

**PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND WATER ASSOCIATIONS  
(807 KAR 5:068)**

Name of Utility	Muhlenberg County Water District #3	
Date	July 18, 2022	
Address	4815 Main Street	
City, State, Zip	Bremen, KY	42325
Telephone Number	270 525 6333	
Email Address	cindy@muhlenbergwater.com	

**1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.**

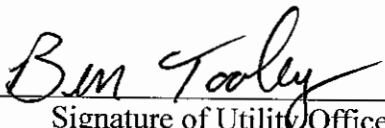
Supplier(s)	Base Rate	Changed Rate
Central City	\$3.31	\$3.81

**1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A**

**2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).**

From	June 2021	through	May 2022
	(month and year)		(month and year)

**3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.**

Supplier(s)	Gallons Purchased during 12 month period
Central City	139,751,000
<b>TOTAL PURCHASES</b>	139,751,000
4. Total gallons sold for the 12 month period	112,810,700
5. Increased water cost	112,810.70
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit B</p>	
6. Purchased water adjustment factor	\$.62
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	August 31, 2022
 Signature of Utility Officer	
General Manager Title	

# Exhibit A

***CITY OF CENTRAL CITY***

214 North First Street  
Central City, KY 42330

Tony Armour, Mayor

Telephone 270-754-5097  
FAX 270-754-5745

Dennis N. Winters, City Attorney

June 14, 2022

Muhlenberg County Water District No. 3  
P. O. Box 67  
Bremen, KY 42325

**Via Certified Mail**


Dear Sir/Madam:

Enclosed you will find copies of the formal notice for requested rate changes for treated water and accompanying tariff sheet. You have previously, on June 7, 2022, received informal notice per our agreement, of said requested rate increases..

If you have any questions or need further information, please feel free to contact me.

Sincerely,

City of Central City



David Rhoades  
City Administrator

AREA \_\_\_\_\_

PSC KY NO. \_\_\_\_\_

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

**Municipal Water & Sewer System**

(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

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

**MONTHLY WHOLESALE WATER RATES:**

Muhlenberg County Water District  
Muhlenberg County Water District No. 3

\$3.81 per 1,000 Gallons  
\$3.81 per 1,000 Gallons

DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

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

## NOTICE

The City of Central City ("Central City") is providing notice that it plans to file with the Public Service Commission, on or before June 30, 2022, to increase its wholesale rate to the Muhlenberg County Water District effective for water service on and after August 31, 2022. The proposed rates are as follows:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>%Difference</u>
\$3.31 per 1,000 gallons	\$3.81 per 1,000 gallons	\$0.50 per 1,000 gallons	15.0% Increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the new rates.

In accordance with Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 60-day notice given to both the Commission and Muhlenberg County Water District.

This filing may be examined at the offices of the City of Central City located at 214 N. First Street, Central City, Kentucky. Please contact David Rhoades, City Administrator, at 270-754-3066 regarding any questions related to the proposed rates.

The filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday – Friday from 8:00 a.m. – 4:30 p.m. or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 815, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by the City of Central City in its filing but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

# Exhibit B

	New Rate	Base Rate
Central City		
Purchase in gallons	139,751,800	139,751,800
Volumetric Rate	3.81	3.31
Totals	\$ 532,454	\$ 462,578

Increased Water Cost \$ 69,876

Increased Water Cost \$ 69,876

Divided by gals. sold/1,000 112,810.7

Purchased Water Adj. Factor \$ 0.619

or \$.62 per 1,000 Gallons



# Exhibit C

<u>Current Rates</u>			<u>Proposed Rates</u>				
<u>Minimum Bills Based on Meter Size</u>			<u>Minimum Bills Based on Meter Size</u>				
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Dollar Increase	Percent Increase
All Meters	2,000	\$ 24.15	All Meters	2,000	\$ 25.39	\$ 1.24	5.13
<u>Rates for Water Usage in Addition to Minimum</u>			<u>Rates for Water Usage in Addition to Minimum</u>				
		Charge per 1,000			Charge per 1,000		
No. of Gallons per Month		gals.	No. of Gallons per Month		gals.		
First 2,000 Gallons (lump sum)	\$	24.15	First 2,000 Gallons (lump sum)	\$	25.39	1.24	5.13
Next 8,000 Gallons		7.76	Next 8,000 Gallons		8.38	0.62	7.99
Next 10,000 Gallons		7.39	Next 10,000 Gallons		8.01	0.62	8.39
Next 30,000 Gallons		6.92	Next 30,000 Gallons		7.54	0.62	8.96
Over 50,000 Gallons		6.57	Over 50,000 Gallons		7.19	0.62	9.44
<u>Wholesale Water Rate</u>			<u>Wholesale Water Rate</u>				
All Customers		3.86	All Customers		4.48	0.62	16.06

# Exhibit D

**RESOLUTION NO. 2022-07-18**

**A RESOLUTION OF MUHLENBERG COUNTY  
WATER DISTRICT #3 ADJUSTING ITS WATER  
RATES TO OFFSET THE CENTRAL CITY  
MUNICIPAL WATER AND SEWER SYSTEM'S  
WHOLESALE RATE INCREASE**

**WHEREAS**, the Central City Municipal and Sewer System ("Central City") supplies potable water to Muhlenberg County Water District #3("District") on a wholesale basis;

**WHEREAS**, on June 16, 2022, Central City sent notice to Muhlenberg County Water District that it plans to file notice with Kentucky Public Service Commission ("PSC") seeking to increase the wholesale water rate that Central City charges the District from \$3.31 to \$3.81 per 1,000 gallons on August 31, 2022

**WHEREAS**, it is anticipated that the Central City will file its notice with the PSC and that the new wholesale rate will become effective on or about August 31, 2022.

**WHEREAS**, based upon the water purchases from Central City during the previous 12 months, the estimated annual increased cost to the District will be **\$112,810.70;**

**WHEREAS**, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with Central City's wholesale rate increase; and

**WHEREAS**, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with Central City's wholesale rate increase via a Purchased Water Adjustment ("PWA");

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF MUHLENBERG COUNTY WATER DISTRICT #3 DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** The PWA factor is **\$.62** per 1,000 gallons;

**Section 3.** All tiers of water usage and the wholesale water rate set forth in the District's existing tariff shall be increased by **\$.62** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

**Section 4.** The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a

part of this Resolution. The rates set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates shall be in effect for all water service rendered on and after the effective date of Central City's wholesale rate increase.

**Section 5.** The Chairman and the General Manager are hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

**Section 6.** The Chairman, General Manager, and all appropriate District Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.


**Section 7.** This Resolution shall take effect upon its adoption.

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**ADOPTED BY THE BOARD OF COMMISSIONERS OF  
MUHLENBERG COUNTY WATER DISTRICT #3** at a meeting held on  
July 18, 2022, signed by the Chairman, and attested by the Secretary.

ATTEST:

  
**DON GARRETT, CHAIRMAN**

  
**DOUG ANDERSON, SECRETARY**

**CERTIFICATION**

I, Doug Anderson, Secretary of Muhlenberg County Water District #3 (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of Commissioners of the District at a meeting properly held on July 18, 2022, signed by the Chairman of the Board of Commissioners, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 18<sup>th</sup> day of July 2022.

  
**DOUG ANDERSON, SECRETARY**