

THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY
BEFORE IN THE MATTER OF: ELECTRONIC INVESTIGATION
INTO THE CITY OF ALBANY FOR ALLEGED
ASSESSMENT OF AN UNAPPROVED RATE FOR
CUMBERLAND COUNTY WATER DISTRICT
CASE NO.: 2025-00390

**SUPPLEMENTAL RESPONSE AND
AFFIDAVIT OF JAMES BRAY,
MAYOR OF CITY OF ALBANY**

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**SUPPLEMENTAL RESPONSE AND AFFIDAVIT OF
JAMES BRAY, MAYOR OF CITY OF ALBANY**

That in order to supplement the response for City of Albany Municipal Water Works, comes the Affiant, James Bray, Mayor of City of Albany, and after first being duly sworn, states and declares as follows:

1. That I am the mayor of the City of Albany, Kentucky.
2. That I have held this position since January, 2024. I was appointed mayor upon resignation of the former mayor Steve Lawson.
3. That City of Albany does not have a current water study. However, I have requested an estimate of the cost to produce water which I hereby tender as part of my statement.
4. According to that estimate which was prepared by Commonwealth Engineers, Inc., the cost to produce is \$2.38 per thousand gallons.
5. Said figure is more that the previous tariff of \$2.10 filed with the PFC on October 15, 2009. Therefore, the City of Albany is losing money by selling water to Cumberland Water District at the old rate.
6. That our rates increased by city ordinance prior to my administration and continued until the PSC investigation. That it was determined that the prior contract between City of Albany and Cumberland Water District was void as it exceeded the duration of 20 years. Nevertheless, said contract contain the following language which provided for modifications:

(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 at the end of every one (1) year. Any

increase or decrease in rates shall be based on a demonstrateable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement."

7. At no time did the Cumberland Water District complain that any cost increase by the City of Albany were unreasonable or in violation of the contract that both parties recognized at that time.

8. I hereby assert that Cumberland Water District has suffered no financial hardship as the rates charged have been reasonable. Our new tariff filing is for \$2.92 per thousand gallons pursuant to our tariff filing currently under review.

9. Also, under paragraph 6 of the contract the purchaser, being Cumberland Water District, was an obligation to comply with any tariff filings as they are regulated by the PSC, unlike the City of Albany which is an unregulated municipal water company. As stated in the contract: "Regulatory Agencies". "That this contract is subject to such rules, regulations, or laws which may applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, or may be required to comply there with."

10. Therefore, the Cumberland Water District has a joint responsibility for any violations of PSC rules, regulations, or KRS statutes in this matter.

11. That the failure of the City of Albany to file a new tariff reflecting its current charges was an administrative oversight, not an intentional error. The city has not charged an unreasonable rate and has filed a new tariff in order to correct past failures.

12. That paying the Cumberland Water District any overages with result in financial hardship to City of Albany by requiring it to sell water at less than cost. That I have prepared a list of Cumberland County monthly rates based upon information I have received which shows that the Cumberland Water District has profited by obtaining water from City of Albany.

13. That the City of Albany agrees to refund to Cumberland Water District any taxes which were charged in error.

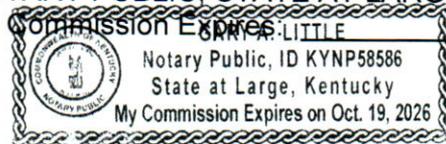
14. That Cumberland Water District has requested and obtained water rate increases in the past. They may have referred to charges by the City of Albany for water which was in excess of the published tariff. No one at that time raise the issue of the City of Albany's rate charged for water.

Further the Affiant saith naught.

This the 10th day of February, 2026.


JAMES BRAY, MAYOR OF CITY OF ALBANY

Subscribed, sworn, and acknowledged to before me by JAMES BRAY, MAYOR OF CITY OF ALBANY, on this the 10th day of February, 2026.


NOTARY PUBLIC, STATE AT LARGE
My Commission Expires: LITTLE


THIS INSTRUMENT PREPARED BY:


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