000	gallons	2.95	per 1,000 gallons
Next	5,000	gallons	2.05	per 1,000 gallons
Next	10,000	gallons	1.90	per 1,000 gallons
Next	25,000	gallons	1.58	per 1,000 gallons
Over	50,000	gallons	1.52	per 1,000 gallons



DATE OF ISSUE February 21, 2019
Month / Date / Year

DATE EFFECTIVE July 1, 2003
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE Mayor

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

