

Nicholas County Water District

1639 Old Paris Road

Carlisle, KY 40311

859-289-3157

August 2, 2021

Mr. Ronnie Clark, Mayor
City of Carlisle
Carlisle, Kentucky 40311

Re: Water Rate Adjustment

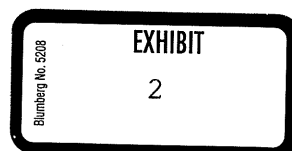
Dear Mayor Clark:

At the Nicholas County Water District's most recent Board Meeting held on July 27, 2021 the Board discussed the City's request to increase the wholesale rate of potable water to the District to \$2.02 per 1,000 gallons purchased. The Board has agreed to the requested rate increase and recognizes the need for the City to increase the rate.

Furthermore, the Board was encouraged by your and the City's commitment to help the District to meet its potable water needs both in the short and long term. As the District's customer base has continued to increase over the years the demand for potable water has continued to increase as well.

The District has prepared a simple one page Agreement that would serve as an amendment to the current Water Purchase Contract between the City and the District. This Agreement details the agreed upon increase of \$2.02 per 1,000 gallons purchased. Additionally, we have included a provision allowing for the maximum gallons to be purchased to be increased from four (4) million gallons to eight (8) million gallons per month. Since NCWD is in the process of securing funding from Rural Development for a capital improvements project, RD will require forty (40) years added to the amendment to match the years of the new loan. All other components of the original contract would remain in effect.

Additionally, as the District is regulated by the Kentucky Public Service Commission (PSC) and by extension the execution of any adjustment to wholesale water rates between a municipality and water district is subject to review and approval by the PSC, therefore there will be a process of public notices, etc. in order to be compliant with the PSC. We look forward to further discussions with the City in establishing the procedures we both will need to undertake to obtain PSC approval of the modifications.



The Board is appreciative of you taking time from your busy schedule to discuss our water situation. We look forward to a continued relationship with the City that will serve all citizens of Nicholas County.

Sincerely,

A handwritten signature in black ink, appearing to read "Silas Cleaver", is written over a solid horizontal line.

Silas Cleaver
Chairman

c: File